CANADA FIRST
DEFENCE STRATEGY

National Defence Défense nationale

Canada

A Message from the Prime Minister

This Government took office with a firm commitment to stand up for Canada. Fulfilling this obligation means keeping our citizens safe and secure, defending our sovereignty, and ensuring that Canada can return to the international stage as a credible and influential country, ready to do its part. Rebuilding the Canadian Forces into a first-class, modern military is a fundamental requirement if we are to deliver on these goals.

We have already begun to deliver results on the *Canada First* Defence Strategy by acquiring urgently needed equipment such as C-17 Globemaster transport aircraft. Now we are setting a comprehensive, long-term plan that will provide the Canadian Forces with the people, equipment and support they need to carry out their core missions in Canada, in North America and abroad.

Supported by predictable, long-term funding, the Strategy not only delivers increased security for Canadians, but also significant economic benefits for citizens across the country. By unveiling a detailed plan for the future replacement of key equipment fleets, we are providing Canadian industry the opportunity to more effectively meet defence procurement requirements, and to position themselves for global excellence.

Canadians are rightly proud of the vital contributions made each and every day by our men and women in uniform. With the *Canada First* Defence Strategy and the detailed plans we have presented in this document, they should now be equally confident that their military will have the tools and resources it needs to defend the country and be a positive force in the world, both today and in the years to come.

The Right Honourable
Stephen Joseph Harper

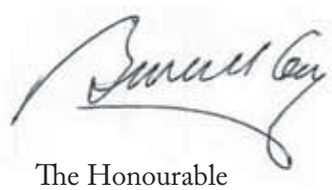
A Message from the Minister of National Defence

It is my privilege to introduce this comprehensive strategy for the Department of National Defence and the Canadian Forces, which builds on the vision that the Government has progressively laid out since coming to power in January 2006.

The *Canada First* Defence Strategy puts forward clear roles and missions for the armed forces, outlining a level of ambition that will enable them to protect Canadians from the variety of threats and challenges they may face in the years to come. It calls for the Canadian Forces to support the Government's broader national security and foreign policy objectives by maintaining the ability to deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by making meaningful contributions to operations overseas.

Building on the significant investments made in our armed forces over the last two years, this document sets out a detailed plan to modernize the Canadian Forces. Providing balanced investments across the four pillars upon which military capabilities are built – personnel, equipment, readiness and infrastructure – our plan will increase the size of the Forces and replace their core capabilities. The implementation of this 20-year plan will provide Canada with a strengthened, state-of-the-art military and the predictable funding that Canadian industry needs to position itself effectively to meet the Forces' equipment and technology requirements over the long haul.

The *Canada First* Defence Strategy represents a major milestone. It fulfills the Government's commitment to provide enhanced security for Canadians and gives the military the long-term support it so critically needs and deserves, now and in the future.



The Honourable
Peter Gordon MacKay

CANADA FIRST DEFENCE STRATEGY

EXECUTIVE SUMMARY

The *Canada First* Defence Strategy provides a detailed road map for the modernization of the Canadian Forces, building on the Government's investments in the military since taking office in 2006. It will produce a first-class, modern military that is well trained, well equipped and ready to take on the challenges of the 21st century. This Strategy is based on the Government's vision for defence as well as an extensive and rigorous analysis of the risks and threats facing Canada and Canadians in the years to come. Starting from the Government's clearly defined roles and level of ambition for the Canadian Forces, the Strategy identifies the military capabilities required to meet these objectives, which in turn determine where investments are most needed. This Strategy also takes into account valuable lessons drawn from recent experience at home and around the globe.

Through stable and predictable defence funding, the *Canada First* Defence Strategy provides the planning certainty required to allow the Government to continue rebuilding the Canadian Forces into the state-of-the-art military that Canada needs and deserves. It also presents unprecedented opportunities for Canadian industry in its reach for global excellence.

A Modern Military with Clearly Defined Missions and Capabilities

The Government has established a level of ambition for the Canadian Forces that will enable them to meet the country's defence needs, enhance the safety and security of Canadians and support the Government's foreign policy and national security objectives. To fulfill these commitments, the Canadian Forces must be able to deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by making meaningful contributions to international security.

The military will deliver on this level of ambition by maintaining its ability to conduct six core missions within Canada, in North America and globally, at times simultaneously. Specifically, the Forces will have the capacity to:

- Conduct daily domestic and continental operations, including in the Arctic and through NORAD;
- Support a major international event in Canada, such as the 2010 Olympics;
- Respond to a major terrorist attack;
- Support civilian authorities during a crisis in Canada such as a natural disaster;
- Lead and/or conduct a major international operation for an extended period; and
- Deploy forces in response to crises elsewhere in the world for shorter periods.

To carry out these missions, the Canadian Forces will need to be a fully integrated, flexible, multi-role and combat-capable military, working in partnership with the knowledgeable and responsive civilian personnel of the Department of National Defence. This integrated Defence team will constitute a core

element of a whole-of-government approach to meeting security requirements, both domestically and internationally.

A Military with Stable, Predictable Funding

The *Canada First* Defence Strategy is supported by a strategic investment plan based on a commitment to provide predictable funding increases over a 20-year period. Building on Budget 2006, which increased defence baseline funding by $5.3 billion over 5 years, the Government has committed through Budget 2008 to raise the annual increase in defence funding to 2 percent from the current 1.5 percent starting in fiscal year 2011–12. Over the next 20 years, these increases will expand National Defence's annual budget from approximately $18 billion in 2008-09, to over $30 billion in 2027–28. In total, the Government plans to invest close to $490 billion in defence over this period. Most importantly, the infusion of reliable funding will provide the certainty required to conduct long-term planning and meet future requirements.

A Military with the Right Equipment and Training

Significant progress towards these objectives has been achieved through a number of key initiatives, including funded increases in the Regular Forces and the procurement of urgently needed equipment. In addition to the acquisition of four C-17 Globemaster strategic lift aircraft already in service, the Government is procuring 17 new C-130J Hercules tactical lift aircraft and has announced plans to acquire 16 CH-47F Chinook helicopters, three replenishment ships, 2,300 trucks, up to 100 Leopard 2 tanks and 6–8 Arctic/offshore patrol ships.

The Government will continue to enhance the capacity of the Forces through balanced investments across the four pillars that form the foundation of military capabilities – personnel, equipment, readiness and infrastructure. Specifically, National Defence will:

- Increase the number of military personnel to 70,000 Regular Forces and 30,000 Reserve Forces;
- Replace the Forces' core equipment fleets, including:
  - 15 ships to replace existing destroyers and frigates;
  - 10 to 12 maritime patrol aircraft;
  - 17 fixed-wing search and rescue aircraft;
  - 65 next-generation fighter aircraft; and
  - a fleet of land combat vehicles and systems.
- Strengthen the overall state of the Forces' readiness to deploy, and their ability to sustain operations once deployed; and
- Improve and modernize defence infrastructure.

A Military in Partnership with Canadian Industry

The *Canada First* Defence Strategy will also have significant benefits for Canadian industry. The infusion of long-term stable funding it provides will enable industry to reach for global excellence and to be better positioned to compete for defence contracts at home and abroad, thus enabling a pro-active investment in research and development and opportunities for domestic and international spin-offs as well as potential commercial applications.

Moving Forward

The *Canada First* Defence Strategy will enable the Forces to meet the Government's commitments and address the full range of defence and security challenges facing Canada now and into the future. This strengthened military will translate into enhanced security for Canadians at home as well as a stronger voice for Canada on the world stage. Recognizing that global security challenges and the capabilities required to meet them will continue to evolve, the Government is committed to reviewing this comprehensive plan on a regular basis to ensure that it continues to fully meet the needs of the military in service of Canadians.

I. INTRODUCTION

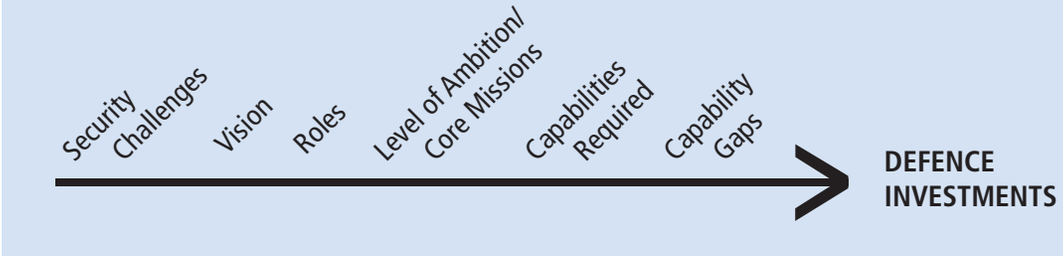
Defending Canadians from threats to their safety and well-being is a critical role for government. To deliver on this core responsibility, the Government is committed to rebuilding the Canadian Forces into a first-class, modern military. Starting in 2006, the Government began laying the foundation for a more integrated, adaptive and capable force by recognizing that the military is a vital national institution essential to the security and prosperity of Canada and by making initial but significant investments to address critical gaps in personnel and equipment. The *Canada First* Defence Strategy translates this vision of a first-class, modern military into a comprehensive 20-year investment plan.

Building an effective military is an ongoing process and requires clear strategic goals. As part of the *Canada First* Defence Strategy, the Government established explicit objectives for the Canadian Forces. These objectives were derived from a thorough assessment of the Government's expectations for the Forces at home and abroad, the capabilities needed to achieve the desired operational outcomes, and the resources required to generate the required capabilities over a 20-year planning period.

Over the last two years, the Government has been engaged in a rigorous planning exercise that has taken into account Canada's defence and security challenges, recent operational experience and current and future demands on the military, including scenarios of possible missions that the Canadian Forces might be asked to undertake. This allowed the Government to generate a detailed level of ambition for the Forces and determine the military capabilities needed to carry out essential missions. This exercise, in turn, helped identify where investments were most needed in order to fill gaps across the four pillars upon which military capabilities are built – personnel, equipment, readiness and infrastructure.

This analysis informed the development of the Government's 20-year plan aimed at strengthening key military capabilities through focused investments in each of the pillars. Supported by increased, predictable long-term funding, the Strategy will deliver a balanced, multi-role, combat-capable force that will give the Government the necessary flexibility to respond to a full range of challenges in the years ahead.

Developing the Strategy



II. STRATEGIC ENVIRONMENT

Canadians live in a world characterized by volatility and unpredictability. Looking back, it is clear that the peace dividend that resulted from the end of the Cold War was relatively short-lived. The 1990s saw the emergence of difficult security challenges, including failed and failing states, civil wars and global terrorism. Many countries, including Canada, were slow to fully appreciate and adjust to these new realities. During this period, governments dramatically under-invested in the Canadian Forces, leaving them seriously unprepared to deal effectively with this increasingly complex global environment.

Today we live in an uncertain world, and the security challenges facing Canada are real. Globalization means that developments abroad can have a profound impact on the safety and interests of Canadians at home. Indeed, the terrorist attacks of September 11th, 2001 and those carried out since, demonstrate how instability and state failure in distant lands can directly affect our own security and that of our allies.

Ethnic and border conflicts, fragile states, resurgent nationalism and global criminal networks continue to threaten international stability. In addition, unequal access to resources and uneven economic distribution are proving to be increasing sources of regional tension even as existing low-intensity or frozen conflicts in Africa, South Asia, the Middle East and the Balkans remain largely unresolved.

The proliferation of advanced weapons and the potential emergence of new, nuclear-capable adversarial states headed by unpredictable regimes are particularly worrisome, as is the pernicious influence of Islamist militants in key regions. The ongoing buildup of conventional forces in Asia Pacific countries is another trend that may have a significant impact on international stability in coming years.

Canada also faces challenges on the home front. Catastrophic events such as floods, forest fires, hurricanes and earthquakes can overwhelm local capabilities. Over the last decade, our military has been called upon to assist civil authorities in dealing with a number of natural disasters, including floods in Manitoba and Quebec, the ice storm in Eastern Canada, and forest fires in British Columbia. As Hurricane Katrina has shown in the United States, such disasters will continue to occur, often with devastating consequences, and the citizens affected will expect immediate responses.

Other challenges to domestic security include possible terrorist attacks, human and drug trafficking, foreign encroachments on Canada's natural resources, and potential outbreaks of infectious disease. Should the need arise, the Canadian Forces are ready to play an important role in supporting their emergency management partners across Canada.

In Canada's Arctic region, changing weather patterns are altering the environment, making it more accessible to sea traffic and economic activity. Retreating ice cover has opened the way for increased shipping, tourism and resource exploration, and new transportation routes are being considered, including through the Northwest Passage. While this promises substantial economic benefits for Canada, it has also brought new challenges from other shores. These changes in the Arctic could also spark an increase in illegal activity, with important implications for Canadian sovereignty and security and a potential requirement for additional military support.

The Government has committed to making sure that Canada has the tools it needs to deal with the full range of threats and challenges to Canada and Canadians. The *Canada First* Defence Strategy represents a major step in this direction by giving the Canadian Forces the capabilities they need to operate effectively in today's – and tomorrow's – uncertain environment.

III. ROLES OF THE CANADIAN FORCES

A CLEAR LEVEL OF AMBITION

In such a complex and unpredictable security environment, Canada needs a modern, well-trained and well-equipped military with the core capabilities and flexibility required to successfully address both conventional and asymmetric threats, including terrorism, insurgencies and cyber attacks. Indeed, Canadians expect and deserve no less than a highly capable military that can keep them safe and secure while effectively supporting foreign policy and national security objectives.

To this end, the Government is giving the Canadian Forces clear direction concerning their three roles – defending Canada, defending North America and contributing to international peace and security – as well as the types and numbers of missions it expects our military to fulfill. This level of ambition will see the Canadian Forces deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by contributing to international operations in support of Canadian interests and values.

Defending Canada – Delivering Excellence At Home

First and foremost, the Canadian Forces must ensure the security of our citizens and help exercise Canada's sovereignty. Canadians rightly expect their military to be there for them in domestic crises. The Forces must also work closely with federal government partners to ensure the constant monitoring of Canada's territory and air and maritime approaches, including in the Arctic, in order to detect threats to Canadian security as early as possible.

Excellence at home requires the Forces not only to identify threats, but also to possess the capacity to address them quickly and effectively. While, under most circumstances, other government departments and agencies will have leadership responsibilities, the Canadian Forces will also play a vital role in many situations. Canada Command was created in 2006 to provide a single operational authority for such domestic operations and will work closely with federal departments such as Public Safety Canada in responding to a natural disaster or a terrorist attack.

Excellence at Home

Delivering excellence at home requires the Forces to **be aware** of anything going on in or approaching our territory, **deter** threats to our security before they reach our shores, and **respond** to contingencies anywhere in the country. Specifically, it means that the military will maintain the capacity to:

- Provide surveillance of Canadian territory and air and maritime approaches;
- Maintain search and rescue response capabilities that are able to reach those in distress anywhere in Canada on a 24/7 basis;
- Assist civil authorities in responding to a wide range of threats – from natural disasters to terrorist attacks.

The Forces must also be available to assist other government departments in addressing such security concerns as over-fishing, organized crime, drug- and people-smuggling and environmental degradation. As well, the Forces will be prepared to effectively assist other government departments in

providing security for major events at home, such as the 2010 Vancouver Olympic Games and the G8 Summit to be held in Canada that same year.

Finally, the Canadian Forces must have the capacity to exercise control over and defend Canada's sovereignty in the Arctic. New opportunities are emerging across the region, bringing with them new challenges. As activity in northern lands and waters accelerates, the military will play an increasingly vital role in demonstrating a visible Canadian presence in this potentially resource-rich region, and in helping other government agencies such as the Coast Guard respond to any threats that may arise.

A Strong, Reliable Defence Partner

Being a credible partner in the defence of North America requires the Canadian Forces to:

- Conduct daily continental operations (including through NORAD);
- Carry out bilateral training and exercises with the United States;
- Respond to crises; and
- Remain interoperable with the US military.

Defending North America – A Strong and Reliable Partner

Delivering excellence at home also helps us contribute to the defence of North America in cooperation with the United States, Canada's closest ally. Given our common defence and security requirements, it is in Canada's strategic interest to remain a reliable partner in the defence of the continent.

The Canadian Forces will continue to collaborate with their US counterparts as a partner in the North American Aerospace Defence Command (NORAD). This binational command has been an important element of the Canada–US defence relationship since its creation in 1958, and its primary mission of defending North American aerospace remains important today. NORAD is also evolving to meet future threats and, as part of the May 2006 renewal of the Agreement, the Command was assigned the new responsibility of maritime warning.

Canada Command will continue to work with US Northern Command in support of shared objectives. The two Commands are dedicated to enhancing military-to-military cooperation to provide assistance to civilian emergency response agencies in the event of a crisis. The Forces are prepared to do their part under such circumstances with the approval of both governments and would expect similar help in return.

Finally, the two nations' armed forces will pursue their effective collaboration on operations in North America and abroad. To remain interoperable, we must ensure that key aspects of our equipment and doctrine are compatible. Accordingly, the Forces will continue to participate in joint training exercises and personnel exchanges with their US counterparts.

Contributing to International Peace and Security – Projecting Leadership Abroad

As a trading nation in a highly globalized world, Canada's prosperity and security rely on stability abroad. As the international community grapples with numerous security threats, Canada must do its part to address such challenges as they arise. Indeed, tackling such threats at their source is an important element in protecting Canada.

Providing international leadership is vital if Canada is to continue to be a credible player on the world stage. This will require the Canadian Forces to have the necessary capabilities to make a meaningful contribution across the full spectrum of international operations, from humanitarian assistance to stabilization operations to combat.

Today's deployments are far more dangerous, complex and challenging than in the past, and they require more than a purely military solution. In Afghanistan, for example, the Canadian Forces' contribution is only one component, albeit an essential one, of a "whole-of-government" approach. Only by drawing upon a wide range of governmental expertise and resources will Canada be successful in its efforts to confront today's threats.

These operations will often be conducted under the auspices of the United Nations and the North Atlantic Treaty Organization. Canada will continue to support and contribute to these key international bodies. In addition, the Canadian Forces will participate, where circumstances dictate, in missions with like-minded states as a responsible member of the international community.

Projecting leadership abroad can take many forms – from taking part in a large international campaign, as Canada is currently doing in Afghanistan, to leading a specific component of a multinational operation, such as a naval task group. One thing is clear, however: Canada cannot lead with words alone. Above all else, leadership requires the ability to deploy military assets, including "boots on the ground." In concert with its allies, Canada must be prepared to act and provide appropriate resources in support of national interests and international objectives.

Projecting Leadership Abroad: Lessons Learned from the Afghanistan Mission

The Canadian Forces have learned many lessons from their complex mission in Afghanistan, and will continue to incorporate those lessons into their operational planning and training. Among other things, the Afghanistan mission has reinforced the need to:

- Maintain combat-capable units at the right level of readiness.
- Provide deployed personnel with the right mix of equipment so they can take part, on their own or with allies, in the full spectrum of operations – from countering asymmetric threats like improvised explosive devices, to contributing to reconstruction efforts in a harsh and unforgiving environment.
- Work closely and develop a coherent overarching strategy with departmental partners.

Level of Ambition – Six Core Missions in Canada, in North America and Abroad

The global security environment has seen significant change in recent years. We have witnessed regional tensions escalate quickly into conflict and natural disasters turn into humanitarian crises. Canada requires a military with the flexibility to respond to such challenges while continuing to carry out essential, day-to-day missions. The Government has accordingly established a level of ambition that will see the Forces carry out the following missions, potentially all at the same time:

Conduct daily domestic and continental operations, including in the Arctic and through NORAD

Support a major international event in Canada, such as the 2010 Olympics

Respond to a major terrorist attack

Support civilian authorities during a crisis in Canada such as a natural disaster

Lead and/or conduct a major international operation for an extended period

Deploy forces in response to crises elsewhere in the world for shorter periods

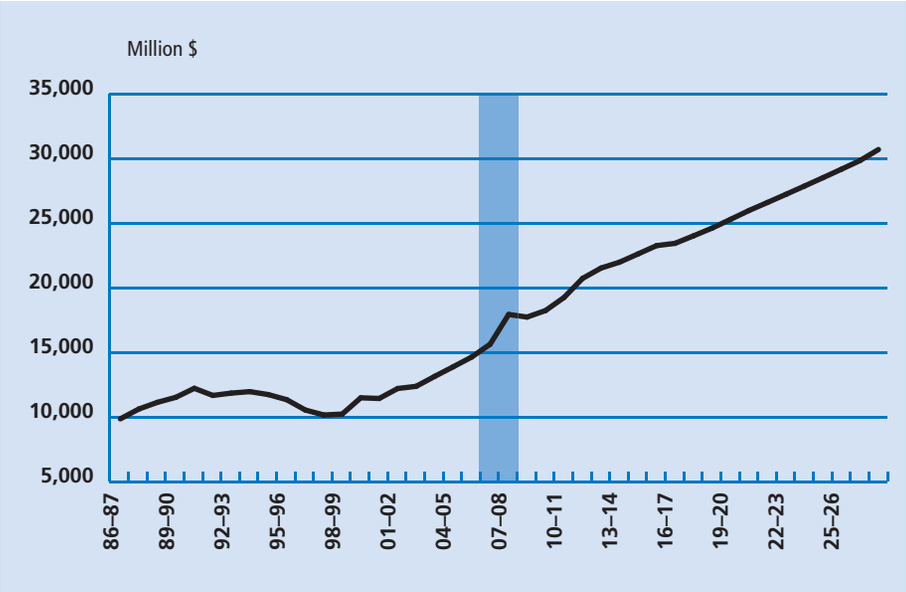
IV. A NEW LONG-TERM FUNDING FRAMEWORK

The investments required to implement the *Canada First* Defence Strategy are supported by increased, long-term funding. This commitment will reverse the damage done by major cuts to the defence budget in the 1990s. Indeed, after defence spending peaked in the waning years of the Cold War, funding for defence declined in real terms by roughly 30 percent as the government of the day dealt with the federal deficit.

While a series of episodic increases between 1999 and 2005 helped the budget to grow in real terms, they were not predictable and did not sufficiently address the rust-out of key equipment platforms, strain on personnel and other challenges arising from a high operational tempo.

Chart 1

Defence program FYs 1986–87 to 2027–28



Note: Figures for years up to and including 2007-08 reflect final adjustments for items such as funding for incremental costs of deployed operations. Although the Government has committed to continue providing this funding, future adjustments in this context are not reflected in the graph. These adjustments will not affect the baseline for the long term planning figures. Consistent with established practice under the Expenditure Management System, the forecast annual planning figures presented here will be re-confirmed annually through the Estimates and Budget processes.

Chart 2

Defence Average Growth

(1986–87 to 2027–28) Selected Periods

PERIOD	NOMINAL GROWTH	REAL GROWTH
1986–87 to 2005–06	2.2%	–0.4%
2006–07 to 2007–08*	10.8%	8.5%
2008–09 to 2027–28	2.7%	0.6%

* *Note:* In the top display, the years 2006–07 and 2007–08 are segregated to note that they represent the program "re-set" years upon which the CFDS is subsequently based.

Figures for years up to and including 2007–08 reflect final adjustments for items such as funding for incremental costs of deployed operations. Although the Government has committed to continue providing this funding, future adjustments in this context are not reflected in the graph. These adjustments will not affect the baseline for the long term planning figures.

Chart 3

Canada First Defence Strategy – Total Defence Spending

2008–09 to 2027–28 (Accrual Numbers)

PILLAR	AMOUNT	% OF TOTAL	REMARKS
Personnel	$250B	51%	70,000 Regular and 30,000 Reserve personnel by 2028; includes 25,000 civilian workforce
Equipment			
– Previous Announcements	$15B[1]	3%	Previously announced equipment purchases, including: • C-17 Globemasters • C-130J Hercules • Arctic/Offshore Patrol Ships • CH-47F Chinook Helicopters • Trucks
– New Major Fleet Replacements	$20B[2]	4%	• Fixed-wing Search and Rescue Aircraft • Destroyers and Frigates • Maritime Patrol Aircraft • Fighter Aircraft • Land Combat Vehicles and Systems
– Other Capital	$25B	5%	Includes individual weapons, communications equipment, etc.
Infrastructure	$40B	8%	Increased investment in rebuilding and maintenance of infrastructure of approximately $100M/year
Readiness	$140B	29%	Approximately $140M/year in new spending on spare parts, maintenance and training
Total Spending over 20 Years	**$490B**	**100%**	

Note 1: This figure reflects only the capital component of this equipment over the 20-year period. The previously announced total of $30B includes the capital and in-service support costs over the full life of the equipment.

Note 2: This figure represents the capital costs of the new Major Fleet Replacements during the 20-year period reflected in the chart. The total capital costs of these platforms amortized over their useful life, which extend beyond this 20-year period, amount to $45-50B.

To address the problem, the Government increased defence funding through Budget 2006 by $5.3 billion over five years, including a baseline increase of $1.8 billion starting in 2010–11. In doing so, it established a firm foundation for the future and raised the baseline on which future efforts to rebuild the Canadian Forces will be anchored.

Moving forward from this strong footing, the Government, in Budget 2008, augmented the automatic annual rise in Defence funding from 1.5 percent to 2 percent starting in fiscal year 2011-12. Over the next 20 years, this increase is expected to expand the Defence budget from approximately $18 billion in 2008-09, to over $30 billion by 2027-28, as shown in Charts 1 and 2. This figure

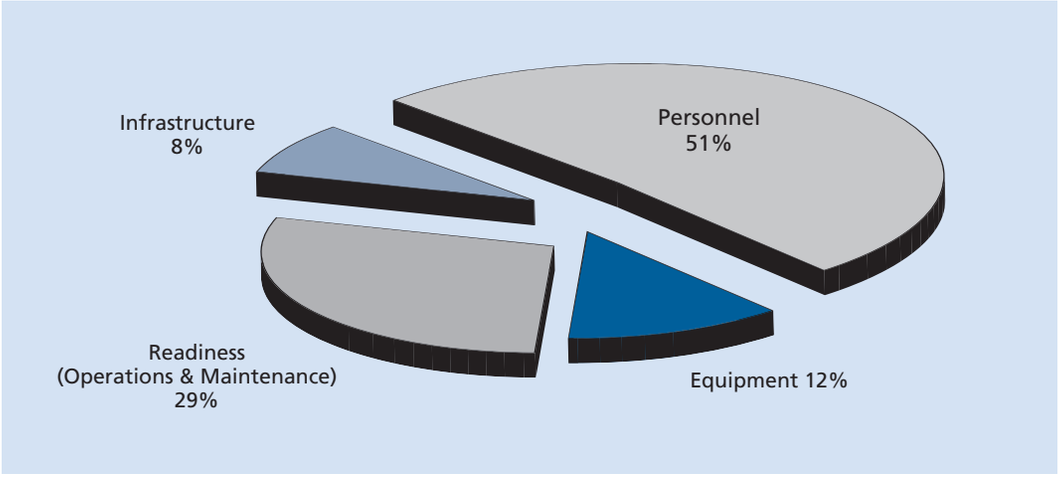
reflects the new investments made by the Government as outlined in this document. Overall, the Government will spend close to $490 billion on defence over the next 20 years (see Charts 3 and 3a for further details).

With this funding framework, National Defence will be able for the first time to plan for the future on the basis of stable and predictable funding, which will allow it to strategically allocate resources and build the capabilities necessary to meet the country's defence needs. Furthermore, in addition to this new formula, the Government is committed to separately fund incremental costs for major operations.

This commitment to long-term funding and to the detailed procurement strategy it supports will also provide major new opportunities for Canadian industry and produce significant economic benefits for Canadians. It will provide good jobs and new opportunities for tens of thousands of Canadians who work in defence industries and communities with military bases. It will also allow Canadian companies to align their long-term manufacturing, support, and research and development programs to better meet procurement requirements. This comprehensive plan will be implemented in concert with a new long-term procurement strategy designed to benefit Canadian industry while building commercial capacity in relevant knowledge and technology industries.

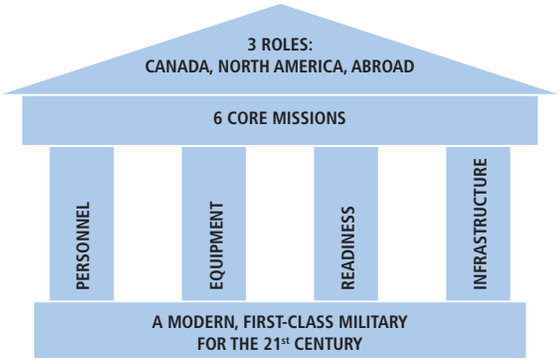
Chart 3a

Canada First Defence Strategy Allocations 20-year Aggregate



V. REBUILDING THE CANADIAN FORCES

INVESTING ACROSS THE FOUR CAPABILITY PILLARS

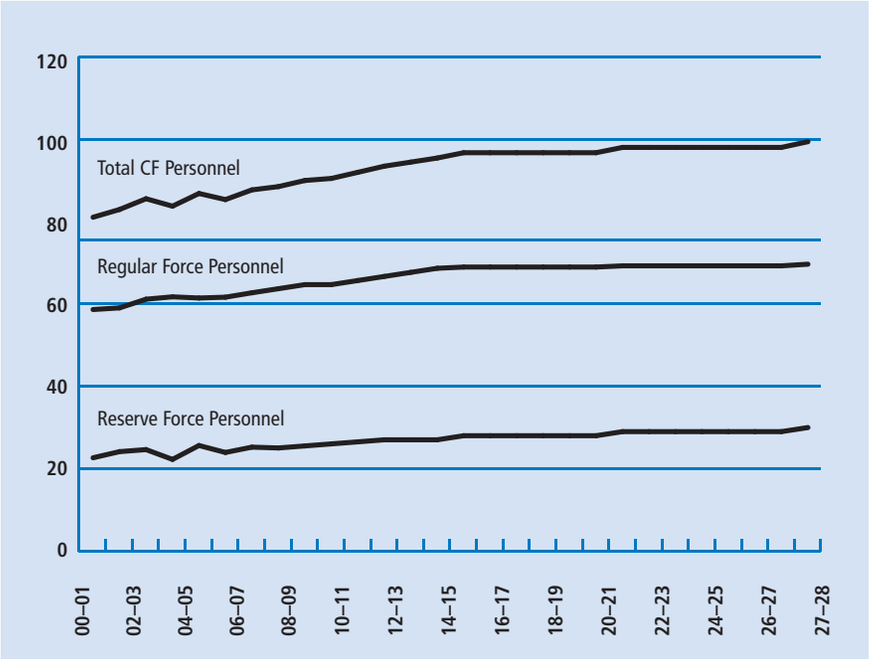


To deliver on the Government's level of ambition, the Canadian Forces must be a fully integrated, flexible, multi-role, and combat-capable military. They must also contribute as a core element of a whole-of-government approach to addressing both domestic and international security challenges.

Among other considerations, the Government's decisions on rebuilding the Canadian Forces are informed by experience gained in recent missions in Canada and overseas, including in Afghanistan. Indeed, the Afghanistan mission has demonstrated the importance of having a military that can operate far from home on a sustained basis and in a difficult environment, and that is capable of quickly adapting to evolving threats and changing conditions on the ground. These lessons will continue to be incorporated as the military adjusts its doctrine and capability requirements in the future.

Operational experience has demonstrated that the best way to give the Government maximum flexibility in countering the full spectrum of security challenges is to maintain balance across the four pillars upon which military capabilities are built – personnel, equipment, readiness and infrastructure. The *Canada First* Defence Strategy addresses the needs of the Canadian Forces across these pillars, building on progress achieved since 2006.

Canadian Forces Personnel 2000–28



1. Personnel

Challenge:
At the end of the Cold War, the Canadian Forces had a total strength of approximately 89,000 Regular Force personnel. While this number declined to below 60,000 in the 1990s, the military's operational tempo significantly increased over the same period, placing extreme stress on Canadian Forces personnel. Operational fatigue, combined with the demographic reality of an ageing workforce, resulted over time in a "hollow force." Faced with new demands and the need to respond to new and unforeseen crises, the Canadian Forces require more recruits of higher quality with the right knowledge and skills.

While its strength has increased, at current manning levels of about 64,000 Regular and 26,000 Reserve personnel, our military is still hard pressed to carry out core operations at home and abroad.

Sustaining a Major Operation

Maintaining 2,500 Canadian Forces personnel in Afghanistan requires a pool of over 12,500. This includes 2,500 personnel in theatre for six months, 5,000 at different stages of training for upcoming rotations and 5,000 recovering following their deployment, affording the soldiers a minimum of 12 months between deployments.

About 10,000 additional civilian and military personnel are required in Canada to support the mission.

***Canada First* Defence Strategy**

Previous initiatives:
The Government will remedy this situation by funding significant personnel growth. Budget 2006 provided funding to increase the effective strength of the Regular Force to 68,000 personnel and the Reserves to 26,000. These additional personnel will help sustain international operations in coming years, as well as supporting the Canadian Forces' contribution to security efforts at the 2010 Olympics in Vancouver.

What is new:
The *Canada First* Defence Strategy provides the resources needed to expand the Forces to 70,000 Regular Force and 30,000 Reserve Force personnel. This will give the Canadian Forces a total strength of 100,000 to achieve the Government's defence objectives in Canada, on the continent and internationally, as well as positioning them for future growth. This expansion will allow the military to strengthen key joint and enabling capabilities, including medical and maintenance technicians, surveillance, reconnaissance and intelligence specialists, and special operations forces. This will be a significant undertaking. The cost of increasing military strength by 1,000 regular personnel is about $150 million annually – and this does not include the associated equipment, infrastructure and training. Overall, just over 50 percent of National Defence's budget is spent on personnel.

2. Equipment

Challenge:
Serious and significant cuts to defence funding in the 1990s resulted in an overall degradation of the Forces' equipment, affecting all three services. For example, the navy had to dispose of one of its three replenishment ships and one of its four destroyers; the air force eliminated almost half its aircraft, including Chinook helicopters, which are now being urgently re-acquired for use in Afghanistan; and the army lost a significant portion of its fighting and utility vehicles. In today's dangerous operational environment, the Canadian Forces need robust and modern equipment to fulfill their roles.

Investing in People

- People are Defence's most important resource. Both the Department and the Forces rely heavily on the work and expertise of dedicated personnel to ensure the operational effectiveness of the military.
- Rebuilding the Forces into a first-class, modern military means recruiting the "best and the brightest" that Canadian communities have to offer.
- Recognizing the demographic challenges that will be facing the Canadian workforce in the coming decades, Defence will continue to strive for excellence by:
  - Recruiting and retaining quality candidates that reflect the face of Canada;
  - Providing world-class technical training and advanced education;
  - Encouraging the continued development of a knowledge-based workforce;
  - Providing personnel with the highest level of health care possible; and
  - Integrating a motivated and effective Defence team comprising Regulars, Reserves and civilians.

Looking ahead, several major equipment fleets will reach the end of their operational lives within the next 10 to 20 years, and will need to be replaced. Decisions on acquiring critical new systems to replace these ageing fleets must be made in the near term.

Canada First Defence Strategy

Previous initiatives:

Over the last two years, the Government committed significant resources to rebuilding the Forces and made decisions related to the most urgent equipment needs while continuing the analysis suppporting the *Canada First* Defence Strategy. During that period, the Government made significant commitments to acquire urgently needed equipment. This included C-17 Globemaster strategic and C-130J Hercules tactical transport aircraft, CH-47F Chinook helicopters, Joint Support Ships and trucks to increase the deployability of the military, modern Leopard II tanks and mine-protected vehicles to enhance its combat-capability, and Arctic/offshore patrol ships to help the Forces operate in our northern waters.

These acquisitions are building a solid foundation for the continued modernization and strengthening of the military and will enable it to conduct operations more effectively and safely, both at home and abroad. However, more work remains to be done to ensure that the Forces have all the tools they need to do their job over the long term.

What is new:

Through this 20-year plan, based on a detailed assessment of requirements, the Government has committed to renewing the Forces' core equipment platforms.

These will preserve maximum flexibility in countering the range of threats facing Canada and include:

Destroyers and Frigates

Starting in 2015, 15 ships to replace Canada's destroyers and frigates. While all these vessels will be based on a common hull design, the frigate and destroyer variants will be fitted with different weapons, communications, surveillance and other systems. These new ships will ensure that the military can continue to monitor and defend Canadian waters and make significant contributions to international naval operations.

Fixed Wing Search & Rescue Aircraft

Starting in 2015, 17 fixed-wing search and rescue aircraft to replace the current ageing fleet of Buffalo and Hercules aircraft. These new platforms will help improve the military's response to Canadians in distress across this country's vast territory and oceans.

Fighters

Starting in 2017, 65 next-generation fighter aircraft to replace the existing fleet of CF-18s. These new fighters will help the military defend the sovereignty of Canadian airspace, remain a strong and reliable partner in the defence of North America through NORAD, and provide Canada with an effective and modern air capability for international operations.

Maritime Patrol Aircraft

Starting in 2020, 10-12 maritime patrol aircraft to replace the Aurora fleet. The new aircraft will become part of a surveillance "system of systems" that will also comprise sensors, unmanned aerial vehicles and satellites and keep Canada's maritime approaches safe and secure, including in the Arctic.

Land Combat Vehicles and Systems

The progressive acquisition of a new family of land combat vehicles and systems that will provide a robust and flexible capability for Canada's soldiers on high-risk missions abroad. The earliest investments in this project will provide enhanced capabilities for use in Afghanistan.

Replacing these core platforms will require investments ranging between $45 billion and $50 billion in acquisition capital costs. Under accrual budgeting principles, these costs will be amortized over the useful life of the equipment, which extends beyond the time frame of the Strategy.

In addition to these major fleet replacement programs, Defence will continue to make ongoing investments in other capital projects to improve and replace key existing equipment and capabilities. These projects will focus on individual weapons, communications equipment and smaller support vehicles. Defence will also look at acquiring radars and satellites to improve surveillance capabilities, especially in the Arctic.

Translating scientific advances into military capabilities is crucial to success in operations. The new equipment that will be acquired, including the fleet of land combat vehicles and systems, the ships to replace the frigates and destroyers and the next-generation fighter aircraft, will incorporate advances in technology. New command and control elements will exploit advances in information systems, including miniaturization.

Readiness

Since the early 1990s, readiness resources have been cut to pay for higher priority operational demands. This has resulted in:

- a 30 percent reduction in sea days;
- a 40 percent reduction in the average number of hours that planes fly each year; and
- the ability to train only 30 percent of land forces at high readiness.

The *Canada First* Defence Strategy will help reverse this trend by allocating enough resources to ensure that Canadian Forces personnel and their equipment are ready to deploy when and where they are needed.

3. Readiness

Challenge:

Readiness refers to the Canadian Forces' flexibility and preparedness to deploy in response to Government direction. It encompasses the resources needed to maintain equipment, conduct training, and prepare units for operations. Over the last 15 years, the military have been forced to economize in this area. Fewer resources for training and spare parts, coupled with an increasing operational tempo and ageing equipment eroded the Canadian Forces' preparedness to undertake operations on short notice. Until recently, the resources allocated for the National Procurement budget, which covers fuel, ammunition, spare parts and maintenance, covered only 70 percent of demand, significantly impeding the Forces' ability to train and maintain high readiness levels.

Canada First Defence Strategy

Previous initiatives:

The Government recognizes that, if they are to be effective in such difficult and diverse environments as the Arctic and Afghanistan, the Canadian Forces need adequate resources for training, spare parts and equipment. Recent budget increases have begun to reverse the decline in readiness and have funded more exercises for the army, more days at sea for the navy, and more flying hours for the air force.

What is new:

The implementation of the Strategy's 20-year plan will further enhance the readiness of the Canadian Forces. Planned, rather than ad-hoc investments will improve and increase training for personnel. In addition, such funding will provide further relief and ensure that more personnel are trained to required levels and that more equipment is available for both training and operations. Through this Strategy, the Government is building a military that can deploy more quickly and effectively.

4. Infrastructure

Challenge:
National Defence is the single largest property holder in the federal government, owning approximately 21,000 buildings, 13,500 works (including 5,500 kilometres of roads, jetties, training areas, etc.) and 800 parcels of land covering 2.25 million hectares (four times the size of Prince Edward Island). More than half of Defence's infrastructure is over 50 years old and much of its portfolio was not designed for today's operational requirements. National Defence is also the custodian of a number of heritage buildings and has a strong program to promote environmental stewardship, including thorough cleanup and remediation initiatives.

Following budget cuts in the 1990s, the resources earmarked for infrastructure maintenance and replacement were reduced significantly. As a result, much of National Defence's infrastructure is ageing and in poor repair, and will require refurbishing or replacement over the coming years.

Canada First Defence Strategy

Previous initiatives:
Beginning in 2006, the Government began to address the infrastructure issue. For instance, the new equipment acquisitions, such as the C-17 Globemaster and C-130J Hercules aircraft, include funding for associated infrastructure projects. This means that the cost of new hangars and other facilities directly related to these capabilities has already been taken into account in the overall cost of these projects. This new approach will reduce pressure on the broader infrastructure budget.

What is new:
To ensure that the Canadian Forces have the facilities they need, the *Canada First* Defence Strategy includes measures that will result in an overall improvement in the condition of defence infrastructure over the long term. In particular, our military will benefit from new investment and the ongoing implementation of a national approach to responsible stewardship and risk management. In concrete terms, Defence will move from spending an average of 2.5 percent of realty replacement costs annually from 2000 to 2006, to an average level of just under 4 percent annually over the next 20 years. Sufficient resources will also be set aside for the future acquisitions required under this Strategy to build or upgrade associated infrastructure. Overall, the Strategy aims to replace 25 percent of existing infrastructure over 10 years and 50 percent over the next 20 years. In coming years, National Defence will also further improve the management of its heritage sites and continue to promote and exercise environmental stewardship in the conduct of its activities.

Investment Plan

The *Canada First* Defence Strategy provides an affordable roadmap that encompasses initiatives in all four pillars of military capability. To ensure that the investments outlined in this document are brought forward in a coherent way, National Defence is developing a comprehensive, multi-year Strategic Investment Plan. This Plan will assist National Defence in implementing the Strategy by helping to manage the complexity involved in balancing resources across the four pillars, including the sequencing of key projects so that equipment is not delivered without the necessary personnel to operate it and the infrastructure required to support it. It will integrate funding demands from across National Defence into a single, coherent plan, and ensure that the timing of major investments corresponds to the availability of funds. This will not only minimize the risk of capability gaps, but will also ensure affordability over the next 20 years.

The first version of the Plan will be submitted to the Treasury Board Secretariat in November 2008 as part of a pilot project associated with that agency's new Policy on Investment Planning, which aims to "contribute to the achievement of value for money and sound stewardship in government program delivery through effective investment planning."

VI. POSITIONING CANADIAN INDUSTRY FOR SUCCESS

The unprecedented commitment of long-term, stable funding over the next 20 years will directly support *Advantage Canada*, the Government's strategic plan for boosting the economic prosperity, global competitiveness and quality of life of Canadians. Indeed, the *Canada First* Defence Strategy represents a significant investment in the country's industry, knowledge and technology sectors that will yield sizeable dividends for every region of the country. This clear, long-term plan will give these sectors the opportunity to better position themselves to compete for defence contracts in Canada and in the global marketplace.

Global Excellence

Combined with the improved framework for competition and trade provided through *Advantage Canada*, the *Canada First* Defence Strategy will help position Canadian companies for success in the global marketplace. Its infusion of long-term, stable funding will allow industry to plan ahead, make better use of investments in capital and technology, and become more effective players in the supply chains of the world's primary defence equipment manufacturers. In short, this Strategy will help Canadian companies build global excellence and leverage Canada's competitive advantage.

Technology and Innovation

Through Defence Research and Development Canada (DRDC), National Defence has a long history of working with Canadian industry and with its allies to develop technology that meets the needs of the Canadian Forces. As National Defence implements this Strategy, DRDC will collaborate with defence partners to derive maximum benefit from technology and ensure that the Canadian Forces continue to be a state-of-the-art military.

The significant procurement initiatives contained in this plan will also open up valuable new opportunities for Canadian industry, building on the Government's Science and Technology Strategy. Specifically, the new long-term funding framework will allow large, well-established companies in Canada's high-value-added technology sectors to align their own manufacturing, support, and research and development plans to better support defence procurement requirements. Significant benefits will also accrue to small and medium-sized companies that have established themselves as world leaders in specific technologies. They will be better positioned to grow and expand their businesses and to invest in emerging technologies at a level that will improve the likelihood of developing a viable product. Finally, much of the technology and innovation that will be required to rebuild the Canadian Forces will have valuable commercial applications, resulting in additional long-term benefits for industry.

A New Relationship

The *Canada First* Defence Strategy will set the stage for a renewed relationship with Canadian defence industry and research and development organizations across the country.

The Government will take specific measures to enhance its interaction with industry. For example, it will continue to improve the way it procures new equipment, fostering greater transparency and engaging industry earlier in the process. These ongoing procurement reforms will further streamline the contracting process and ensure that it continues to remain open and fair. In addition, the Government will revise the current industrial benefit policies attached to significant procurement projects with a view to encouraging industry to make long-term investments in Canada.

With the Government's significant investment in the Canadian Forces, Canadians will profit from the development of high-tech, high-value sustainable jobs in all regions – directly through the development of military capabilities and indirectly through technological spinoffs and commercial applications. This will put Canadians to work protecting Canadians. Universities and colleges will also benefit through increased opportunities to undertake cutting-edge research.

VII. CONCLUSION

The *Canada First* Defence Strategy represents a major milestone, and reflects the Government's commitment to rebuilding the Canadian Forces into a first-class military capable of providing enhanced security for Canadians. It strikes the right balance between what the Forces need today, and what they will likely need in the future to address a different set of security challenges. Recognizing that the global security environment and the capabilities required to deal effectively with it will continue to evolve, the Government is committed to reviewing this comprehensive plan on a regular basis to ensure that it continues to meet the needs of the military and Canadians.

The implementation of the *Canada First* Defence Strategy will give the Forces, who sacrifice so much for their country, the resources they need to perform their vital missions to a standard that Canadians expect and deserve.

This 20-year plan to rebuild the Forces, supported by an unprecedented long-term, predictable funding framework, will ensure that Canadians can depend on a military capable of delivering excellence at home, meeting its commitments as a reliable partner in the defence of North America, and projecting leadership abroad in support of international security. It will also allow the Government to develop a stronger, mutually beneficial relationship with industry. Above all, a revitalized and transformed Canadian Forces, working in partnership with the knowledgeable and responsive civilian personnel of the Department, will help ensure the safety and security of our citizens well into the 21st century.