

## GOVERNMENT RESPONSE

### **GOVERNMENT RESPONSE TO THE REPORT OF THE STANDING COMMITTEE ON NATIONAL DEFENCE ENTITLED: *AN INTERIM REPORT ON THE DEFENCE OF CANADA IN A RAPIDLY CHANGING THREAT ENVIRONMENT***

#### **Introduction**

The Government of Canada has considered the interim report of the Standing Committee on National Defence and thanks its members for their study and their recommendations.

The Government of Canada welcomes the recommendations made in this interim report and also welcomes future recommendations expected as part of the Committee's final report on this issue.

The majority of the Committee's recommendations align with work already being undertaken by the Government as well as new initiatives recently announced in Budget 2022. This includes current and planned efforts to invest in defence equipment, technology, and infrastructure, including in the North; support culture change in the Canadian Armed Forces (CAF); recruit and retain CAF members; and enhance Canada's cyber security. Furthermore, while Canada's current defence policy *Strong, Secure, Engaged* provides a solid foundation to enable the CAF to respond and adapt to a rapidly changing threat environment, Canada will review and update this policy to ensure that it remains relevant for the years to come. As part of this work, the Government will continue to carefully consider the recommendations of the Committee laid out in this interim report.

**Recommendation 1: That, in light of the current situation in Ukraine and rising tensions between the North Atlantic Treaty Organization and Russia, the Government of Canada increase annual defence spending to meet the 2% of gross domestic product commitment agreed to by NATO members in 2014.**

The Government of Canada agrees to continue to move towards the 2% of gross domestic product (GDP) guideline for defence spending, consistent with its commitment as a member of the North Atlantic Treaty Organization (NATO), and as reiterated at the 2022 Summit.

Canada remains unwavering in its commitment to the NATO Alliance. Through *Strong, Secure, Engaged*, the Government committed to increasing defence spending by 70% over ten years. Since then, it has taken important steps to procure critical capabilities such as fighter jets and Arctic and Offshore Patrol Ships, among others. The Government continues to make significant investments to move towards the 2% objective. Budget 2022 allocated \$6.1 billion (on an accrual basis) over five years to the Department of National Defence (DND) to fund defence priorities, including continental defence, commitments to our allies, and investments in equipment and technology to immediately increase the capabilities of the CAF. On June 20<sup>th</sup>, 2022, the Government committed to investing a total of \$38.6 billion (accrual) over the next

twenty years in continental defence and modernization of the North American Aerospace Defense Command (NORAD). Funding was also provided to other defence partners such as the Communications Security Establishment (CSE) to address the evolving cyber threat landscape.

The Government of Canada remains committed to further increases to defence spending as the fiscal context permits. At the same time, Canada is increasing its contributions to NATO in crucial areas, including by contributing to NATO's deterrence and defence measures in Europe by surging additional military capabilities and personnel to NATO's Eastern Flank, in the aftermath of Russia's unjustifiable and illegal invasion of Ukraine. At the June 2022 NATO Summit, Canada signed a joint declaration with Latvia and announced it would maintain its leadership role and augment its contribution to NATO's enhanced Forward Presence in Latvia.

Canada also contributes to various NATO initiatives to address future threats and challenges affecting transatlantic security. In June 2022, the Prime Minister announced that Canada would host NATO's Climate Change and Security Center of Excellence in Montreal. The Center of Excellence will be a platform through which both military actors and civilians will develop, enhance, and share knowledge on climate change security impacts. In addition, the Prime Minister announced Canada's intention to host NATO's North American Regional Office of the Defence Innovation Accelerator for the North Atlantic (DIANA). DIANA will comprise a network of innovation hubs, with technology accelerator sites and test centres across Europe and North America to foster and protect innovation.

**Recommendation 2: That, in concert with increasing the amount allocated to defence spending, the Government of Canada undertake a review of the current defence policy and undertake more frequent defence policy reviews, at a minimum every four years, to ensure that Canada and the Canadian Armed Forces make the right decisions, invest in the right capabilities, and remain ready to address existing and future threats, as well as rapid changes in the global security environment.**

The Government of Canada partially agrees with the recommendation.

The world has evolved significantly since the release of Canada's defence policy, *Strong, Secure, Engaged*, in 2017. Recognizing this, in Budget 2022, the Government of Canada committed to expeditiously review Canada's defence policy and update it to reinforce Canada's defences in a world that has become less secure and less predictable. This update, the work for which is already underway, will be vital to ensuring that DND/CAF has the necessary direction, resources, and future-ready capabilities to adapt to an increasingly dynamic and complex operating environment. The defence policy update will build on *Strong, Secure, Engaged* – which will remain the foundation for how the CAF are supported and equipped to protect Canadians and Canadian interests – ensuring that we are strong at home, secure in North America, and engaged in the world. As part of the defence policy update, the Department will consider the possibility of future regular updates.

Furthermore, DND/CAF, and other defence partners such as CSE, regularly review how they

anticipate, adapt to and respond to the evolving security environment. This is done through a variety of mechanisms, including mission reviews, threat assessments, and engagements with Cabinet on the authorities and mandates for military operations or new investments, among others. The Government of Canada also values independent, external review of their activities and remains committed to a positive and ongoing dialogue with the National Security and Intelligence Committee of Parliamentarians (NSICOP), the National Security and Intelligence Review Agency (NSIRA), and other review bodies. This process is also informed by interdepartmental consultations, bilateral engagements, internal studies and consultations with experts such as through the Mobilizing Insights in Defence and Security Program. For example, DND/CAF, in concert with partner organizations, conducted a thorough analysis of the security environment to inform the investments announced by the Minister of National Defence in June 2022 to modernize NORAD.

**Recommendation 3: That the Government of Canada consider the establishment of a long-term military presence in Europe as a contribution to the North Atlantic Treaty Organization's defence and deterrence measures against Russia.**

The Government of Canada agrees with the recommendation and is committed to continuing to contribute to strengthening NATO's deterrence and defence posture, including against Russia. The defence policy update, to be published in fall 2022, will set out the investments required to further enable Canada to defend itself against, respond, and contribute to collective deterrence and defence measures against Russia.

During the 2022 NATO Summit, Canada announced that it will bolster its military deployment to NATO's enhanced Forward Presence Battle Group Latvia (eFP BG Latvia) as part of Canada's contributions to NATO's assurance and deterrence measures in Europe. eFP BG Latvia is one of NATO's eight multinational battle groups in the Eastern part of the Alliance serving as first line of defence against further Russian aggression and demonstrating the strength of the transatlantic bond. Augmenting eFP BG Latvia would include scaling it up to a multinational brigade-group when required, for example in the event of a crisis. Canada is leading a planning process with Allies to identify troops which could contribute to a combat-capable brigade in Latvia. A brigade-group could include additional Canadian contributions, such as additional military capabilities, equipment, ammunition and supplies, rapid reinforcement from Canada, collaboration with Allies to augment their contributions, or some combination of these approaches.

Furthermore, DND/CAF is also developing options for the longer-term renewal of Operation REASSURANCE (which is currently set to expire on 31 March 2023), Canada's mission in support of NATO assurance and deterrence measures in Central and Eastern Europe, and Canada's largest current international military operation. In addition to leading eFP BG Latvia, Operation REASSURANCE includes other joint contributions to the Alliance assurance and deterrence measures, including air and maritime contributions.

**Recommendation 4: That the Government of Canada continue to increase military aid to**

**Ukraine by providing additional lethal and non-lethal military equipment. The Government should also consider providing other forms of military assistance, as well as humanitarian aid.**

The Government of Canada agrees to continue providing assistance to Ukraine, including military assistance and critical intelligence to support Ukraine in defending itself against Russia's illegal and unjustifiable invasion, and humanitarian assistance to respond to the needs of people affected by the situation.

Together with its allies, Canada continues to provide training and equipment to the Ukrainian Armed Forces as it has been doing for the past eight years. Canada and its allies are in constant contact with the Government of Ukraine and the Ukrainian Armed Forces to coordinate financial, materiel, training and other assistance, and to determine how Canada can do more to meet Ukraine's needs.

Canada has committed or delivered over \$601 million in military assistance to Ukraine. To date, the following donations have been made: satellite imagery, small arms, four M777 artillery guns, 56 drone cameras from L3 Wescam, de-mining equipment, and 155mm ammunition. Canada will also supply Ukraine with 39 Armoured Combat Support Vehicles, including in-service support.

Canada is also providing training to the Ukrainian Armed Forces as part of Operation UNIFIER. Since the start of the operation, the CAF has trained 33,000 members of the Ukrainian Armed Forces. This training includes basic training and training on the use of M777 artillery guns. This training, in addition to the equipment donated, will help the Ukrainian Armed Forces improve as well as build their capability and capacity to repel the Russian invasion.

CSE has also supported Canada's response to Russia's illegal invasion of Ukraine by using its sophisticated cyber capabilities within its mandate. Before, and throughout the invasion, CSE's Canadian Centre for Cyber Security continues to track cyber threat activity associated with Russia's invasion and to share cyber threat information, such as intelligence and cyber security support, with key partners in Ukraine. In cooperation with CSE, the CAF has also used its experience in conducting defensive cyber operations to assist key NATO Allies and Ukraine with the protection of critical networks, and to enable them to respond to identified threats appropriately.

In addition, separate from military assistance, Canada has committed \$320 million in humanitarian assistance to support Ukraine. With this contribution, our partners will provide emergency health services, protection, support to displaced populations, and essential life-saving services such as shelter, water and sanitation, and food. Canada also continues to provide development assistance.

In total, including the military and non-military measures included in Budget 2022, Canada has announced more than \$1.2 billion in direct contributions in support of Ukraine and its people in 2022, in addition to an offer of up to \$1.6 billion in loan support for the Ukrainian government.

The Government of Canada remains committed to the people of Ukraine, and continues to analyze options to work with Allies and provide further aid to support Ukraine's sovereignty and security in effective and meaningful ways.

**Recommendation 5: That the Government of Canada continue to invest in modernization of the North American Aerospace Defense Command. As well, on an expeditious basis, the Government should make investments designed to replace the North Warning System.**

The Government of Canada agrees with the recommendation.

In the context of a rapidly changing threat environment, increased impacts of climate change, and military modernization by Canada's competitors, there is a pressing need to modernize Canada's NORAD capabilities. For this reason, the Government of Canada announced, in June 2022, a total funding of \$38.6 billion (on an accrual basis) over twenty years for Canada's continental defence capabilities, including to modernize NORAD. This is the most significant upgrade to Canadian NORAD capabilities in almost four decades.

This investment builds on the U.S-Canada Joint Statement on NORAD Modernization signed in 2021. It is also aligned with the priorities of Arctic and Northern partners, including those expressed in Canada's Arctic and Northern Policy Framework, which was co-developed between the federal government, Indigenous peoples, Inuit, First Nations and Métis, and six territorial and provincial governments. As recently as March 2, 2022, territorial Premiers wrote to the Prime Minister voicing their concern with Arctic safety and security in light of Russia's invasion of Ukraine.

As part of its plan to modernize NORAD, the Government of Canada is investing in new technological solutions to enhance our situational awareness, including of our Northern approaches, and ultimately replace the capabilities currently provided by the North Warning System.

In the meantime, the Government of Canada awarded a contract to Nasittuq Corporation, an Inuit-owned company, to operate and maintain the North Warning System until the new replacement capabilities are ready. This contract, awarded in January 2022, is for an initial period of seven years, and is valued at \$592 million. The contract also includes renewal options beyond the initial seven years, for an additional eight years at an estimated value of \$1.3 billion.

**Recommendation 6: That the Government of Canada enhance Canada's Arctic and maritime domain awareness by investing in research and development and acquisition of advanced and innovative surveillance technologies. The focus of these efforts could include drones, satellites and other space-based assets, surface and underwater sensors, underwater autonomous vehicles and modern ground-based radar systems. The Government of Canada procure the capabilities that the Canadian Armed Forces needs to ensure Canada's security, sovereignty, and multi-domain awareness in the Arctic and in all of its maritime approaches.**

The Government of Canada agrees with the recommendation.

*Strong, Secure, Engaged* committed to improving Canada's aerospace and maritime domain awareness, including by investing in 15 Canadian Surface Combatant ships and acquiring five to six Arctic and Offshore Patrol Ships. The Canadian Surface Combatant project is the largest and most complex shipbuilding initiative in Canada since World War II, and will form the core of Canada's maritime combat power. The Arctic and Offshore Patrol Ships, for their part, will conduct armed sea-borne surveillance in Canada's waters, including in the Arctic, as well as other expeditionary operations.

In addition, since 2021, the Government of Canada has made key investments to bolster research and development, including on innovative surveillance technologies in the Arctic. This was part of a Budget 2021 announcement of \$252 million over five years, with \$160 million in remaining amortization, to lay the groundwork for NORAD modernization and sustain existing continental and Arctic defence capabilities. DND/CAF, through the Innovation for Defence Excellence and Security program, is also funding research on maritime and underwater surveillance capabilities, including surface sensor systems, acoustic sensors, and autonomous solutions to detect surface and underwater threats to Canada.

Building on those initiatives, in June 2022 the Minister of National Defence announced additional funding for Canada's continental defence capabilities, including to modernize NORAD. This includes further investments in science and technology to ensure that the CAF has the capabilities to defend North America against existing and future threats. Canada will also host the North American office of the Defence Innovation Accelerator for the North Atlantic, which will contribute to fostering and protecting innovation. Furthermore, Canada will launch an Indo-Pacific strategy, which will include a maritime component and contribute to enhanced maritime domain awareness.

The CAF is also investing in the procurement of an armed, medium altitude, long endurance Remotely Piloted Aircraft System to provide additional surveillance in the Arctic and Canada's maritime approaches, and provide capabilities beyond those available in traditional fixed wing aircraft. The project is estimated to achieve initial operational capability by 2029-2030.

Additionally, significant investments will be made to develop and acquire new capabilities to detect threats to North America, including to the Arctic. In close coordination with the United States, DND/CAF will invest in new technological solutions that will form part of a "system of systems" to provide NORAD with better situational awareness, including of our Northern approaches. This will include ground-based radar capabilities to enable early warning and tracking of threats. These capabilities will complement similar systems announced by the United States. Canada will also strengthen current space-based surveillance capabilities and deliver the Defence Enhanced Surveillance from Space Project.

Canada's plan to modernize its contributions to NORAD will also include key investments to support operations in the North and Arctic, which will contribute to ensuring Canada's security and sovereignty. These investments include enhanced satellite communications, and infrastructure projects, which will be delivered working closely with provinces, territories and Indigenous and Northern communities.

The intent is for these initiatives to support the advancement of Canada's Arctic and Northern Policy Framework, which was co-developed with Indigenous, territorial and provincial partners and reflects their priorities, including the need for greater communication technologies and critical infrastructure investments. One of the Framework's objectives is to ensure that Canada and its Northern and Arctic residents are safe, secure and well-defended, to which modernizing NORAD will contribute. In this context, Canada's intelligence community, including CSE, assists the Government of Canada in managing the increasingly complex Arctic and Northern threat environment, including by providing intelligence related to Arctic security. National Defence will also work to align implementation of NORAD modernization investments with the Inuit Nunangat Policy.

**Recommendation 7: That the Government of Canada strengthen Arctic security and sovereignty by expanding and enhancing equipment, training and logistical support to the Canadian Rangers.**

The Government of Canada partially agrees with the recommendation. The Government is committed to strengthening Arctic security and sovereignty and ensuring the Canadian Rangers have the support they need to accomplish their mandate. However, initiatives to enhance Arctic security and sovereignty go beyond the responsibilities of the Canadian Rangers.

The Canadian Rangers, as a specialized operational organization of the CAF, are a diverse and agile localized capability employed by the CAF to assist the Government of Canada in maintaining a presence in sparsely settled remote, Northern, coastal and isolated areas. The Canadian Rangers provide a CAF presence, a local operational capability, and support to community resiliency in those sparsely settled areas of Canada which cannot be expeditiously supported by other elements of the CAF.

*Strong, Secure, Engaged* mandated the Canadian Army to enhance and expand the training and effectiveness of the Canadian Rangers. As a result, the Canadian Army developed the Canadian Ranger Enhancement initiative, which has added Canadian Ranger patrols in communities, added sections within patrols, and improved Canadian Ranger support with new positions in Canadian Rangers Patrol Group headquarters. To date 21 patrols, 11 sections, and 81 headquarter positions have been created. The Canadian Army is also working to update or streamline internal policies and administration to better enable the Canadian Rangers in conducting their tasks. These initiatives are aligned with the Canada's Arctic and Northern Policy Framework.

The Canadian Rangers are much-admired for the work they do and the professionalism they demonstrate. They are not soldiers—and training them to become soldiers would

fundamentally alter the character of their role and the benefit they provide to Canada and the CAF. Canadian Rangers receive limited additional training from the CAF, are lightly equipped, and typically rely upon privately owned transportation, factors which are all very different from the Regular or Reserve Force. Several Canadian Rangers are also pillars of their communities. Removing them from their community to train could prove detrimental to the community or their livelihoods. Therefore, fundamental changes to the nature of the Canadian Rangers, or contemplating new Canadian Rangers roles more suited to the level of fitness, capability, training, and tasks found in the Regular or Reserve Force, is not a desirable course of action.

In addition to initiatives to enhance the Canadian Rangers, the Government of Canada is investing in capabilities and infrastructure to strengthen Arctic security and sovereignty. The funding announced in June 2022 to modernize NORAD will enhance Canada's domestic capabilities and contribute to safeguarding Canada's Northern and Arctic region. Similarly, the upcoming defence policy update will provide a framework for reinforcing Canada's defences.

**Recommendation 8: That the Government of Canada increase the presence of the Canadian Armed Forces, both Regular and Reserve, in Canada's North, and invest in the infrastructure required to support this increased presence; and that the Government explore the establishment of additional Reserve units in Canada's three territories. These efforts should be undertaken in consultation with relevant Indigenous peoples and communities.**

The Government partially agrees with the recommendation.

To this end, it has already announced significant efforts to increase the CAF's presence in the North, in particular in the context of NORAD modernization. Implementation of DND/CAF investments in the North and the Arctic will be done in consultation with Northern provinces, territories, and Northern and Arctic Indigenous governments and organizations.

#### Increased CAF Presence in the North

As part of the Government's plan to modernize NORAD, it will invest in infrastructure and support capabilities to launch and sustain a strong military presence across the country when needed to support CAF missions, particularly in the North and the Arctic. The Government will upgrade four CAF locations in the North; improve fighter infrastructure and NORAD Quick Reaction Alert<sup>1</sup> capabilities at bases across Canada; and acquire additional air-to-air refuelling aircraft to support operations across Canada, including in the North. To ensure that new infrastructure fulfills the needs of the CAF and maximizes broader benefits for Canadians, the Government will deliver these initiatives working closely with provinces, territories and Indigenous and Northern governments and communities.

#### Indigenous Engagement and Consultation

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<sup>1</sup> The Quick Reaction Alert is a state of readiness.

DND/CAF has conducted preliminary engagements with territorial and Northern Indigenous governments, including through the Arctic and Northern Policy Framework, to build relationships, learn about their priorities, and identify opportunities to leverage defence investments to create economic opportunities and finance multi-purpose infrastructure where possible. In addition, a work plan has been developed between Inuit leaders and National Defence through the permanent bilateral mechanism with the Inuit, the Inuit-Crown Partnership Committee as part of the new Sovereignty, Defence and Security priority area. One objective in the work plan is to see where DND/CAF infrastructure requirements can align with an Inuit-specific infrastructure needs assessment.

Budget 2022 also allocated \$9.5 million over five years to National Defence to align its operations and engagement with Indigenous peoples with the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) Act*. As part of this funding, National Defence will create a fund to enable Indigenous partners to meaningfully engage with National Defence as it delivers on NORAD modernization initiatives. The fund is intended to provide funding to Indigenous People and their communities, as well as their national and regional representative organizations to support UNDRIP implementation, engagement, and the building of deeper collaborative relationships. By enabling increased opportunities for engagement, the program will help strengthen our relationship with Indigenous Peoples across Canada, including in Canada's North.

Engagements with all Northern and Arctic partners will continue over the long term, and become more bilateral and project-specific as NORAD modernization implementation progresses.

#### Additional Reserve Units

Northern communities in Canada's territories do not have a population density nor the infrastructure required to support additional reserve units, be it army, navy or air force. Locations require a critical mass of interested applicants to join the Primary Reserve in order to establish a reserve unit. Moreover, the CAF would require infrastructure to support and host reserve elements in the North, which currently do not exist. 1<sup>st</sup> Canadian Ranger Patrol Group does maintain a presence in the territories, but they are not an element of the Primary Reserve. The CAF engages with territorial and Indigenous government as a matter of course when operating and planning in the North.

**Recommendation 9: That the Government of Canada ensure that Canadian Armed Forces personnel are adequately resourced and trained to operate and defend themselves in a cognitive warfare environment.**

The Government of Canada agrees with the recommendation.

Canada's defence policy *Strong, Secure, Engaged* recognizes that the global security environment is defined by complexity and unpredictability, and that Canada must develop a

sophisticated awareness of the information environment in which it operates to better predict and respond to crises. This includes direction to develop military-specific information operations capabilities that are required to confront these challenges. The Defence Team is updating and providing direction to Defence Team members on social media engagement. It is also engaged in ongoing activities in this domain, which include:

- Provision of annual training regarding social media good practice with examples of mishaps and involuntary spread of information that sometimes feed disinformation;
- Provision of specific training for CAF members deploying abroad regarding local hostile information operations and security measures to limit the negative impact of hostile campaigns;
- Provision of voluntary pre-departure sessions for families of deployed CAF members on misinformation and potential hostile disinformation attempts toward families of deployed members;
- Drafting of an updated Defence Team internal policy for operating in the information environment;
- Participation in weekly interdepartmental meetings on disinformation to align the Department of National Defence and the CAF's messaging with that of other government departments to counter disinformation;
- Use of social media to counter Russian disinformation in support of the Government of Canada's and Canada's Five Eyes partners' efforts and objectives;
- Inclusion of authorities to conduct information operations, including efforts to counter disinformation, in directives for ongoing operations; and
- Research to examine the possible use of artificial intelligence to generate messages to counter extremism and disinformation.

**Recommendation 10: That the Government of Canada invest in defensive and active cyber operations capabilities. As well, the Government should increase its recruitment and training of cyber specialists in the Canadian Armed Forces and the Communications Security Establishment, and ensure that all federal systems are adequately protected against cyber threats.**

The Government agrees with the recommendation.

#### Invest in defensive and active cyber operations capabilities

With the recognition of cyberspace as a domain of operations, Canada's defence policy *Strong, Secure, Engaged* committed the DND/CAF to assume a more assertive posture in cyberspace by improving its defensive capabilities and by developing and employing active cyber capabilities against potential adversaries in support of government-authorized military missions.

The 2019 *Communications Security Establishment Act* also introduced important authorities for CSE, such as the ability to conduct active and defensive cyber operations. The *CSE Act* gives CSE legal authority to conduct cyber operations to disrupt foreign-based threats to Canada. Active cyber operations allow CSE, at the request, or with the consent of the Minister of Foreign Affairs, to degrade, disrupt, respond to, or interfere with the capabilities, intentions or activities of foreign individuals, states, and organizations. CSE may also use defensive cyber operations to defend Canada against foreign cyber threats by taking action online. For example, defensive cyber operations may be used to prevent cyber criminals from stealing information from a Government of Canada network by disabling their foreign server.

As a key partner, Shared Services Canada (SSC) also supports DND's defensive cyber operations capabilities through its work as a member of the Government of Canada Security Tripartite and through the information technology services it is mandated to provide to Government of Canada organizations.

In Budget 2022, the Government of Canada announced \$875.2 million in funding over five years, beginning in 2022-2023, and \$238.2 million ongoing, for additional measures to address the rapidly evolving cyber threat landscape. This funding will enhance Canada's ability to use cyber operations to prevent and defend against malicious cyber activities and attacks, including against critical infrastructure, as well as to improve the resilience of critical government systems and expand cyber security protection for small departments, agencies, and Crown corporations.

#### Increase recruitment and training of cyber specialists in the CAF and CSE

*Strong, Secure, Engaged* directed the creation of the CAF Cyber Operator occupation to attract Canada's best and brightest talent and significantly increase the number of military personnel dedicated to cyber functions. This occupation includes both Reserve and Regular Force members who conduct defensive and offensive cyber operations in support of military operations. The occupation is highlighted on the CAF website as a potential career choice. After completion of basic military training, selected CAF members go through extensive training that combines theory, demonstrations, practical work, simulation exercises, and practical job training. The first class of Cyber Operators graduated from the Canadian Forces School of Communications and Electronics in September 2021 and has since begun working as Cyber Defence Analysts.

CSE is modernizing its multi-disciplinary recruitment program to attract Canada's top talent in a highly competitive technological environment. Over the past several years, CSE has experienced sustained growth. This growth, combined with comparatively low attrition rates, reflects the positive work environment, employee development and support programs in place. Students remain a significant source of talent, and CSE has a robust student co-op program that continues to grow. Despite successes, CSE is always looking at new ways to reach new, diverse and dynamic prospective employees.

On a broader level, the Government of Canada is committed to recruiting and retaining information technology professionals to maintain its strong cyber security posture. The Government is actively implementing measures to increase the retention and recruitment of its base of information technology professionals. As an example, SSC has an Information Technology Professionals Development Program, which continually trains and develops competencies of the existing workforce.

### Ensure all federal systems are adequately protected against cyber threats

The Canadian Centre for Cyber Security within CSE offers a unified approach to cybersecurity by coordinating the defence of Government of Canada networks, as well as providing advice, assistance, and information to other levels of government and the private sector, including on critical infrastructure. DND/CAF is responsible for defending its computer systems, networks, and information systems against cyber threats.

CSE works closely with its two partners in the Government of Canada Security Tripartite—SSC, and the Office of the Chief Information Officer at the Treasury Board of Canada Secretariat (TBS-OCIO)—to protect federal systems against cyber threats. In the event of a malicious cyber incident, CSE would detect the attack and disseminate relevant information to SSC and the impacted department. SSC would then act to respond (for example by shutting down affected systems) and recover from the attack (by patching and securing the system). TBS-OCIO would develop lessons learned from cyber incidents and help inform updates to policies and directions.

To help ensure all federal systems are adequately protected against cyber threats, the Government of Canada is seeking to extend advanced cyber defence services to all federal organizations to the greatest extent possible.

**Recommendation 11: That the Government of Canada establish strategies, policies and processes designed to ensure the Canadian Armed Forces' ability to recruit a greater number of, as well as more diverse and skilled, personnel. As well, measures should be put in place to improve the retention rate in the Canadian Armed Forces. Finally, the Government should ensure that all Canadian Armed Forces personnel receive adequate training and are properly equipped.**

The Government of Canada agrees with the recommendation. As outlined in Canada's defence policy *Strong, Secure, Engaged*, people are at the core of everything the CAF does to deliver on its mandate.

### Recruitment Initiatives

The operational success of the CAF begins with a robust recruiting system. DND/CAF recognizes that the future of the CAF is dependent upon its ability to reflect the diverse voices and experiences of the Canadian population, which is why the CAF's recruitment initiatives are

directly informed by research and evidence.

DND/CAF recognizes that accelerating culture change in the CAF could contribute to improved recruitment and retention. To that effect, Budget 2022 allocated funding to a collection of initiatives to build a healthy, inclusive, and safe workplace, free from discrimination, harassment, and violence. Further detail on the CAF's efforts to accelerate culture change will be published in the Government response to the Standing Committee on National Defence's report entitled "*Modernizing Recruitment and Retention in the Canadian Armed Forces*," which must be tabled in Parliament by October 20, 2022.

The CAF continues to collect evidence on Canadians' perception of a career in the CAF and their experience with the CAF recruiting website (forces.ca), through surveys of the general public, applicants, and recruits, along with focus groups with recruiters. In addition, DND/CAF is undertaking a review of the CAF's recruitment initiatives to help facilitate the total revitalization of recruiting and training that is expected to occur over the course of the next five years. The process will be evergreen to ensure the CAF maintains its competitive advantage with the evolving private sector. The CAF is also evaluating its recruitment services offered to those recently enrolled, performing Gender Based Analyses Plus on existing selection protocols, and developing online selection tools for more efficient processing.

The CAF maintains 26 Canadian Forces Recruiting Centres (24 fully operational, and two part-time), where applicants can find knowledgeable recruiters to help facilitate the application process and answer questions. DND/CAF also implements targeted recruitment initiatives to increase the representation of women, visible minorities, and Indigenous peoples. These include, but are not limited to, the Women in Force Program, the Application Prioritization for Employment Equity applicants, the CAF Indigenous Entry Program and the CAF Employment Equity Plan 2021-2026. The CAF is also exploring ways to increase enrolment of permanent residents. Recruiting initiatives will be further detailed in the Government response to the Standing Committee on National Defence's report entitled "*Modernizing Recruitment and Retention in the Canadian Armed Forces*."

### Retention Strategy

*Strong, Secure, Engaged* acknowledged that retaining highly qualified and skilled personnel is essential to the CAF's operational success, and that more could be done to retain the talented individuals that the CAF recruits. CAF members have access to first-class medical and mental health care, training and qualifications, leadership development opportunities, and competitive and comprehensive pay, benefits, and compensation. To ensure that CAF members are aware of these benefits, the CAF launched internally, in June 2022, "The CAF Offer". This guide provides a comprehensive summary of policies, programs, and practices, including monetary and non-monetary offerings, provided to CAF members and their families. A web-based version of the *CAF Offer* will be launched before the end of 2022. The guide provides an all-in-one tool for CAF personnel to explore what the CAF has to offer, including on topics such as pay, healthcare, leave, relocation, transition, education, professional development, family support,

diversity and inclusion, and health and wellness.

DND/CAF also developed a retention strategy expected to be published in late 2022. Numerous elements of the strategy, or in support of it, are currently underway, including, but not limited to, a Unit Retention Interview, Seamless Canada and CAF Surveys. Further detail on retention and related initiatives will be published as part of the Government response to the Standing Committee on National Defence's report entitled "*Modernizing Recruitment and Retention in the Canadian Armed Forces.*"

### Basic Training

All new recruits are required to complete basic training, a ten-week training course that consists of military history, basic military knowledge and skills, military drill, field exercises, a confidence course, and a physical fitness evaluation. Basic training teaches new recruits the core skills and knowledge required to achieve success in a military environment. The CAF is currently modernizing basic training as a foundational element of its operational effectiveness, with an emphasis on professional values, resilience, and core military skills, with a view to building more inclusive teams. DND/CAF is planning three lines of effort to modernize training, including: (1) developing an eight-week Basic Military Qualification course that will be piloted in late 2022/23 fiscal year, with a view to formally launching in the 2023/24 fiscal year; (2) introducing a Basic Training List Management System to optimize the path from intake to when a military member completes all qualifications required for first employment in their assigned military role; and, (3) identifying training efficiencies by designing and launching an integrated individual and collective training pilot program for a blended basic training model. All CAF members receive the same basic training and additional occupation-specific training as they proceed to their chosen military occupation. Occupation-specific training is also undergoing modernization efforts.

### Equipping the CAF

Canada's investments in the equipment and materiel necessary to underwrite Canada's future force will match the significant investment in its personnel. Through *Strong, Secure, Engaged*, Canada is investing in the acquisition of new ships, the recapitalisation of much of its land combat capabilities while modernizing command and control systems, the acquisition of new fighter aircraft, and the recapitalisation of existing aircraft fleets. In addition, since military platforms (e.g. ships, aircraft, and combat vehicles) can have life cycles of 20 to 30 years or more, DND/CAF invests in and provides materiel support over the life of these assets to keep them operationally relevant. Capability planning for the CAF is carried out with a 20-year horizon to ensure that the CAF can continue to fulfill its mandate in an evolving environment. Budget 2022 allocated \$6.1 billion (on an accrual basis) over five years, starting in 2022-23, with \$1.3 billion in remaining amortization, and \$1.4 billion ongoing to DND/CAF in, including for investments in equipment and technology. The Government also committed to reviewing the size and capabilities of the CAF as part of the defence policy update. This will ensure that the CAF is equipped to counter current and future threats.

**Recommendation 12: That the Government of Canada reform defence procurement processes in Canada to ensure that major weapons systems and military equipment are delivered to the Canadian Armed Forces more expeditiously.**

The Government of Canada agrees with the recommendation.

DND/CAF, in collaboration with PSPC, ISED, and central agencies, leads and participates in a number of ongoing initiatives that will improve the defence procurement process and demonstrate effective stewardship of taxpayer money. These ongoing initiatives can be divided into the following categories: Oversight and Engagement, Strategic Initiatives, and Professional Development.

**Oversight and Engagement**

DND/CAF is working with government stakeholders to develop and implement strategies that will improve the delivery of projects of lower risk and complexity. These initiatives include working with PSPC for risk-based procurements, improving internal coordination, increasing delegation of authority, and streamlining the approval process. In these ways, the Department has met the commitment in *Strong, Secure, Engaged* to reduce development and approval time by at least 50% for low-risk and low-complexity projects.

DND is continuing to explore and promote innovative acquisition practices and processes, and to seek enhanced collaboration with industry. The Department has engaged with industry through the Defence Industry Advisory Group, the Canadian Association of Defence and Security Industries, and the Aerospace Industries Association of Canada to navigate the impacts of COVID-19 on defence projects and supply chains and to identify opportunities for future work.

DND/CAF is also integrating advice from the Independent Review Panel for Defence Acquisition and contributors to the Innovations for Defence Excellence and Security program. For example, to decrease acquisition times, DND has obtained increased authorities to contract directly for lower risk, lower complexity projects. It has also streamlined approval processes through the Tailored Project Approval Process, which has led to schedule gains ranging from two to five times faster for lower risk, lower complexity projects. DND/CAF carefully considers initiatives aiming to decrease acquisition times to ensure that procurement risks are mitigated, and that shortened timelines are not achieved at the expense of thorough procurement processes.

**Strategic Initiatives**

DND/CAF has initiated several strategic initiatives to improve major capital equipment procurement and project management.

- The Schedule and Earned Value Management Initiative seeks to improve planning and execution on project schedules using a risk based 3-point estimate methodology. By improving the foundations for contractual relationships between industry and government, the Department is able to more effectively manage projects and remain within resource constraints while simultaneously providing incentives to industry for improving their processes.
- The Innovation for Defence Excellence and Security program, launched in 2017-2018, encourages academics and others to present innovative ideas in the research and development domain that could improve the defence and security of Canada. Since the start of the program, over 450 proposals have been received.

PSPC also has a number of ongoing initiatives to improve defence procurement.

- The risk-based contracting pilot project grants the Minister of Public Service and Procurement (PSP) contracting authority on low-risk projects. It aims to accelerate approvals, and allow Treasury Board to focus its approval on higher-risk, higher-complexity contracts. Over the 18-month pilot period, 28 defence procurements were approved: 17 by the Minister of PSP, for a value of over \$2.5 billion; and 11 by the Treasury Board, for a value of over \$14 billion. The risk-based approach to defence procurement was extended in 2020 for five years and is expected to continue to improve the timeliness of low-risk defence procurements. PSPC is working with DND/CAF on an evaluation framework for the risk-based approach to be used beginning in fiscal year 2023-2024.
- PSPC is also making progress on the implementation of the contract modernization initiative, which aims to ensure consistency and reduced complexity of government contracts based on supplier feedback. In 2022-2023, PSPC will pilot this new contractual model on a higher volume of procurements and implement best practices.
- PSPC is also advancing the implementation of CanadaBuys, an ecosystem of electronic procurement tools that will make it easier for Canadian companies to do business with the Government. In 2022-2023, PSPC's CanadaBuys website will become the Government of Canada's official electronic tendering service, as well as the single point of access for federal, provincial and territorial government tenders, along with tenders for municipalities, academic institutions, schools, and hospitals.

### Professional Development

DND/CAF has been working to further refine project planning and forecast project expenditures through improved costing and scheduling techniques. In order to standardize and improve costing practices across the Department, DND/CAF established the Centre for Costing in Defence.

DND/CAF is also professionalizing project management through the Project Manager Competency Development program. This program seeks to provide project managers with development and learning opportunities, and define a framework for accreditation. One of

these learning opportunities is the University of Ottawa's Telfer School of Management's Certificate in Complex Project & Procurement Leadership, which DND employees and CAF members can use to increase their Project Manager competencies. The Project Manager Competency Development program ensures project managers are accredited on the basis of their education, experience and leadership competencies to one of three levels, and are then matched with projects of an appropriate level of complexity and risk.

DND is committed to continuing to innovate for agile procurement, in collaboration with TBS and PSPC.

**Recommendation 13: That, as soon as possible in order to avoid a capability gap, the Government of Canada launch a procurement project to replace Canada's Victoria-class submarines. Under that program, the Government should acquire a class of submarines that would be capable of operating in all maritime environments, including the Arctic.**

The Government of Canada agrees with the recommendation.

Strategic competition has accelerated significantly in recent years, as has the proliferation of submarines in the Indo-Pacific, Atlantic and Arctic regions. As stipulated in *Strong, Secure, Engaged*, Canada's naval forces must be composed of a balanced mix of platforms that are capable of assuring Canada's security, its sovereignty in the North and the Arctic as well as its ability to pursue its objectives and interests on the global stage. Submarines are key strategic assets that are capable of defending Canada's maritime approaches, deterring potential adversaries who seek access to and control of Canada's North, and, contributing to the wider effort with partners and allies to uphold the rules-based international order.

The Government is exploring options to ensure that the Navy is equipped to operate in the anticipated future threat environment of 2040 and beyond. DND/CAF has established a submarine project team to inform timely governmental decision-making about a potential replacement class of submarines, and avoid any gap in submarine capability.

In the meantime, to bridge the gap between the current Victoria-class submarines and a future capability, *Strong, Secure, Engaged* committed to modernizing the existing submarines. It announced that Canada would modernize and operate its four Victoria-class submarines to ensure their continued effectiveness into the mid-to-late 2030s.

**Recommendation 14: That the Government of Canada consider increasing its military investments and presence in the Indo-Pacific region. As well, the Government should develop defence partnerships with like-minded countries in the region.**

The Government of Canada agrees with the recommendation.

In the coming decades, no region in the world is likely to have as much impact on the global economic, security and human environment as the Indo-Pacific. The shift of global economic and strategic weight toward this region is structural and long lasting.

The Government of Canada will launch a comprehensive Indo-Pacific Strategy that will leverage all elements of Canada's Defence Team – the Royal Canadian Navy, Royal Canadian Air Force, the Canadian Army, Special Operations Forces, as well as defence civilians and other defence partners such as CSE. This will enable Canada to meaningfully deepen its defence partnerships in the Indo-Pacific region and promote the security and prosperity of all Canadians. DND/CAF will also take into consideration the increased importance of the Indo-Pacific region as it works to update Canada's defence policy. The Government of Canada also recognizes the value of developing cyber partnerships with like-minded countries in the Indo-Pacific region in order to combat cybercrime, increase capacity building, and to raise the collective cyber security bar.

DND/CAF has made significant efforts in recent years to increase Canada's overall defence footprint across the Indo-Pacific region in order to build on longstanding partnerships with Australia, New Zealand, the United Kingdom and the United States through the Five-Eyes, strengthen defence relations with Japan and South Korea, and expand security cooperation with Association of Southeast Asian Nations member states. As another example of our growing bilateral defence partnerships in the region, in June 2022, Canada and Singapore signed a Defence Cooperation Arrangement. In addition, the CAF opened new Canadian Defence Attaché offices in Vietnam and Malaysia in 2020, for a total of 12 attaché offices in the region. CSE also continues to provide cyber security advice, guidance, and foreign signals intelligence to other government departments to ensure that they are supported in their international engagements, including in the Indo-Pacific region.

Canada has increased its military presence in the region under Operation PROJECTION, through which Canadian frigates have been conducting port visits and taking part in exercises and joint transits to enhance interoperability with partner navies. Under Operation NEON, the CAF has deployed maritime assets on a routine basis to Northeast Asia to help implement United Nations sanctions on North Korea as part of a group of nine like-minded nations. In addition, the CAF has increased the number of personnel posted to the United Nations Command, which bolsters an uninterrupted 70-year contribution to peace and stability on the Korean Peninsula.