

Minister
of National Defence



Ministre
de la Défense nationale

Ottawa, Canada K1A 0K2

JAN 30 2017

The Honourable Kevin Sorenson
Chair
Standing Committee on Public Accounts
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Sorenson,

Pursuant to Standing Order 109 of the House of Commons, I am pleased to present the official Government Response to the Standing Committee on Public Accounts Report entitled: *Report 5, Canadian Army Reserve, of the Spring 2016 Reports of the Auditor General of Canada*, tabled in the House of Commons on 3 October 2016.

I thank you for your report and your interest in the Army Reserve. The Government is committed to ensuring that the Army Reserve is well organized, trained and equipped to support the Canadian Army in achieving its roles and missions. The Government accepts all thirteen of the Committee's recommendations and will provide the Committee with the requested reports by the deadlines included in the recommendations.

In response to the first part of Recommendation 2, which requests an interim report on the Canadian Army's progress in meeting the first three milestones included in the action plan in relation to addressing equipment shortages, I would like to inform the Committee that the Army has begun a fulsome review to identify equipment deficiencies in Reserve Units. The gaps identified are in transportation, communications and basic soldier equipment for training. A number of steps have already been taken to address these immediate concerns. For example, using an existing standing offer, 80 sport utility vehicles were purchased and distributed to the 10 Territorial Battalion Groups, in August 2016, to augment the capability of the Reserve Force for domestic operations. In addition, a request for proposals was issued in July 2016 to purchase dismounted radios, which are scheduled to be delivered in the next 18 to 24 months. The Army has also identified the need to increase the physical fitness of all Army members and will introduce a new training program, FORCE COMBAT, which will include the delivery of fragmentary vests, ballistic plates, and weights to simulate ammunition loads to ensure that all soldiers, Regular and Reserve, have the right equipment to train.

The Army has also begun the building of the Military Command Software (Equipment) establishment for the Reserve Force. Once the establishment is built, the Army will procure and properly inventory the necessary equipment so that equipment can be easily accessible for training and deployment, when required.

In response to Recommendation 4, I would like to note that, currently, there are 123 Reserve units that are located in 117 communities across Canada. The size of the Army Reserve (approximately 29,000 positions) has been historically calculated based upon a standard size for all Army Reserve units, which were established in key communities and cities across Canada over the last two hundred years. However, many of these communities have changed in population size and/or the economic capacity to provide full-time civilian employment leading to challenges in sustaining a robust Reserve unit in a particular location. Therefore, some units are not filled at their maximum capacity.

The current methodology to determine the size of the Army Reserve is based on a financial assessment of how many people can be employed on a part-time and full-time basis with the resources assigned. The full-time assignment is relatively simple as it is a calculation of a daily rate of pay multiplied by 365 days. The part-time number is based on an average number of days that the part-time member is expected to work in a given year. While this number of days varies between the Navy, Army and the Air Force Reserves, the general assumption used by the Army Reserve is one night a week and one weekend a month minus those days where parading is minimized due to holidays (December, July and August), plus an additional seven days per year for collective training, generally during summer. Therefore, the Army funding model uses an average number of days per year (37.5).

Based on the current funding level for the Army Reserve, its size is estimated at 20,971 members (number of funded positions), which is based on the affordability of 19,471 part-time and 1,500 full-time. As of September 2016, the actual strength of the Army Reserve is 18,540 members, which represents the number of Reservists currently serving in the Army across Canada, including those who are fully trained (12,989), undergoing training (4,126), and in transition to release (1,425). An additional 2,410 Army Reserve members are employed elsewhere across the CAF primarily but not exclusively in Health Services, and are funded by the CAF organizations employing them.

The Army is in the process of replacing this financial model with a model based on outcomes, so that resources are assigned to Army Reserve units based on the tasks that they are expected to perform as well as the demographics of communities across Canada, to better reflect the diversity of Canadian society. As such, the Army Reserve model will allow transitioning from a uniform size of all Reserve units to a customized size of units, which will better indicate the overall required size of the Army Reserve. This new model is expected to be introduced in April 2017.

I should also note that as part of the Defence Policy Review, National Defence is examining measures to transform Canada's Reserve Force and enhance its operational effectiveness to its fullest potential. The new Defence Policy will be published in 2017.

I would like to thank you and other Members of the Committee for your ongoing support to ensuring that the Army Reserve soldiers are properly enabled to effectively fulfill their roles and that they get the respect they deserve for their contribution to the defence and security of Canada.

Sincerely,



The Honourable Harjit S. Sajjan, PC, OMM, CD, MP

CC:

Michel Marcotte

Clerk, Standing Committee on Public Accounts