

## **Canada's Military Procurement: Progress or Still a Flawed System? New Status Report on Major Equipment Procurement**

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Calgary – The Department of National Defence made some progress in procurement in 2016 despite obstacles that included a continued drop in spending, the first full year a new federal Liberal government and uncertainty over the outcome of the Defence Policy Review.

The fourth annual status report on selected major defence acquisitions released today by the University of Calgary's School of Public Policy, the Canadian Global Affairs Institute and author David Perry provides a comprehensive reference, tracking the progress on major defence acquisition commitments.

According to the report, four trends affected defence acquisitions in 2016. These include:

- An ongoing slippage in recapitalizing the Canadian Armed Forces
- Some encouraging moves made on the shipbuilding and fighter jet files
- Mixed progress on implementing the 2014 Defence Procurement Strategy
- Uncertainty created by the defence policy review

Prior to the release of the new defence policy, both the interim and permanent fighter aircraft projects lacked adequate funding. They were among several large projects that have been approved, but have not yet moved to the contract stage, and whose budgets were inadequate to move forward. Adding to this mix is the fact that an effort initiated in 2014 to streamline the procurement process made no progress in 2016, and a significant number of other prospective projects were not included in the DND investment plan. The subsequent Defence Policy Review has addressed the funding issues, but they were problematic throughout 2016.

Is it all gloom and doom? No. A contract for 16 fixed-wing search and rescue aircraft was awarded, modernization of all of the Halifax-class frigates was completed last year, the number of light armoured vehicles deployed in the field rose from 64 to 262, 10 maritime helicopters were added to the fleet in December, and the new medium-to-heavy lift helicopters carried out their first mission by responding to the Fort McMurray wildfires.

It is too early to tell how the Trudeau government's Policy on Results, known as the "deliverology" approach, will play out for defence procurement. Budget 2016's major focus was not on defence, and it shifted some funding for capital equipment to a new endpoint of 2045. This suggests that delay in the overall defence procurement program continues.

The paper can be downloaded at <http://www.policyschool.ucalgary.ca/?q=research>

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