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OPINION

Can Canada really afford the ships and jets that the military has bought?

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A F-35 A Lightning II fighter jet is displayed during a media presentation on the tarmac of Emmen Air Base, central Switzerland.

FABRICE COFFRINI/AFP/GETTY IMAGES

The horrific war in Ukraine has brought increased focus on the Department of National Defence's budget. Critics of the level of the DND's funding point to the fact that Canada only contributes 1.39 per cent of its GDP to defence spending – fifth lowest among NATO members and well below the military alliance's guidelines of 2 per cent.

But, in fact, any level of funding can be an appropriate level – just as long as it supports the government's clear articulation of the role and

mission it prescribes for Canada's military. That has been a missing piece for years.

It was thus encouraging to hear Finance Minister Chrystia Freeland commit the federal government to undertaking a defence-policy review to outline the strategies, capabilities and priorities it places in defending our country; in defending North America; and in participating in international alliances, such as NATO and the UN. Such a review promises to articulate any threats Canada faces and outline how it expects the country to address them. It will identify opportunities to explore, and weaknesses to eliminate.

Costing such a plan, however, will demand honesty from the DND to ensure there is no gap between Canada's policy and the resources necessary to attain them. To date, we have seen little evidence of this.

For example, the cost to acquire, operate and sustain 88 F-35A jets over 30 years will likely be at least double the \$19-billion estimate; similarly, the cost to acquire, operate and support 15 Canadian Surface Combatants over 30 years will likely exceed a quarter-trillion dollars. Yet, the conversation has largely focused on the estimated acquisition costs, which is misleading and dangerous. Without a costed capital plan that displays the long-term costs for current and planned acquisitions, and that ensures funds are available for each, we cannot be sure that Canada can actually afford these two acquisitions.

If insufficient funding is provided to the DND to support the government's defence policy, the solution is to reflect that reality to Ottawa and force it to modify its strategy – not to understate costs and acquiesce to an unaffordable policy.

Failing to make the costs clear creates a two-fold problem. First, it absolves ministers from accountability. Ministers would be able to say that, had they been informed of the true costs, they would have provided incremental funding instead or not approved the acquisition at all, allowing them to refuse to provide additional funds.

This shortfall then generates the second problem: a budget imbalance. Essentially, the DND receives funds for five purposes, which must be carefully balanced to ensure efficient and effective operations: paying personnel, buying equipment, operating the equipment, maintaining the equipment and building infrastructure. For instance, it makes no sense to buy 88 jets if it means there's not enough to pay for pilots for these jets, or to support the jets throughout their expected lifespans. This balance is destroyed when funds have to be scrounged up to cover a gap.

Going forward, any defence policy must be supported by a publicly accessible, fully costed, long-term capital plan. The DND's current Defence Investment Plan is an inadequate attempt to meet this need. It lacks sufficient granularity to be effective; it fails to display the full life-cycle costs for each project over a 30-year period, mapped against the projected available funds year by year. It is also not approved by cabinet, which would allow it to be far more difficult for governments to change priorities for partisan political purposes.

The benefits from such a public plan would be far-reaching. All Canadians would have a better understanding of what and how their money was being spent. Knowing that this plan is less likely to be modified would allow potential suppliers to more readily take the necessary steps to position themselves in an optimum position to compete at the appropriate time.

Further, parliamentary committees could more readily provide rigorous oversight over these billions of dollars of expenditures. Having recently had the privilege of appearing before the Standing Committee on Government Operations and Estimates, I was struck by how difficult it was for members to do their jobs. It is near impossible to provide oversight over program timelines and costs without any approved plan to question, or reports that measure performance.

Defence procurement is a business. It should be run as such – with one minister accountable for results, appropriate plans and reports that measure performance, and rigorous and timely oversight.

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