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• (1530)

[English]

The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)): We have quorum and it's my happy task to welcome the minister, after many tries, to this committee.

We are studying the subject matter of the estimates. We have the minister with us for an hour. You'll note that the time for reporting back to the House has passed, so there will be no votes for the committee on the main estimates.

As I say to all colleagues at the time that we're doing estimates, humour the chair just a bit by trying to tie the question to the estimates. That is what the minister is here for.

With that, Minister Anand, we look forward to your five-minute statement. Thank you.

[Translation]

Hon. Anita Anand (Minister of National Defence): Thank you, Mr. Chair.

[English]

Thank you for this opportunity to discuss the main estimates for DND, the Canadian Armed Forces and the Communications Security Establishment.

[Translation]

As you know, our defence policy, launched in 2017, stresses the importance of ensuring that our armed forces are well funded, well equipped and well supported to defend Canada and North America, and to contribute to peace around the globe.

[English]

With Russia's illegal and immoral invasion of Ukraine, we have been reminded how vital it is to uphold these commitments. That is why, in budget 2022, we announced that we would be redoubling our efforts to keep Canada safe and to secure our place in the world through a broad and ambitious range of investments.

The roughly \$26.8 billion we are requesting through these main estimates is the first step in this plan. It will lay the foundation for everything we do to modernize and transform our military over the next fiscal year and to make meaningful investments to shore up Canada's cyber-related capacities as well.

Our requests for funding fall broadly into the following categories: operating expenditures, capital expenditures, grants and contributions, and payments going toward the long-term disability

and life insurance plan for members of the CAF. This amount also includes roughly \$800 million for the CSE to maintain and bolster Canada's cyber-capabilities.

Let me start with operating expenditures.

[Translation]

Mr. Chair, more than half of the funding we have requested in these estimates—over \$17.5 billion dollars—is for our operating expenditures. This funding will help the CAF carry out its critical missions at home and abroad, and work with our international allies and partners to uphold global peace and security.

[English]

It will also support the CAF reconstitution process that General Eyre announced last year, ensuring CAF readiness following the COVID-19 pandemic. In fact, a key part of reconstitution is the ongoing work we are doing to change the culture of our organization and to ensure that those who were affected by sexual misconduct or other harms in the line of duty receive the support they need. As I announced just last week, I am pleased to note that we have received Madame Arbour's final report. Building on the report to create a more inclusive and safer defence team is a priority.

[Translation]

Madam Arbour's report is just one of several lines of effort across the national defence team.

[English]

These include the work that the chief, professional conduct and culture, is doing to unify and integrate all of our culture change efforts, the support that the sexual misconduct response centre provides to affected team members and our efforts to modernize the military justice system, to name just a few of the initiatives. The business of defence clearly covers a wide range of activities, but everything we do comes down to having a force that is ready, that is resilient and whose members are well supported at all points in their careers.

[Translation]

This funding will help us keep building that military force.

[English]

I'll turn to capital expenditures.

[Translation]

With respect to capital expenditures, through these main estimates, we are requesting almost \$6 billion to keep funding several critical procurement projects over the next fiscal year.

• (1535)

[English]

These projects include our Canadian surface combatants, joint support ships, Arctic and offshore patrol ships, and armoured combat support vehicles as well. These large, multi-year, multi-billion dollar projects are essential to our success as an organization and are even more important in a geopolitical environment governed by uncertainty, instability and great power competition.

I'll move now to grants and contributions.

[Translation]

We are also requesting \$314 million in grants and contributions through these main estimates.

The grants and contributions allow us to spur innovation in Canadian industry and academia.

[English]

These will support organizations outside of defence that provide services for defence team members.

[Translation]

They also allow us to do our part to stay engaged internationally.

[English]

Of this funding, we are allocating almost \$225 million towards NATO programs like the NATO military, the security investment program and other activities. This represents an increase of \$63.9 million over last year's main estimates towards our collective defence and security through NATO.

We are also providing \$447 million dollars towards the CAF long-term disability plan and for optional group life insurance for general officers.

[Translation]

Through this funding, the CAF will keep working with partners to ensure that our people and their families receive the support they need when they are ill and injured, including when they hang up the uniform for the last time.

[English]

Finally, as I noted earlier, we are requesting roughly \$800 million in funding for the Communications Security Establishment. This funding will go towards enhancing CSE's ability to prevent cyberattacks and to defend Canadians, Canadian businesses and our critical infrastructure against them.

Mr. Chair, it's a pleasure to be with you today. The funding requested in the estimates covers a broad range of investments, repre-

senting a 6.8% increase in yearly spending over last year's main estimates for DND and the CAF, but it is just the beginning.

In the months to come, we will be announcing new funding opportunities for defence, including a robust plan to bolster our continental defences and modernize NORAD in collaboration with our U.S. partners.

[Translation]

As highlighted in budget 2022, we have initiated a review and update of our defence policy to make sure we are keeping ahead of our biggest threats now, and into the future.

[English]

Thank you.

I am pleased to take your questions.

The Chair: Thank you, Madam Minister.

For our six-minute round, we're leading off with Mr. Motz followed by Mr. Fisher, Madam Normandin and then Madam Blaney.

Mr. Motz.

Mr. Glen Motz (Medicine Hat—Cardston—Warner, CPC): Thank you, Mr. Chair.

Thank you, Minister, for being here. Also, on a personal note, thank you for providing me with some of that contact information for my constituents on that question from a couple of weeks ago. I appreciate that.

Minister, we've just witnessed China harass and act aggressively toward our Canadian Aurora long-range maritime patrol aircraft and exhibit the same sort of aggressive behaviour toward an Australian P-8 maritime patrol aircraft. Where are we in the Indo-Pacific strategy that we've heard so much about recently from Liberal ministers?

Hon. Anita Anand: Thank you so much for the question.

I want to reiterate that we are developing a comprehensive Indo-Pacific strategy to deepen diplomatic and defence partnerships in the region. That is why the Prime Minister put this important issue in my mandate letter.

Canada remains committed to a consistent presence in the Indo-Pacific through consistent engagement and capacity building. What does this include? Well, it includes a variety of military exercises with allies and partners, such as Australia, the United States and Japan. The bottom line is that Canada is going to continue to promote regional peace and security in the Indo-Pacific.

Mr. Glen Motz: Where would you say we are in that process? Are we at the beginning stages of this strategy? Are we where we want to be?

• (1540)

Hon. Anita Anand: In your original question, you did mention the Chinese planes that were in the news very much this weekend. In fact, I made a comment that these aircraft did not adhere to international air safety norms and that their interactions were unprofessional and put the safety of our Royal Canadian Air Force personnel at risk. Our primary concern is the safety of our aircrew. These occurrences in particular have been addressed through diplomatic channels.

I will say that our Indo-Pacific strategy is increasingly important in this region. I'm actually travelling to Singapore this week, where I will be discussing Canada's Indo-Pacific presence and the importance of our military exercises with allies and partners, such as Australia, the United States and Japan, including the sail-through of the Taiwan Strait that we undertook in 2021 with the United States.

Mr. Glen Motz: Thank you very much, Minister.

Would now be a good time for Canada to make efforts to join the quadrilateral security dialogue?

Hon. Anita Anand: Canada is very committed to a number of multilateral partnerships, and again, one of the purposes of my travelling to Singapore and participating in a Shangri-La Dialogue, where I will be giving remarks at the final day of that conference, is to express Canada's commitment to multilateralism writ large as well as to stability and security in that region.

I will ask my deputy minister, Bill Matthews, if he has anything more to say on this.

Mr. Glen Motz: That's fine, Minister. We can always ask later after you have gone.

Minister, Canada has been excluded from the Australia, U.K. and U.S. group—or what they call now the “Three Eyes”—on capability. Your government has said that's because we don't want to operate nuclear submarines, but the government knows that the Australia, U.K. and U.S. partnership is not just about submarines. It's about artificial intelligence, autonomy, cyber, quantum technologies, hypersonics and counter-hypersonics, electronic warfare and innovation in information sharing—in other words, the future of warfare.

What is our plan to get into the Three Eyes? Or is Canada planning on a strategy of isolation in the future security environment?

Hon. Anita Anand: Thank you so much for that question.

Let me start by saying that Canada has intricate and long-standing defence partners with the United States, with the United Kingdom and with Australia, our close friends and allies. We coordinate particularly closely in a number of multinational organizations and we will continue to do so.

Again, part of the reason that I am travelling to Singapore this week is to reiterate the importance of these multinational partnerships. We are not isolated. I meet with my counterparts regularly, and I will continue to do this. We do this work across the board with our allies and will continue to do so.

Mr. Glen Motz: Thank you, Minister, but do you think there are barriers in joining those alliances like the Three Eyes? Could it be because of the delay in announcing our ban of Huawei?

Hon. Anita Anand: Mr. Chair, I will say that our collaboration with our allies has been incredibly strong, especially over the last number of months as we together respond to Russia's illegal invasion of Ukraine.

On a number of occasions, I have met with my counterparts on a bilateral and multilateral basis. I will say that Canada has been at the forefront of a number of issues, including the Ukraine conflict, and we will continue to collaborate multilaterally and bilaterally with our allies in support of the international rules-based order.

The Chair: Thank you, Mr. Motz.

Mr. Fisher, you have six minutes please.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you very much, Mr. Chair.

Thank you very much, Minister, for being here today and for all the work you have done and are doing.

Minister, Russia's unprovoked illegal invasion of Ukraine has been something that you've been obviously focused on for these past few months. I think members of this committee can all agree that we need to do everything we can to support Ukraine.

I know that you've been in close contact with your Ukrainian counterpart to discuss Ukraine's military needs. In fact, half of the members of this committee were in Vilnius last week and heard from the defence minister in Ukraine. He name-dropped you and said.... I don't want to paraphrase, but he said something along the lines of “my very best friend, Anita Anand”, which was really wonderful to hear in front of the entire NATO delegation.

Since your last appearance before this committee, you've announced a number of additional supports for Ukraine, including \$500 million in budget 2022. Can you please let us know what you've done so far to directly support Ukraine and to coordinate with our international partners?

• (1545)

Hon. Anita Anand: Thank you very much, Mr. Chair, for that question, and thank you to the member for his important work on this issue.

Since February alone, we have made a series of announcements of additional military aid, including \$98 million on May 25 for 20,000 artillery rounds of 155-millimetre NATO-standard ammunition, including fuses and charge bags, and \$50 million on May 8 for high-resolution satellite imagery, an additional 18 drone cameras and ammunition. There was the delivery of M777 howitzers and associated munitions and training for our Ukrainian partners outside of Ukraine on how to use them, anti-armour weapons systems and rocket launchers, heavy artillery, commercial pattern armoured vehicles, and personal protective equipment such as body armour, gas masks, helmets and other specialized pieces of military equipment.

As you know, and as you mentioned in this question, we allocated an additional half a billion dollars. Before that budget, we sent well over \$100 million, and now we are well over \$260 million, including funds from the budget. We are working around the clock to allocate the remaining funds from the budget. As mentioned in the question, I am in close contact with my Ukrainian counterpart to discuss the specific needs of Ukraine's army.

An important contribution, in addition, that Canada has set up is a coalition air bridge with two CC-130 tactical aircraft to Europe to transport military equipment from Canada and our allies and partners to Ukraine. We have delivered over two million pounds of aid, and this work continues every day.

As Ukrainian heroes fight back against Putin, we will continue to help them defend Ukraine's territory and the rules-based international order.

Mr. Darren Fisher: Thank you very much, Minister.

Switching gears for a second, the Arctic is of crucial importance to the Canadian geopolitical landscape and to the people and communities of the north. I know you've made safeguarding Canadian sovereignty in the Arctic a priority, and I know that it's in your mandate letter.

There are a number of items in these main estimates that touch on this issue. One of the ones I'll use as an example is the \$340 million to continue funding construction efforts for the Arctic and offshore patrol ships.

Can you give us a bit more detail on the status of these ships, as well as maybe some other projects that are under way with regard to our sovereignty in the Arctic?

[*Translation*]

Hon. Anita Anand: Yes, of course. Thank you for the question.

[*English*]

Canada's sovereignty in the Arctic is secure and it's well established. We're taking action, and we're making landmark investments to increase our ability to operate in the Arctic, including joint exercises in the Arctic, purchasing six Arctic and offshore patrol ships and enhancing our capability to defend Arctic sovereignty with 88 new fighter jets.

Last month, May 16 in fact, I hosted a very productive security and defence dialogue with Arctic allies and partners from Denmark, Finland, Iceland, Norway, Sweden and the United States, to discuss

evolving security and climate dynamics in the Arctic as well as Russia's unlawful invasion of Ukraine.

Your question specifically mentioned the Arctic offshore patrol ships. Those are integral to defending the north. We have had two of those six ships delivered to the Royal Canadian Navy already. As many of you already know, the HMCS *Harry DeWolf* recently completed a circumnavigation of North America. That's the first Royal Canadian Navy ship to do so since 1954. A third vessel is also in the water, and we look forward to its delivery this fall.

In addition, this procurement project is helping to revitalize the Canadian shipbuilding industry by sustaining 2,000 jobs annually. That is why we are requesting \$340 million in the estimates to continue funding construction efforts during the implementation-phase activities of the project, including construction on ships three to six.

These ships are simply critical to enhancing the navy's ability to assert Canadian sovereignty in Arctic and coastal waters. We will always remain firm and unwavering in defending Canada's sovereignty, the peoples and communities of the north, and our national interests. Thank you.

● (1550)

The Chair: Thank you, Mr. Fisher.

[*Translation*]

Ms. Normandin, you have the floor for six minutes.

Ms. Christine Normandin (Saint-Jean, BQ): Thank you very much, Mr. Chair.

Thank you, Minister, for being here. We're always happy to have you.

I'd like to begin by discussing the issue of recruitment and retention that the committee has addressed. It's essential that the armed forces improve this situation. That's why I'd like for you to tell us about the initiatives set out in the budget to reverse this trend.

For instance, can you tell us that *x* amount under such and such initiative will be used for recruitment and retention?

Hon. Anita Anand: Thank you for your question.

We must ensure that we have the right number of people, the right equipment and the right support. That's why we launched, and are in the process of launching, several initiatives to attract and retain more people in the Canadian Armed Forces, or CAF.

That includes the CAF reconstitution plan, launched by the chief of the defence staff, and a workforce retention strategy that we'll be launching soon.

[*English*]

I will ask the vice-chief of the defence staff to speak specifically to the budgetary aspects.

[*Translation*]

Ms. Christine Normandin: Minister, I'm going to use my time to speak with you. I'll ask the question again in the second hour of the meeting, once you've left.

I'd like you to talk to us about the Arbour report, which has just been made public. If I'm not mistaken, you already intend to immediately apply 17 of the report's recommendations. Some are more superficial and are related at most to name changes. Others, however, are more substantial and could have a budgetary impact.

In general, of the 48 recommendations in the Arbour report, what types of recommendations do you want to implement quickly?

Could you give us the recommendation numbers, if you have them on hand?

Hon. Anita Anand: That's a very important question.

First, I'd like to tell you that I accepted the report in its entirety. I spoke with the Prime Minister, and we fully agree on the important issues raised by Madam Arbour. My priority is to build an institution in which everyone feels safe, protected and respected.

First, we'll implement 17 recommendations, those that require that we report to the House on our progress in the process. I'd also like to confirm that we'll appoint an external monitor.

Ms. Christine Normandin: Thank you very much.

We can talk about what's in Justice Arbour's report, but we can also talk about what's not in it, in terms of recommendations. Justice Arbour also noted that she was somewhat disappointed in the past that the letter of some recommendations was followed rather than the spirit, including those in the Deschamps report.

She also noted the work by Justice Fish on the independence of the Office of the Ombudsman, but did not make any recommendations to that effect. We know that, if the ombudsman had had more independence and had reported directly to Parliament, we might not have gotten bogged down for several years in the scandal surrounding Jonathan Vance, which the government made an attempt to cover up.

Although it's not a specific recommendation, is there hope of the ombudsman gaining independence in the coming years?

• (1555)

[*English*]

Hon. Anita Anand: Thank you for the question. I would like to say that we greatly believe in the importance of the role of the ombudsman. Continuing to ensure the independence of the ombudsman is very important to us, generally speaking. We will continue to maintain a productive dialogue with the ombudsman. We deeply value the important services that his office provides to the defence team. We're committed to supporting the important work he does.

[*Translation*]

Does the deputy minister have anything to add?

Ms. Christine Normandin: I don't have much time left, Minister, so if I may, I'd like some clarification from you.

To depoliticize the matter of misconduct, would it be appropriate, in your opinion, for the ombudsman to report to Parliament instead of reporting directly to you?

You can answer yes or no.

[*English*]

Hon. Anita Anand: Let me just say that I personally will be reporting directly to Parliament as a result of Madam Arbour's report, and I will do that prior to the end of 2022. In addition, in direct response to Madam Arbour's report, I will be appointing an external monitor who will oversee me and the progress in implementing the report in the most efficacious and expedient manner.

Let's be clear: Madam Arbour was very careful to ensure that there were procedural safeguards in place to ensure the implementation of her report, and we are going to follow her recommendations in that regard.

[*Translation*]

Ms. Christine Normandin: Thank you very much.

[*English*]

The Chair: Thank you, Madam Normandin.

Ms. Blaney, welcome to the committee. You have six minutes.

Ms. Rachel Blaney (North Island—Powell River, NDP): Thank you so much, Chair.

Thank you, Minister, as well for being here today. I appreciate your taking some time with us.

I am the proud representative of the 19 Wing in Comox, and I just want to have a bit of an opportunity to ask you about an article that came out not too long ago in which one of the senior officers was telling some of the members that perhaps the only way they could find housing would be to work with the Vancouver Island North Habitat for Humanity.

Now, I don't want to say anything negative about the senior officer. I think they were providing a real alternative in a situation that is profoundly hard. Housing in our riding is hard to find, whether it's to rent or to purchase. The costs have gone up dramatically. We know that our military families have to travel quite extensively. We also know that in our area, there's a long relationship between Habitat for Humanity and the 19 Wing members, who've spent many years volunteering their time to help build houses for other people, but we also have to acknowledge that there is just not enough military housing. I notice that we're not seeing a substantive support for that in these estimates.

Minister, why isn't there a substantive amount of resources going into military housing when we know that military families have to travel from one part of this country to another and provide stability for their families? If they have nowhere to live.... Just so you know, Minister, there are many service members in my riding who are travelling, in some cases, an hour to an hour and a half just to get to work every day because of the lack of housing.

Hon. Anita Anand: Mr. Chair, I thank the honourable member for the question, which is a good one. Clearly she is outlining an issue that we are taking very seriously in the Canadian Armed Forces and at the Department of National Defence more generally. She has clearly outlined an important issue facing Canadian Armed Forces members not only in British Columbia but across the country, and I want to indicate that we are taking this issue seriously. We are working with stakeholders to align resources and acquire additional housing.

In 2022-23, for example, we are investing \$55 million in residential housing for Canadian Armed Forces members. We are investing \$445 million over the coming years to tackle this important issue. We've also put in place supports for our members when they relocate, because we know that is something that is particular to members of the Canadian Armed Forces. We are, for example, reimbursing them for legal and real estate fees and we're covering some expenses for dual residency for up to six months if a CAF member cannot sell their residence.

I thank the member for the question and I want to indicate that we are taking action on this. We do recognize that it is a problem. Thank you.

• (1600)

Ms. Rachel Blaney: To come back to that, though, Minister, we know that the residential housing unit numbers have gradually decreased since 2013, while the need has increased substantially, and that the Canadian Forces housing agency has identified a need for about 5,200 to 7,200 additional housing units across the country. That is pretty substantial, and we're not seeing the numbers follow that at all.

I'm just wondering. We know that retention and attraction continue to be significant challenges, and I would assume that those things are correlated. If you have nowhere to live, if it's hard to move your family because there is nowhere to live, if you're having to have that lifestyle of driving an hour and a half away, which means that you're missing up to three hours a day with your family because of that, it's going to put a damper on people's impression that this is a good plan.

How are you addressing that ideal of retention and attraction and putting in that idea of having housing? I hear the numbers you're throwing out, but what we're seeing again and again is that housing is not being built. We're not seeing the commitment to building it, and that means that it's getting harder and harder for military families. I think we ask enough of them.

How are you going to address this in a more meaningful way and could you give a bit of a timeline? You threw out some numbers, but how long are the people in my constituency specifically going to have to wait until there's any housing built on the base?

Hon. Anita Anand: To be clear, I'm not simply throwing out numbers. This is actual funding that we are committing to address the issue you raised, but moving on, I will respond with the specifics that we are undertaking in addition to the items I outlined just a moment ago.

First, to ensure the post living differential allowance effectively supports CAF members and their families and addresses affordabil-

ity concerns, DND is reviewing the actual policy. We are undertaking a policy review to address retention issues, among a number of other things, and we know that housing and relocation is one of those things.

In addition, the funding that I mentioned in my previous answer will go towards...and this is what I believe the member was specifically asking. We're going to be using that funding to address renovation projects to ensure the existing 11,000 or so housing units are functional and suitable. We're going to be constructing new housing units at bases and wings, including at CFBs Comox, Shilo and Dundurn.

We are working on this as part of a comprehensive approach to recruitment and retention, and we know and will continue to reiterate that people are at the core of everything we do. That's why, when I am at bases, I always meet with families, because families are at the heart of supporting our Canadian Armed Forces. This was the case last week in Valcartier when I met with the families on the base right there.

Thank you.

The Chair: Thank you, Ms. Blaney.

The minister has a hard stop at 4:30, and we have a 25-minute round.

We have 26 minutes to do a 25-minute round, so I'm looking for you to stay on track.

Madam Kerry-Lynne Findlay, you have five minutes.

Hon. Kerry-Lynne Findlay (South Surrey—White Rock, CPC): I thought you were going to give me that extra minute.

The Chair: No.

Hon. Kerry-Lynne Findlay: Minister, thank you for being here.

You mentioned in your remarks that in the months to come there would be announcements about “new funding opportunities”, including on continental defence and modernizing NORAD.

I'm just wondering if you could clarify for me what you mean by “new funding opportunities”. Are these already included in the estimates we are talking about today, or are you saying that you're going to be asking for further funding? If so, in what amount?

Hon. Anita Anand: Thank you so much.

Modernizing NORAD, as you mentioned, is a priority for me and for our government. We will invest over \$8 billion in budget 2022 for additional defence spending, and this will include over \$6 billion for, among other things, continental defence. That builds on the \$252 million that we committed through budget 2021.

We will be continuing to come forward with a plan to modernize NORAD. In fact, I am travelling to Colorado with the Prime Minister tomorrow to visit the North American site for NORAD.

Hon. Kerry-Lynne Findlay: Minister, you and the minister of procurement have said that you're still negotiating the sale of F-35s, but as a member of the consortium, Canada gets the F-35 at the same price as the U.S. in the year of purchase. We understand that Saab was debriefed on the F-35 competition last Friday, so why the continuing talk about a competition and process?

• (1605)

Hon. Anita Anand: I'm going to say, first and foremost, that we are in the finalization phase of our contract negotiations for the F-35s, and that is something our government takes very seriously given the needs of the RCAF. We will move to finalize the process as soon as possible for the 88 future fighters. In terms of the specific question relating to Saab, I will ask my deputy minister if he could explicate further.

Hon. Kerry-Lynne Findlay: We can deal with that later. While you're here, I'd like to make use of the time with you, if I may.

Can you confirm that Canada is purchasing a block of F-35s from the scrapped Turkish purchase of Block 3 aircraft while the latest model of the Block 4 is unavailable, Minister?

Hon. Anita Anand: We are purchasing 88 future fighters from Lockheed Martin, and we are finalizing the contract at the current time.

Hon. Kerry-Lynne Findlay: All right. That's not an answer, but....

Will you confirm that the maintenance and sustainment work on our F-35s will be done in the U.S. because Lockheed Martin controls the intellectual property of the aircraft?

Hon. Anita Anand: The negotiations for the F-35 contract with Lockheed Martin are still ongoing with a number of the issues that you are mentioning. In fact, those negotiations are being handled out of PSPC, and the minister there would be the more appropriate person to respond to those questions.

Thank you.

Hon. Kerry-Lynne Findlay: I did ask during committee of the whole and didn't get answers.

Right now CAE does Canada's military pilot training. Do you support CAE and training pilots at home by a Canadian company?

Hon. Anita Anand: We are very committed to ensuring that our pilots receive the training they need. The competition is ongoing.

I will ask my deputy minister if he could provide further details regarding those negotiations and the competition.

Hon. Kerry-Lynne Findlay: I'll ask questions of the deputy minister later. Thank you.

I am advised that the future aircrew training program has been weighted for either an Italian or a British company to win and to train pilots outside of Canada. The question is whether the government is prepared to lose all those Canadian jobs at CAE and its partners to training Canadian pilots in Europe. Are you aware of the issue, Minister?

Hon. Anita Anand: Of course I'm aware of issues relating to the labour market in our country. Our policy, especially in terms of the mandate of Minister Champagne at ISED, is to ensure that we are

continuing to support Canadian businesses to grow Canadian jobs, whether in the national shipbuilding strategy or in any other area of procurement. Canadian economic benefits always play an important factor in our competitions.

Thank you.

Hon. Kerry-Lynne Findlay: Thank you.

The Chair: Thank you, Madam Findlay.

Madam Lambropoulos, go ahead for five minutes, please.

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Mr. Chair.

Thank you, Minister Anand, for joining us today to answer some of our questions.

I know we recently did a study on recruitment and retention, and that's a really key issue we should be focusing a lot on. I think it has a lot to do with changing the culture of our Canadian Armed Forces as well. One of the first acts you undertook as Minister of National Defence was to accept Madam Arbour's interim report and recommendations to transfer sexual misconduct cases from the military justice system to the civilian justice system. She also recommended in her final report that the Criminal Code sexual offences be entirely removed from the jurisdiction of the military justice system and be dealt with and prosecuted in the civilian criminal court.

I know that on Monday you accepted Madam Arbour's final report, so I am wondering if you could let us know what specifically you'll be doing in regard to this recommendation.

Hon. Anita Anand: Thank you for the question.

You're right—my top priority is to build an institution in which everyone feels safe, respected and protected. Madam Arbour's fifth recommendation in her final report is that Criminal Code sexual offences should be entirely removed from the jurisdiction of the military justice system and that they should be prosecuted in civilian criminal courts. This is a thoughtful and system-changing recommendation, and we will examine it in earnest.

As you pointed out in your question, I had already accepted the interim recommendation of Madam Arbour in the fall of 2021. I want to reiterate the progress that has been made in terms of accepting that interim recommendation.

First of all, in January, the RCMP began accepting transfers of new files from the Canadian Armed Forces.

Second, in February, Quebec's Ministry of Public Security advised their police force to accept new files and transfers based on their capacity and highlighted that a detailed protocol was in progress.

Third, several municipal and local police forces have also accepted transfers on an ad hoc basis. We have made progress, but of the 49 cases that were referred to provinces and territories, 23 cases were declined. That's why I wrote last week to provinces and territories urging them to exercise their jurisdiction and accept these cases. I made clear that the path forward requires collaboration with the civilian law enforcement and justice systems.

It is clear to me that more work needs to be done to implement Madam Arbour's interim recommendation in full, and that's why in my letter to provinces and territories, I confirmed that we are establishing a formal intergovernmental table to build durable transfer processes that will serve Canadian Armed Forces members well in the long term, and this will be a useful forum in which to discuss issues that have arisen so far.

Finally, I will also be consulting with survivors and victims groups to determine the path forward. This is something I have done since I was appointed as minister. It is a priority for me to be in touch with victims and survivors. I do look forward to informing Canadians and parliamentarians by no later than the end of this year on next steps.

Thank you.

• (1610)

Ms. Emmanuella Lambropoulos: Thank you, Minister. I feel that we're in good hands with regard to this specific recommendation, and in terms of sexual misconduct cases and changing the culture of our armed forces.

That being said, I think the Canadian Armed Forces do an incredible job and have played a crucial role in the security of Canada and Europe, especially of late. One of the very many contributions the Canadian Armed Forces have made—a critical contribution that has most recently been made—are increasing NATO's deterrence posture in Europe through Operation Reassurance, in the face of Russian aggression.

A few months ago, you announced the extension and expansion of Operation Reassurance. I was hoping you could give us an update on the work that the Canadian Armed Forces have been doing in NATO's eastern flank.

Hon. Anita Anand: Well, thank you—

The Chair: I'm sorry to interrupt, but the member gave you 10 seconds to answer a very important question. I'm going to ask you to work it into a response to some other question, if you don't mind, please.

Madam Normandin, you have two and a half minutes.

[*Translation*]

Ms. Christine Normandin: Thank you very much, Minister.

The 29th recommendation in the Arbour report obviously drew my attention, as the Royal Military College in Saint-Jean is in my riding. That recommendation calls for a review of the role of military colleges.

The Royal Military College Saint-Jean is smaller than the one in Kingston, and different. Initiatives have been put in place there concerning misconduct, including hiring a full-time social worker.

However, the structure is different. The Corporation du Fort St-Jean handles maintenance of the site and services for students, and officer cadets at the Royal Military College Saint-Jean seem to be happier than those at the Royal Military College in Kingston.

Instead of throwing out the proverbial baby with the bathwater and considering the outright closure of the military colleges, would it not be appropriate to look at what initiatives have worked well at each one? What could improve the situation at the military colleges to be able, in particular, to maintain bilingualism? If we send everyone to civilian universities, there may be a loss of bilingualism. Justice Arbour noted that that's already a problem, and it might get worse.

In your work, Minister, are you seeking to determine what improvements can be made instead of outright closing the military colleges?

• (1615)

Hon. Anita Anand: Thank you for your question.

I'd like to point out that I'm the Chancellor of the Royal Military College of Canada and that I visited both colleges for the convocation ceremony in May.

As you said, the 29th recommendation in Madam Arbour's report notes the need to address this problem. Of course, there's no recommendation to close the colleges; there's a recommendation to review the education program at the colleges. We'll therefore study that recommendation, of course, but we'll also respond to that recommendation to create a safer and more inclusive learning environment for our officer cadets, including by increasing the scope of the exit evaluation, as recommended by Madam Arbour.

Of course, no officer cadet should be a victim of harassment, misogyny or discrimination, but there is no recommendation to close the colleges or programs. The recommendation is to review the programs at the colleges to create and build educational institutions for safety, for our—

[*English*]

The Chair: We'll have to leave it there, Madam Normandin. We've already blown through the extra minute we had.

Ms. Blaney, you have two and a half minutes, please.

Ms. Rachel Blaney: Thank you, Chair.

Thank you again, Minister. I have a question.

In 2015 and 2017, the Liberal government promised CAF personnel and veterans that it would eliminate the archaic and sexist marriage after 60 clause from the Canadian Forces Superannuation Act.

Six years ago, in 2015, DND reported to the REGS committee that it was amending legislation and regulations to remove the marriage after 60 clause and that it was on their to-do list. In 2020, the previous minister of defence wrote to the REGS committee stating that a legislative change to repeal the gold digger clause was needed, but didn't offer any commentary on how to move forward with that.

It is clear that DND knows how to fix the problem, but the department is not putting forward any amendments to do so until this government directs the officials to work on it.

I want to be really clear. There are some cases where couples have been together for well over 15 years. It means that they are either living in poverty, because this military service person is giving up a significant part of their pension so that their loved one can have something when they're gone, or they're predicting a poverty-stricken future for their partner. It is ridiculous, in my mind, because it puts mostly elderly women at risk of homelessness and poverty, and insults them by labelling them a gold digger.

I'm wondering, Minister, if you plan to eliminate this clause from the pension legislation, or will the government continue, as it has since 2015, to just drag its feet?

The Chair: I thought this was the defence committee, not the natural resources committee.

Ms. Rachel Blaney: That's where it belongs: defence.

[Translation]

Hon. Anita Anand: Thank you. Ms. Blaney, I'll answer your question.

[English]

There's no question that the issue raised by the honourable member does impact spousal benefits for people who marry after the age of 60. We are looking at this issue, but it is dependent on central agencies, not DND alone.

[Translation]

I'll give the floor to my deputy minister, Mr. Matthews, to explain that.

[English]

The Chair: Could you respond very briefly, please?

Mr. Bill Matthews (Deputy Minister of National Defence, Department of National Defence): I can be very brief.

We're happy to follow up, but my recollection on this issue is that the lead is Veterans Affairs Canada. I'm happy to confirm that and confirm they are indeed leading.

The Chair: Apparently Ms. Blaney doesn't agree with that.

Mr. Bill Matthews: That's why we'll confirm.

The Chair: Yes.

Ms. Gallant, you have five minutes, please.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Thank you, Mr. Chairman.

Will the cost of the NATO climate change and security centre of excellence count towards NATO's 2% of GDP allocation for defence?

Hon. Anita Anand: We are continuing to ensure we have all of the resources in place, and we will be hosting the NATO climate change centre, as the Prime Minister announced in Spain last year.

• (1620)

Mrs. Cheryl Gallant: I just want to know whether or not that's going to count towards the actual 2%, if it's going to go towards the climate change centre instead of actual defence equipment.

What's the estimated cost and projected allocation for converting land vehicles, like troop carriers, LAVs, Bisons and TAPVs, from fossil fuels to electric?

Hon. Anita Anand: I will ask my deputy minister to explain on that point, please.

Mr. Bill Matthews: I will be very quick on this one.

We're engaging with all of our suppliers to look at more efficient fuel for the vehicles. I cannot give you a cost at this stage, but we're in discussion with all providers to see what we can do to get more environmentally friendly fuel solutions.

Mrs. Cheryl Gallant: I'm happy to hear that we're looking at fuel as opposed to making the vehicles lighter, because that doesn't do the trick either. Take, for example, the TAPVs. They have a crew compartment that is armoured, but the engine block isn't. The frame is aluminum, and if they want to work on the engine, they have to actually stretch the frame. If they're dismantling because the engine is gone because of a bullet, there's no point in having the armoured troop compartment.

Will the NORAD modernization and early warning system be part of the Prime Minister's announcement when he attends NORAD this week?

Hon. Anita Anand: Thank you for the question.

I will be attending NORAD with the Prime Minister. It's a priority for us and for our government. As I mentioned, we are investing over \$8 billion for new defence spending, and this includes over \$6 billion for, among other things, continental defence.

I'm in frequent contact with my U.S. counterpart, the Secretary of Defense Lloyd Austin, and we're building on the principles that former minister Sajjan agreed to with the same secretary last year, in terms of enhancing command and control, enhancing surveillance, and ensuring the maintenance and upgrading of the systems that protect our continent.

Mrs. Cheryl Gallant: With the threats from Putin on the use of nuclear devices, do we have enough of the radiation detection devices, both personal and for equipment, for the troops deployed to eastern Europe?

Hon. Anita Anand: Our troops that are deployed in eastern Europe are part of a NATO mission there. In fact, we lead the enhanced forward presence battle group, and we are standing shoulder to shoulder with our NATO allies.

Mrs. Cheryl Gallant: Thank you, Minister, but the question is this. Are our troops equipped with the radiation detectors, both personally for their body as well as for their equipment?

Hon. Anita Anand: Our troops, and indeed the NATO troops generally, have as their core mission to ensure the protection of NATO's eastern flank. They are well equipped, they are well resourced and they are on the front lines, as it were, in protecting NATO's eastern flank. We are leaving no stone unturned to ensure that our troops are well—

Mrs. Cheryl Gallant: Our troops are doing a magnificent job.

Hon. Anita Anand: Yes, they are.

Mrs. Cheryl Gallant: They are training.... Any of the Ukrainians inside the country who are battling, they attribute their successes to the training that our troops gave them, but my question is about whether or not our troops are adequately protected.

Do they have, for example, the iodine pills should there be a launch, an explosion or even an accidental hitting of the top of a nuclear facility, just like nearly happened yesterday?

Hon. Anita Anand: I'd just like to say that chemical, radiological, biological and nuclear equipment is forward deployed.

Thank you.

Mrs. Cheryl Gallant: How do we dispose of the CBRN equipment that we don't use? Is it backfilled?

Hon. Anita Anand: We conduct FP assessments for our personnel when they are deployed. We support them accordingly. We make sure that any equipment is properly adhering to safety standards regarding disposal.

Thank you.

The Chair: Thank you, Mrs. Gallant.

In the final five minutes, we'll go back to you, Madam Lambropoulos. I cut you off from your last question.

Mr. Robillard has a brief question as well.

You have a few minutes, Madam Lambropoulos.

• (1625)

Ms. Emmanuella Lambropoulos: I'll pass the time to Mr. Robillard.

Thank you.

The Chair: Go ahead, Mr. Robillard.

[*Translation*]

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Thank you.

Good afternoon, Minister.

I'm happy to finally be able to speak in my mother tongue.

First, I want to congratulate you for your excellent work since your appointment.

Minister, like many Canadians, I was very happy to see you announce the start of the finalization phase of the future fighter capability project. That's excellent news for Canadians and all military members.

Can you explain why this procurement project is so important to Royal Canadian Air Force members, Canadians across the country and, specifically, the base at Bagotville?

Hon. Anita Anand: Thank you very much for this question.

You're entirely correct. It's excellent news for the Royal Canadian Air Force and for all Canadians. Our government is now closer to delivering a new fleet of 88 state-of-the-art fighter jets to the Royal Canadian Air Force. This is the largest investment for the RCAF in over 30 years.

The F-35 aircraft is used by several partners in NORAD and NATO and has proven to be a mature, capable and interoperable aircraft. It will allow our pilots to use the most advanced equipment to protect Canada's sovereignty, including in the Arctic, and to respect our commitments to NORAD and NATO. It will be used, for example, to deal with unforeseen threats. We expect delivery of the first aircraft early in 2025.

As for the country's bases, including Bagotville, the acquisition of these fighter jets will have a number of benefits. For example, to prepare for the arrival of our future fighter jets, we're preparing for the construction of the new facilities for the fleet in Bagotville and Cold Lake. As a result, upgrades are needed to infrastructure to support the maintenance and operation of these new aircraft.

The funds requested in the main estimates will allow activities to continue for the construction of infrastructure and new facilities for the fighter squadron.

As for economic benefits, we expect the production of facilities for the fighter squadron to generate over 900 jobs, which is very significant.

We're very excited about the procurement of this equipment for our armed forces, for the defence of our country and for a stronger contribution to NATO and NORAD.

Mr. Yves Robillard: Thank you very much, Minister.

Again, I congratulate you for your excellent French.

[*English*]

Thank you, Chair.

The Chair: Thank you, Mr. Robillard.

With that, it's 4:30. We're right on time.

I thank colleagues for their co-operation.

Madam Minister, I want to thank you for your attendance and, as you know, we're always open to visits by the minister.

With that, I'm going to suspend. We will reconvene as soon as the minister signs off and start our six-minute round with Mr. Allison.

We'll suspend for a minute. Thank you.

• (1625) _____ (Pause) _____

• (1630)

The Chair: Mr. Allison, you have six minutes.

Mr. Dean Allison (Niagara West, CPC): Thank you, Mr. Chair.

I have a couple of questions for the staff, the deputy ministers and the vice-chief of the defence staff.

This question is in regard to the minister's mention of our Arctic sovereignty. Did she say there were six patrol ships that have been on order for specifically the Arctic?

Mr. Bill Matthews: Thank you for the question, Mr. Chair.

There are six Arctic offshore patrol ships being built for the Royal Canadian Navy, and there's also a seventh and an eighth that will be used by the Coast Guard, but we're obviously more interested in the first six.

The third one is in the water now. We're expecting it to be delivered to the navy some time this fall. Ideally, construction of number six will also start at some point during the calendar year, because there are multiple ships being built at the same time as they go through the process.

Mr. Dean Allison: When do you anticipate having that final sixth ship ready to patrol the Arctic?

Mr. Bill Matthews: I'm going from memory here, but I'll say 2025. My official, Troy, is with me. If I have this wrong, he can correct me. I think I just saw a thumbs-up, so it's 2025.

Mr. Dean Allison: Perfect.

Mr. Troy Crosby (Assistant Deputy Minister, Materiel Group, Department of National Defence): Actually, Deputy, 2026 would be more—

Mr. Bill Matthews: It's 2026. There we go.

Mr. Dean Allison: Great.

There are a lot of numbers floating around in terms of aid to Ukraine and what has been committed.

Could you just recap for us the total amount of aid/equipment in terms of dollars, what those commitments are over the next couple of years and then what stage we are at in that process?

Mr. Bill Matthews: Thank you, Mr. Chair.

I'll start, but I will turn to the CFO to fill in some details in a moment.

I suspect the reason for some of the confusion is that there was some immediate aid given when the conflict first broke out, and then there has since been the provision of ammunition as well as

some weaponry, in addition to some of the safety commitment that went earlier. Also, the minister mentioned cameras.

Budget 2022 also announced \$500 million for the support of Ukraine, which was over and above what was already given. That spending is ongoing.

I'll pause there and ask the CFO to give us a grand total.

Ms. Cheri Crosby (Assistant Deputy Minister, Finance, and Chief Financial Officer, Department of National Defence): Thank you for that question.

In total so far, we have really two tranches. One is donation of both surplus materiel that we had and materiel we were using "in service", as we call it. That amounts to almost 50 million dollars' worth of donations.

Secondly, in terms of purchasing new equipment, so far we're tracking almost \$214 million in new purchases. Of course, that includes drone cameras, pattern armoured vehicles, some satellite imagery and so forth. We have not completely consumed the newly announced \$500 million, but we're working towards that.

Mr. Dean Allison: In total, what is the commitment over the coming years?

Ms. Cheri Crosby: The Prime Minister announced \$500 million in budget 2022. Prior to that, there was an announcement for \$75 million. The \$75 million is fully spent at this point. Of the \$500 million, we've spent about \$140 million, so we still have a little ways to go.

Mr. Bill Matthews: As maybe one more addition to that, of the \$500 million, the intent is to spend it this fiscal year. It's not a multi-year—

Mr. Dean Allison: Okay. That was the clarification I was looking for. Thank you very much.

It's been suggested that the Canadian Forces chaplaincy services are going to be potentially suspended or scrapped.

Can you give me any comments on that? Is there anything that you're aware of on that?

Mr. Bill Matthews: I think the vice-chief probably has more to say than I do on this, so over to you.

Lieutenant-General Frances J. Allen (Vice Chief of the Defence Staff, Canadian Armed Forces, Department of National Defence): Thank you very much for the question, Mr. Chair.

As part of our examination of culture, we take a look at many of the determining aspects that help us in our culture. The chaplaincy was certainly identified, because of the nature of religion, culture and spirituality, as being an important part of a culture. There's not an assessment at this point that we are scrapping the chaplaincy, but certainly the services and the way in which the chaplaincy services the personnel within the CAF are things we're continuously looking at and evaluating.

• (1635)

Mr. Dean Allison: Okay. Was that a yes or no? Are you evaluating? Is that your final answer?

LGen Frances J. Allen: I apologize if that seemed ambiguous. I did not mean it to be ambiguous. Certainly I would say that we are not looking at cancelling the chaplaincy. However, how the chaplaincy services the Canadian Armed Forces and through what mechanisms are always under evaluation and will continue to be.

Mr. Dean Allison: Thank you very much, Madam Vice-Chair.

I only have about one minute left, so I'm going to go back to Arctic sovereignty.

Deputy Minister Matthews, obviously patrol ships are important. Would you also care to comment on what other things we may be looking at in terms of satellite sensors? A minute is a very short period of time, but what are your thought processes on the Arctic?

The Chair: It's an even shorter period of time.

Mr. Bill Matthews: I'll be very quick, Chair.

A lot of the future up for discussion is still in terms of any NO-RAD modernization. However, there is ongoing work to upgrade and maintain the sensors that we have in the North Warning System.

Given the time, I'll pause there.

The Chair: Thank you, Mr. Allison.

The Chair: Mr. May, you have six minutes, please.

Mr. Bryan May (Cambridge, Lib.): Thank you, Mr. Chair.

Thank you, all of you, for being here today.

There are a number of NATO-related expenditures in these main estimates, such as the NATO security investment program and other commonly funded programs. Can you describe some of Canada's financial contributions to these commonly funded programs and how they benefit the alliance?

Mr. Bill Matthews: Certainly. I will start and may turn to the CFO for some additional information, if necessary.

You'll see it in the estimates. Under grants and contributions, there is funding for our ongoing NATO work. The NATO common funding basically supports the ongoing funding for NATO. Obviously, there are very lively discussions every year about just how much money NATO requires from its members to properly function. I think, for obvious reasons, that number is increasing. It adds to training and operations. That's just the basic NATO funding.

If you're looking for specific operations, that would be outside of this money, which is the core of NATO.

Cheri, do you want to add anything to that?

Ms. Cheri Crosby: What you've described, Deputy Minister, as the core part of what we fund—about \$157 million of the estimates—is meant to go towards common funding. There's another \$62 million that goes to what is called NATO security investment, which includes the communications and IAM infrastructure that supports it. Finally, there's a small amount that also goes to logistics and centres of excellence.

I could say, too, that the security investment fund funds initiatives such as the airborne early warning, ground surveillance and expansion of NATO command. It's all-encompassing, in that sense.

Mr. Bryan May: Thank you.

How is National Defence using these estimates to advance victim-centric approaches to sexual misconduct? How long will it take to get these programs up and running?

Mr. Bill Matthews: Perhaps I'll insert a quick word or two, then pass it to the vice-chief.

You will see that money was announced in previous budgets in these estimates. The minister has already touched on the relatively new organization around culture change. There are ongoing programs for restorative engagement.

The vice-chief may have more specifics to add.

LGen Frances J. Allen: The estimates have money specifically related to activities that support the SMRC through the grants and contributions program submissions you will see within the estimates themselves. There is also the broader work that has come through previous budgets to enhance and enable those capabilities, moving forward, which continue to roll into our estimates for this year.

There is, of course, broader culture change work under way within the Canadian Armed Forces. It goes to support that culture change, which is impactful and essential in leading the support for victims and CAF members more broadly. That also continues under the existing baseline funding we have.

• (1640)

Mr. Bryan May: In these estimates, National Defence is requesting funding to modernize and upgrade its information management and information technology platforms. How will these upgrades protect National Defence systems against cyber-attacks from foreign actors like Russia?

Mr. Bill Matthews: We could probably take the rest of the time in this committee meeting to answer that question.

Shelly Bruce is with us and may have something to add on the cyber front.

In terms of the upgrades being pursued, think of a couple of things. Think of corporate systems—HR, finance and things like that—but also think of the technology used to share information among the various lines of service and how that needs to be well integrated and protected.

I think it might be worth turning to Shelly to see if she wants to add anything about cyber-defence, in general.

Ms. Shelly Bruce (Chief, Communications Security Establishment): Thank you.

I would note that, in the CSE portion of the budget for this year, we have a submission for a new year in a multi-year funding proposal to modernize aging cryptographic equipment and infrastructure, which will allow us to safeguard classified information, including in the CAF systems. Of course, there are other initiatives related more broadly to Government of Canada information technology security.

I can elaborate a bit more on that, if you like, but, in general, there are a lot of good initiatives in play to help protect the command and control systems for CAF.

Mr. Bryan May: Thank you.

Mr. Chair, do I have enough time?

The Chair: You have 22 seconds.

Mr. Bryan May: I'll give that time back, just to say thank you again, all of you, for being here today and for all of the amazing work that you continue to do for Canada.

The Chair: Thank you, Mr. May.

[*Translation*]

Ms. Normandin, you have the floor for six minutes.

Ms. Christine Normandin: Thank you, Mr. Chair.

I thank all the witnesses for being here.

I'd also like to come back to the purchase of the fighter jets. Obviously, pilots will need to be trained, which takes time. I imagine that the process is already at least being considered.

I'd like to know if there's an amount in the current budget that's allocated to flight simulators.

Mr. Bill Matthews: Mr. Chair, I thank the member for her question.

In this year's estimates, money is allocated to continue the project, and there will eventually be tools to develop pilot training, but I don't think there's anything specific this year.

I'll give the floor to Mr. Crosby so he can add something.

[*English*]

Mr. Troy Crosby: Thank you for the question. Thank you, Deputy Minister.

You're correct. In the current year, there are no expenditures expected with training devices, but training devices will be part of the solution for the future fighter capability.

[*Translation*]

Ms. Christine Normandin: Thank you.

I'll continue in the same vein.

Do we know whether the flight simulators to be used will be in Canada or the United States?

Has a comparison been done to know the costs of each of these options?

Mr. Bill Matthews: The products for developing pilot training are specific to the jets we'll be purchasing. I imagine it will be managed in the United States. That said, with respect to the F-35 project in general, the Canadian industry will have a lot of opportunities to be involved. I'm not sure whether Canadian companies have done this yet.

Again, maybe Mr. Crosby can add something.

[*English*]

Mr. Troy Crosby: The training solution will be established at the bases in Cold Lake and Bagotville ultimately. The initial transition training for our aircrew will have to take place in the U.S., where those capabilities already exist, and that will give us time to set up our long-term solution here domestically.

• (1645)

[*Translation*]

Ms. Christine Normandin: I'll stay on the same subject.

In Quebec, the company CAE has offered fighter pilot training in the past. Has the option of doing that training work in Canada and keeping the jobs here been completely ruled out?

Is there really an intellectual property issue with Lockheed Martin that completely prevents us from providing local training?

Mr. Bill Matthews: I'd say that it's a mix. During the project, the benefits for the Canadian industry were really important, and that's part of the process. That said, as we've already noted, the contract has yet to be negotiated in detail, so we have to wait for more details in that respect.

Ms. Christine Normandin: I'd like to come back to the question I asked the minister a bit earlier. I'd like you to respond as well.

Are you able to tell me exactly what amounts in the budget have been allocated for recruitment and retention? Can you tell me exactly what they are and what they correspond to?

LGen Frances J. Allen: Thank you for your question.

No exact amount is allocated for the recruitment and retention of Canadian Armed Forces members, but a lot of initiatives are ongoing without a fixed amount being allocated to them in the budget. This is thanks to efforts by the chief of military personnel, who is improving the recruitment tool and the process for getting recruits into the Canadian Armed Forces more quickly.

Ms. Christine Normandin: Thank you very much.

With respect to the Arbour report, the minister has already announced her intention to appoint an external monitor to oversee the implementation of the various recommendations. I was wondering whether the team responsible for monitoring the recommendations was also included in the budget.

LGen Frances J. Allen: I don't have any details or exact plans at this time, but as the minister said, the priority is to appoint an external monitor. I imagine that the amount allocated to that contract and that service will be negotiated with the individual who'll hold the position. That's when we'll have an idea of the amount needed for the contract.

Ms. Christine Normandin: Thank you very much.

The Chair: Thank you, Ms. Normandin.

[English]

Ms. Blaney, you have six minutes.

Ms. Rachel Blaney: Thank you, Mr. Chair.

I guess I'll be coming back to you, Mr. Matthews, because it sounds like we have some things to figure out here.

You may not know this, but of course I'm normally a member of the committee for veterans affairs, where we have just completed a study on the marriage after 60 clause, and I want to figure this out. Brigadier-General Tattersall came to our committee and said this. I will quote it:

The Minister of National Defence, under the Canadian Forces Superannuation Act, is responsible for the overall management of the pension plan, including the financial management of Canadian Armed Forces pension funds.

I'm just wondering if you could clarify that.

One of the challenges I'm having right now is that we also heard from somebody who works in National Defence and who said in her statements to us that the minister has not yet been briefed specifically on this issue. We also heard from Veterans Affairs staff, multiple ones—and I'm willing to quote them as well—who said that the marriage after 60 clause belongs under National Defence. Now I'm here, sitting in this room, listening to you tell me that it's actually Veterans Affairs.

Now, I agree that there definitely is some confusion, so could you just clarify that?

The next question I have is, how do these things get worked out? I am not clear where they belong. There are a lot of people advocating for this to change. It has a huge impact on veterans and on members who are serving. It also has big impacts on people who are working for public services. All of these folks cannot get married after 60. If they do, they have no supportive benefits left for the survivor. This issue continues to go on and on, and nobody lays claim to it.

Could I just get clarity on how the multiple agencies communicate to one another in order to figure out who this belongs to so that people who are fighting to get it changed know who to speak to?

• (1650)

Mr. Bill Matthews: Maybe I'll offer a few things here, Mr. Chair.

Number one, I do apologize, because it is confusing. It's joint, to a certain extent, so maybe I would offer that, just to be perfectly clear, we get back to the committee and to the member to show on paper the roles and responsibilities so that we all have a common understanding.

Given that the rule in question is about retired members, yes, the Minister of Defence is responsible for the financial aspect of the plans, but my understanding is that Veterans Affairs has a role in terms of the benefits. That's why it is a bit of a shared responsibility.

The final point—and I will then turn it back to the member, because I suspect she has more questions—is that my more recent history on this was back in 2019. There was a veterans benefit announced specifically to compensate members who were in the situation of getting married after 60. I know that National Defence was working actively with veterans to better understand the numbers around the survivor community. It's a related issue, but different from the one you're raising.

Ms. Rachel Blaney: Thank you. That's the survivors fund of \$150 million, of course, of which none has been spent, and none of those people have had any supports or help. I appreciate your getting back to the committee, and I'll look forward to that. We'll come back again.

One of the things that I also have a lot of concern about, as I mentioned earlier, is the issue of housing. We know that Comox, in my riding, has the second-highest average market rental rate of all of the different wings and bases across the country.

I'm just wondering. As you're looking at building housing, residential housing units, on these locations, are you addressing that issue of where the market rate is so high that it's very hard for people to find a house either to buy or to rent? I want to be really clear. Those are often options and, like I said, people are in some cases moving very far away because there is nowhere else for them to live and they're having to travel.

When those actual steps are taken to prioritize, is that market rental rate taken into consideration?

Mr. Bill Matthews: I think demand is certainly a driver of where we spend the resources. I know that in Comox, as mentioned earlier, there were 12 new ones built this May, and there are 12 more in the works. The member is quite right that, depending on the geographic location in the country and the personal situation of the CAF member, there is a different interest in renting versus buying and getting access to armed forces provided housing. The vice-chief may have more to add on this point, but logic would say that market conditions drive where you spend your money, as well as the condition of the existing houses and whether they need to be renovated.

Ms. Rachel Blaney: One of the discussions that I heard the minister start talking about is military housing and privatization. I'm just wondering how those things...working with private groups to figure out how you're going to build that. Can you tell the committee what models you are using?

I noticed in the report that they talked about some different countries that are using this model. I'm really concerned about that, because if you move into the private sector, it will impact service members. One of the things that we know is that a lot of service members say that they like looking at military housing because it's affordable housing. Of course, if we're asking people to move across the country... I've heard many times from the military that B.C. means "bring cash" because it's so expensive to live there, so how is that taken into consideration if you're going to be moving into a private model?

LGen Frances J. Allen: Mr. Chair, maybe I'll just add a few words if I could.

The member is absolutely correct about military housing being part of the solution space that we're taking a look at to make the cost of living, moving and the mobility that is part of the military lifestyle more affordable and less onerous for families as they move across the country.

The establishment of more residential housing units and improving the quality of existing residential housing units absolutely is part of the solution, but it is more than that of course. It is also about the cost of living and whether or not there are benefits and allowances that should be considered to make access to the private markets affordable, where there is housing that is available—because that is often an issue as well—something that is possible for CAF members.

• (1655)

The Chair: We'll have to leave it there.

Ms. Findlay, you have five minutes.

Hon. Kerry-Lynne Findlay: Thank you, Chair.

Thank you all for being here today. I'll go to Deputy Minister Matthews, as the minister referred this question to you.

Is the government prepared to lose all the Canadian jobs at CAE and its partners to have our Canadian pilots trained in Europe, in places such as Italy and Britain?

Mr. Bill Matthews: Thank you for the question.

That competition is ongoing. Economic benefits to Canada are a big part of it. I really can't say much more than that. Troy may have something to add, given that he tends to run all things procurement.

Troy, is there anything you wish to add on this front?

Mr. Troy Crosby: Thank you for the question.

We have expressed an expectation that the training that's currently conducted in Moose Jaw, Southport and Winnipeg will continue in those locations.

Hon. Kerry-Lynne Findlay: Continue to be run by whom?

Mr. Troy Crosby: As the deputy minister has expressed, the competitive process is under way right now and will determine who provides the services in the future.

Hon. Kerry-Lynne Findlay: Through the chair, you're suggesting that there might be European companies training them here in Canada. Is that what you're saying? Is that a possibility?

Mr. Troy Crosby: The qualified suppliers in the competitive process include Babcock Canada and Leonardo Canada.

Hon. Kerry-Lynne Findlay: Thank you.

To the deputy minister, will the Prime Minister be announcing that Canada is joining missile defence?

Mr. Bill Matthews: I cannot comment, Mr. Chair, on future announcements of the Prime Minister.

Hon. Kerry-Lynne Findlay: The U.S. is retiring 10 Freedom-class littoral warships with fewer than 10 years on the hulls. They're heavily armed and have a similar crew to our aging coastal defence vessels. Have there been any discussions to acquire them from the U.S. for coastal defence?

Mr. Bill Matthews: I have not been involved in any discussions on that front, but I will ask Troy if he's aware of anything.

Mr. Troy Crosby: No, I'm not.

Hon. Kerry-Lynne Findlay: I am told that our Harpoon anti-ship missiles are older and that if we provided them to Ukraine, the U.S. might upgrade ours to much newer models for very little cost. Can someone confirm that? Mr. Crosby, maybe...?

Mr. Bill Matthews: Mr. Chair, that is not my understanding.

Hon. Kerry-Lynne Findlay: All right.

Some \$15 billion in defence spending was included in the budget but not declared or attached to anything. Why? What is it for, then?

Mr. Bill Matthews: If you're referring to budget 2022, I think there's money for Ukraine in there, obviously, as well as some money for NATO membership.

We have the CFO here. She can articulate what else is in there.

Hon. Kerry-Lynne Findlay: I'm sorry. My understanding is that the monies for Ukraine are not part of this \$15 billion.

Mr. Bill Matthews: You are correct that the estimates trail the budget. The money that was announced in budget 2022 is not in these main estimates. If you're looking for what's different in these main estimates versus the previous year, you'll see increases for the project around the Canadian surface combatants as that continues to advance. You'll see increases for the joint support ships, because that's hitting a higher pace than the previous year.

On the operating side, it's up due to wage increases for members of the Canadian Armed Forces. There's also a 3% escalator clause in there that actually bumps up defence resources to reflect inflation.

If you're looking for a comparison of this year's main estimates versus the previous year's, those are the main drivers.

Hon. Kerry-Lynne Findlay: Thank you.

Speaking of surface combatants, that program has grown in cost from \$60 billion to an estimated \$100 billion. Has there been any thought given to an off-the-shelf foreign purchase?

Mr. Bill Matthews: That number is not one that we're working with. I think the important part about the surface combatant is that it will be the workhorse for the navy for the next 20 years. There needs to be a lot of capability loaded onto that ship. We are still in the design phase, although we're getting close to the end.

It certainly is a complicated ship but a very important ship in terms of meeting the needs of the navy.

• (1700)

Hon. Kerry-Lynne Findlay: My understanding, Deputy Minister, is that the combat system has been declared "U.S. eyes only" and that all the Canadians working on the combat system have been let go. Can you confirm that?

Mr. Bill Matthews: That is not my understanding, but I will turn to Troy to see if he has anything to add.

Mr. Troy Crosby: Mr. Chair, that is not my understanding either. We do have Lockheed Martin Canada involved in the program, as well as a number of other Canadian suppliers that will provide equipment to the combat system. There is integration work and involvement of the U.S. Navy for certain aspects of the combat system solution, but there will certainly be Canadian involvement not only for the initial delivery but for in-service support as well.

Hon. Kerry-Lynne Findlay: Thank you.

The Chair: Thank you, Ms. Findlay.

Mr. Fisher, you have five minutes.

Mr. Darren Fisher: Thank you very much, Mr. Chair.

Thank you very much to all of our officials for being here for this hour and providing us with this information.

We did a study on retention and recruitment. I know that when you're doing estimates, you get a little bit of leeway from the chair on topics, but I know that this one does pertain to the estimates.

I want to know what tailored methods and programs are being used to recruit Canadians into the Canadian Armed Forces from backgrounds that we may not traditionally recruit from or that traditionally don't enter the Canadian Armed Forces. We talked about how to reach out to more Canadians with regard to recruitment. Is there something specific, a program or a method, that we are utilizing right now to reach those goals?

LGen Frances J. Allen: Thank you, Mr. Chair, for that question.

I believe when General Brodie was speaking to the committee previously, she outlined some of the initiatives to look at doing focused recruiting with specific groups moving forward, initiatives

that really focus on appealing to the interest as well as targeting the interest via the communications mechanisms and mediums that are mostly used by the populations that we are looking for going forward, be they technical communities, be they women or be they members of minority communities from within Canada.

There are a number of focused and targeted approaches to appeal to various parts of the community as part of the recruiting session. We can provide greater detail on what those are, if that is necessary.

Mr. Darren Fisher: Thank you for that.

I had a chance to chat a little bit about the Arctic with the minister earlier. When we talk about growing strategic competition in the Arctic, we've heard for years that we need to do more to ensure that we can protect our sovereignty in the north. With Russia's actions in Ukraine, anxiety over this issue is possibly higher than it has been for many decades, particularly amongst Canadians living in the northern Arctic regions.

What kinds of investments are being supported through these estimates that are furthering the CAF's ability to operate in the north? How will these estimates benefit northern communities?

Mr. Bill Matthews: Maybe I will start, Mr. Chair. The vice-chief may have things to add.

I think we've already touched on the importance of the Arctic offshore patrol ships and the voyages that they've already taken. There's more to come on that front, so presence is important.

The other one I would flag is the ongoing maintenance of the North Warning System. That work is important. We've also discussed that there are ongoing discussions about NORAD and continental defence modernizations. There's more to follow on that as well, but it's premature to say anything beyond that at this stage.

Vice-chief, did you have anything to add?

LGen Frances J. Allen: Yes. I would add that the exercises we do in the north, as well as the activities both within Canada—with Canadians—and with our allies in the north, are also part of demonstrating sovereignty and demonstrating our capability to exercise in the north.

Part of defence is deterrence and demonstrating that you have capabilities to operate and to respond. That is an active part of what we are doing when we engage in northern activities and northern operations.

The Chair: Thank you, Mr. Fisher.

[*Translation*]

Ms. Normandin, you have the floor for two and a half minutes.

Ms. Christine Normandin: Thank you very much.

I'd like to hear from the witnesses on the issue of drones.

We went to Lithuania, and we saw that the public was able to raise \$5 million for the purchase of a Turkish Bayraktar drone. We know that this is part of the industry of the future. Quebec is also recognized as a leader in the area of drones.

I'd like you to tell us what can come from the budget in terms of drones. Is the main focus for drones on search and rescue, or are there possibilities for armed drones, for example?

• (1705)

[*English*]

LGen Frances J. Allen: I can start with this. I'll say that remotely piloted vehicles and drones are a part of the operational landscape that we see in military activities and operations. We have projects under way within our own portfolio that deal with that.

As it pertains to Ukraine, what we have seen is that they have expressed an interest. The donations that were made were related to the cameras associated with the drones that the Ukrainians were operating. That was provided as part of the Ukrainian donation.

If you'd like more information on the RPAS, perhaps I could pass the floor to Mr. Crosby.

Mr. Troy Crosby: Thank you for the question.

The remotely piloted aircraft system project competition is under way. Bids are due in mid-August. The resulting remotely piloted aircraft capability will largely be focused on providing intelligence surveillance reconnaissance. It's basically awareness in the north and off of Canada's coasts into the future.

The remotely piloted aircraft system will have a precision weapon capability, which would, of course, be subject to the usual rules of engagement that apply to any such platform, whether it is crewed or uncrewed.

[*Translation*]

Ms. Christine Normandin: Mr. Chair, I think I have 15 seconds left. I'll pass on my remaining time.

[*English*]

The Chair: Thank you.

Madam Blaney, you have two and a half minutes.

Ms. Rachel Blaney: Thank you, Chair.

I want to ask a couple of questions. The first one is if DND will be able to meet its objective of 25% of people joining being women in 2026. We know that number continues to be elusive and we haven't got there yet.

I'm wondering if there is any specific work being done in terms of research and looking at equipment. We know that's been a big issue. I've heard from veterans about that for a long time. I know it's getting better, but we know that a lot of equipment was not built for a women's body. It's changing. I'm wondering how that work is going. What are the key things that women are indicating they need to have in order to be looking at the military in a meaningful way?

The second question that I have is around systemic racism. I've heard from many veterans who went through the military and had some really astonishingly negative things happen because of the

community that they came from. I'm wondering what's happening in DND right now to uncover what has happened and figure out processes that are a little more fair. We know at this point that if it's somebody you're directly reporting to, it can be very hard—just like it is for anybody who's from a minority group—to come forward and talk about the situation that's happening in a meaningful way.

I'm wondering what kind of work is being done on these two files.

LGen Frances J. Allen: Perhaps, if it's all right with the chair, I'll start on the first part as it pertains to women and recruitment.

The target of 25% women within the Canadian Forces, I think, is a goal that we have been striving towards, but one that I think will be challenging for us to meet by 2025. Of the intake we had in the 2020-22 years, 15.6% of the over 8,000 people who were recruited into the Canadian Armed Forces were women.

As you know, we are very much putting in place programs into which women, I would say, when they meet the qualifications to join the Canadian Armed Forces, are brought forward as candidates. Those are both in the Royal Military College and in the ranks so that we can continue to try to prioritize the placement of female applicants into the Canadian Armed Forces.

As well, during the time of COVID, we had a little bit of a pause from trying to focus on listening to women's voices with respect to what they need within the Canadian Armed Forces. We have in place a women in force program that is really about trying to give women voices to bring forward the issues they see as barriers to their service moving forward.

We also do not wish the onus to be on—

• (1710)

The Chair: Unfortunately, we're going to have to leave it there. I apologize.

Ms. Gallant, you have five minutes.

Mrs. Cheryl Gallant: Thank you, Mr. Chairman.

When it comes to homing in on cases of sexual misconduct, there seems to be a focus on officers graduating from the military colleges. Do you have an understanding of why that would be? Why would they home in on people from RMC with respect to allegations?

LGen Frances J. Allen: Mr. Chair, I'm not sure who the honourable member is referring to as “they” in the circumstances.

Mrs. Cheryl Gallant: I mean Madam Arbour, in her report.

LGen Frances J. Allen: Thank you.

I believe it was an observation Madam Arbour made simply through her examination of different communities within the Canadian Armed Forces. This was as it pertained to her examination of the military colleges, but she also obviously engaged with people of all ranks across the Canadian Forces.

Mrs. Cheryl Gallant: Okay. You're totally off base.

The military police has, as its head, the provost marshal. Is that right?

LGen Frances J. Allen: That is correct.

Mrs. Cheryl Gallant: Who does the provost marshal report to?

LGen Frances J. Allen: Under the National Defence Act, the provost marshal is administratively responsible to me, the vice-chief of the defence staff.

Mrs. Cheryl Gallant: Okay, so if there were an accusation, an allegation, a grievance against the vice-chief of the defence staff, what would be the recourse for the individual who's making the charge?

LGen Frances J. Allen: Grievances aren't dealt with by the provost marshal, so it would be dealt with through different administrative processes, through the chain of command of the individual member.

If it pertained to an allegation of a violation of the code of service discipline, the provost marshal would indeed look into that issue.

Mrs. Cheryl Gallant: Okay.

I hope that the provost marshal does indeed look into grievance number 004096, but more to the point, let's get back to RMC.

What is playing out in the accounts that we are reading? There's a sort of protectorate from one generation of RMC graduates to the next. In one instance, people—our kids, recruits, cadets—are told to report any misconduct or harassment, and they do. Then they're assigned an assisting officer. Then the months go by and the cadet is told to withdraw the complaint or else. Doing so would be best for their future career. When the cadet decides to take it to the top and follow through to make sure justice is done, it turns out that the judge is the assisting officer who was supposed to be giving help to that cadet.

Now we find that we have people who have grievances, and the whole military's getting involved by attacking, for example, their LinkedIn page. It's a kind of asymmetric warfare against anyone who makes an allegation of sexual misconduct or harassment.

Has there been any plan or any discussion on how we can stop that cycle of harassing the individual who puts forward the complaint, especially ultimately when it comes to a legal matter, a charge, falling into your lap?

LGen Frances J. Allen: I am not at all familiar with the circumstances that.... It sounds like it's a specific set of circumstances that the member is speaking about.

We certainly do take concerns and complaints very seriously within the Canadian Forces. There are a number of different avenues through which those concerns can be brought forward, be they violations of the code of service discipline or whether it is a

complaint about a behaviour. There are different mechanisms for taking those forward, and we take that quite seriously.

Mrs. Cheryl Gallant: This isn't isolated to one or two cases. People who bring them forth have connections to their LinkedIn, and then people who are in areas of command, and their underlings, start visiting, harassing and doing things to their social media to beat them down and have them withdraw their complaints. I wonder if you were aware of that.

What would you do, now that you do know, to put an end to the off-base harassment that goes on of the people who make the complaints?

• (1715)

The Chair: I just have to intervene. That's an extremely difficult question to answer without some specific material.

Mrs. Cheryl Gallant: It's a general question. There's more than one case.

The Chair: Is the vice-chief able to respond to the question with some specificity?

LGen Frances J. Allen: I'm afraid I can't respond with any specificity, because I'm not aware of the specifics.

That type of intimidation of somebody who brings forward a complaint is certainly not acceptable. In those instances, where it appears that complainants are being intimidated or harassed, it's important that those individuals are held accountable for that type of behaviour.

The Chair: Mrs. Gallant, if in fact you have some information that would help the vice-chief respond to your question in a meaningful and detailed way, can you forward it to her?

Mrs. Cheryl Gallant: I shall.

It's more or less the aspect of a closed loop system, particularly with students who go to RMC. They lodge their complaint. They get an assisting officer. The assisting officer ultimately ends up being the judge, so they don't really have free recourse or representation.

The Chair: I take the point, but for the vice-chief that's a pretty difficult question to answer without having a little more detail.

I'm going to go to Mr. Robillard for five minutes, please.

[*Translation*]

Mr. Yves Robillard: Thank you, Mr. Chair.

My question may be for Mr. Matthews.

Russia's invasion of Ukraine and the destabilizing Russian presence in cyberspace have highlighted the need to strengthen our cyber defences. In these main estimates, the department is seeking \$798.5 million, a net increase of \$83.9 million compared with last year's main estimates.

Could you tell us some more about what the Communications Security Establishment is doing to protect Canadian cyberspace and our national interests?

Mr. Bill Matthews: If I may, Mr. Chair, I'll ask Ms. Bruce to answer the question. It would be better for her to answer, since she is the head of that organization.

Ms. Bruce, you have the floor.

Ms. Shelly Bruce: Good afternoon.

Thank you very much for your question.

[*English*]

I would reinforce that our budget is significant. It's almost \$800 million and a 12% increase over last year. I mentioned earlier that some of that funding is for cryptographic equipment, but also to increase the security and reliability of Government of Canada systems.

More generally, though, there is an investment for our foreign intelligence program. Based on our mandate, we do have a really interesting aperture into what is happening from the cyber perspective, for example, what the cyber-threats are that are playing out, especially those linked to the Russia-Ukraine conflict. We are seeing what kinds of activities are happening for intelligence-gathering purposes, which ones are disruptive, which ones are destructive and which ones are in preparation and planning phases.

From that information, we are able to pass that information, the cyber-threat detail indicators, both to Ukraine and our allied NATO partners but also to Canadian critical infrastructure owners and operators. Having this information ahead of any materialized threats allows them to protect their systems and to put in place defences that can withstand some of the attacks that we might anticipate.

Mr. Yves Robillard: Thank you, Madam.

[*Translation*]

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you, Mr. Robillard.

We have about 10 minutes. Let me just lead off with a couple of questions that I have.

Members maybe could indicate a minute or two of questions that they might have as well, while we have this group assembled.

With regard to the \$500 million that's allocated to Ukraine, will that count towards the 2% GDP?

• (1720)

Mr. Bill Matthews: I may have to check with the CFO.

My suspicion is not.... She's nodding yes. She says, yes, it will, so there we go.

The Chair: Okay. Well, we got a yes and a no on the same question.

Mr. Bill Matthews: I would go with the CFO on this one, Mr. Chair.

The Chair: That's probably true. Okay.

Between the estimates to date and the main estimates for 2023, it barely moves the needle as far as the 2% goal that we've all committed to. I'm a little concerned. We are in a war situation. We probably are not as aware of it in North America, but for those of us who were in Europe, World War III has started.

I just wonder whether, with this budget presentation, we continue to have the luxury of time, given that we are going to be asked to step up in a fairly substantial way. That is a foreseeable expectation.

My question, as much as it is a comment, is that your budget presentation barely moves the needle towards 2%. Can you give this committee some explanation of that?

Mr. Bill Matthews: Certainly, Mr. Chair.

The estimates reflect what the government has set aside in previous budgets. They effectively play catch-up. We did mention earlier today some of the potential coming attractions, including the defence policy update, as well as work on continental defence and NORAD modernization. Those would be key future indicators of the government's intent in terms of spending on defence.

The Chair: When you do your defence policy update, are you going to do that in isolation from other security concerns?

Mr. Bill Matthews: Can you clarify that question?

The Chair: For instance, there are a lot of security concerns that CSIS looks after and that CSE looks after. CSE is obviously here. However, it's becoming security writ large, that things that previously fell into a neat little military silo don't necessarily fit there.

When you're doing your defence policy update, are you also taking into consideration—and maybe making it a coequal concern—larger security concerns?

Mr. Bill Matthews: Mr. Chair, what I would say at this stage is that a key part of the policy update is any update to the threat environment. As you just touched on, the threat environment is certainly more complex than it was. We do engage with relevant partners in terms of properly articulating that threat. What it will lead to: stay tuned.

The Chair: Yes, exactly. Stay tuned, and it's moving very quickly.

I have a final question.

Mr. Crosby, regarding military inflation, we're obviously living in an inflationary environment in our non-military lives. I'm assuming that the demand on military equipment is even more extraordinary, given the state of the war.

Can you give us a working idea of what military inflation will be for this year? Will it be 6%, 7% or greater than that?

Mr. Troy Crosby: Mr. Chair, it's recognized, as the question alludes to, that we're going to see inflation certainly higher than the consumer price index, which is typical for defence procurement, and higher than we would have forecasted a year ago.

Our allies are also seeing the same sorts of trends as we move forward. Industry has only so much capacity to respond to the demands they are seeing now from various countries, for various capabilities. That could yet result in higher inflation than we expect. We'll have to wait and see how that plays out in the coming months.

The Chair: But, Mr. Crosby, that's almost a certainty. We're going to be spending more money for less product, and given the budget that's presented here, inflation will eat it rather rapidly.

I'm using up time from colleagues and they're going to yell at me, I'm sure.

I see that Madam Normandin has a one-minute question.

• (1725)

[*Translation*]

Ms. Christine Normandin: Thank you very much.

I'll come back to a point that you raised, Mr. Chair.

We've committed to NATO to provide 2% of GDP to the defence budget, and 20% of that budget is for major equipment. However, we can see year after year that procurement problems lead to the budget not being entirely spent. We've heard in the past about \$1 billion being returned to the consolidated revenue fund.

I'd like to know, based on the objectives for 2022-23 and the budget, what measures are being taken to improve the procurement system.

Mr. Bill Matthews: Thank you for your question.

I'll raise two points on this topic.

First, at the Department of National Defence, if we don't spend funds, we can keep them for subsequent years. As the chair has just said, factors like increased costs will have an impact. That's an important point.

Secondly, the Department of National Defence receives a 3% increase each year to reflect inflation.

[*English*]

What are we doing to prevent that? I think we're coming out of a year where spending was difficult for a period of time. Because of COVID, it impacted our suppliers. We are pressing our suppliers and also collaboratively discussing with them what their plans are to deliver.

We are often hearing about labour shortages and we are often hearing about increases in raw materials. It's an ongoing discussion as to how we, together, tackle those risks the industry is facing and ensure that defence gets the capability it needs. It is something that I would encourage committee members to ask us every time we're here, because it is a real challenge in terms of getting delivery given the current labour markets and economies.

The Chair: Mr. May, you have the final question.

Mr. Bryan May: Thank you, Mr. Chair.

Changing gears a bit here, we've heard that DND's greenhouse gas emissions have increased over the past few years, while at the same time we've seen an increase in the need for CAF due to climate change issues, which, again, will undoubtedly further increase emissions. How do you plan to reconcile these pressures to ensure that DND hits their goal of zero emissions?

Mr. Bill Matthews: Maybe a couple of quick points.... I know that the natural instinct when we talk about greenhouse gas emissions is to talk about jet fuel and fuel for various capabilities. When the CAF is called into service, they need to deploy the assets we have at hand, and that will continue. Where we can really focus is on the greenhouse gas emissions that come from our buildings.

We have an awful lot of really old buildings and really old warehouses. If we can streamline those, modernize them and make them more energy efficient, that will be where the bulk of our greenhouse gas emission reductions will come from. It's doable. There are projects under way on the east coast to make some of those facilities more efficient as well.

The CFO may have more to add here, but I would focus in on infrastructure as opposed to planes and trucks.

Cheri, do you have anything to add there?

Ms. Cheri Crosby: I'll just say that you're exactly right, Deputy Minister, in that our focus has been on what we can do, which tends to be in infrastructure.

For example, these estimates are requesting access to funding to help us modernize one of our largest research laboratories, at Valcartier, and as far as I know, we're actually on track to achieve a 40% reduction by 2025, so we are making progress.

The Chair: Thank you.

With that, Mr. May, we're close to bringing our meeting to an end.

On behalf of the committee, I want to thank each and every one of you for your patience over these two hours. We appreciate your availability to the committee. I'll let you sign yourselves out.

Just to remind you, colleagues, tomorrow morning we're meeting with the Danish Defence Committee in Room 025-B—I think that's correct—in West Block.

For Wednesday, I'm rather hoping that we can deal with the threat assessment report and finish that off. If we have any kind of time available, I'd like to be able to try to get at least a cut at the recruitment and retention report as well. It may be available as early as this time tomorrow. It's a short report—30 pages—and there's some chance that we might actually be able to deal with it. If we deal with it on Wednesday, then there's an even better chance that we can report it, hence my—

• (1730)

Mr. Darren Fisher: When will we see the draft?

The Chair: We may see it as soon as tomorrow afternoon.

Mr. Darren Fisher: Do you want us to deal with it Wednesday afternoon?

The Chair: Yes. You read quickly.

Hon. Kerry-Lynne Findlay: Just you, Darren, the rest of us will be trying to catch up.

Mr. Darren Fisher: Looking at my schedule, I don't see many openings.

The Chair: Do it during question period.

With that, the meeting is adjourned.

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