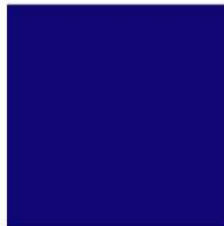
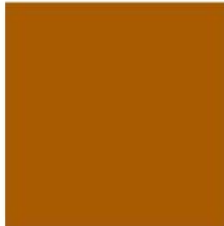


**CANADIAN FORCES
PERSONNEL SUPPORT AGENCY**




**AGENCE DE SOUTIEN DU PERSONNEL
DES FORCES CANADIENNES**



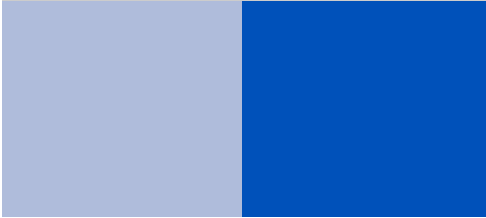




Annual Report
2004 - 2005



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**Major-General
D. W. Langton**

In this annual report for 2004/2005, we again highlight our services and the consistent delivery to our clients: CF Regular and Reserve Force members, retired and former CF personnel, military families, Department of National Defence (DND) employees and Non-Public Funds (NPF) employees.

Over the past year, we at the Canadian Forces Personnel Support Agency (CFPSA) have begun to change some of the ways we do business. In the fall of 2004, CFPSA's direction changed from military-driven, civilian-led to military-driven and military-led. This change in leadership was in part designed to align us more closely with the organizations whose members we serve.

Our focus and commitment, however, remains 'Serving Those Who Serve' through the delivery of morale and welfare programs, products, and services. This annual report provides details of that delivery.

CANEX personnel led the division to net profit sales which supported NPF properties and services. Of mention, these funds purchased new gym equipment and customer relationship management software for messes and recreation, and aided with the delivery of Military Family services programs.

The SISIP Financial Services team provided term life insurance to some 120,000 serving and former CF members and their spouses through 18 offices across the country, and they supported financially 60 Volunteer Recognition events.

The members of the PSP Division continued to excel in the delivery of Sports, Fitness, Health Promotion, Show Tours, Military Family Services, Hospitality, Messes, and Recreation. It is evident that these Non-Public Fund civilian employees work seamlessly as an integral part of the Canadian Forces community.

The personnel of the Finance and Informatics Division continued to consolidate accounting processes. In 2004 CFPSA implemented the nationalization of NPF accounting that resulted in reduced accounting costs and savings for both DND Public and Non-Public Funds. The members of the Human Resources Division introduced our new Employee Assistance Program, and the personnel of the Internal Audit and Review Division maintained their focus on continuous improvement and learning through review and adoption of internal and external best business practices.

As part of the Canadian Forces/Department of National Defence team, CFPSA will continue to emphasize a customer-centric focus. As resources allow, we will enhance our programs and services to contribute to the improvement of CF personnel and operational readiness in all cycles of training, deployment, repatriation, and rest.

In 2005, NPF employees will continue to uphold the CFPSA core values, and our team will continue to oversee and ensure the viability of all Non-Public Property.

We have developed frameworks to streamline our business practices, and to allow us to embrace new technologies.

In this report we unveil part of our new CFPSA branding strategy and our 'CFPSA-Colour palette of the future'.

I look forward to another productive year ahead.

Sincerely,

Major-General Doug Langton
Chief Executive Officer

*CFPSA
Core Values*

*Positive
attitude*

*Customer
focus*

Competence

Team player

Excellence

OUR DIVISIONS

SERVING THOSE WHO SERVE

At CFPSA, we serve our client groups through three operational divisions – CANEX, SISIP Financial Services (SISIP FS), and PSP. Through our programs, services and activities, we demonstrate our dedication to identify and meet the unique and evolving needs of the military community.

In addition to offering CANEX retail services and SISIP FS financial services, in partnership with the Environmental Chiefs of Staff and Bases/Wing Commanders, CFPSA provides Personnel Support Programs (PSP) aimed at increasing the physical and emotional well-being of military men and women. We at CFPSA always strive for enhanced value to ensure the operational readiness and effectiveness of the CF.

Along with the three operational divisions, our three support divisions –Human Resources, Finance and Informatics, and Internal Audit and Review—work together to ensure that we provide the appropriate services, at the right time, to the right people, at the right place.

Our operational divisions continue to serve the Canadian Forces by identifying and meeting the special needs of the military community, through a myriad of programs and services.

CANEX/NATEX

- Grocery and Retail Stores
- Food Services
- Group Home and Auto Insurance
- Home Heating Oil Program
- No Interest Credit Plan
- Club Xtra Customer Loyalty
- Concessions

SISIP FS

- Life and Disability Insurance
- Financial Planning
- Financial Counselling
- Financial Education
- CF Personnel Assistance Fund (CFPAF)

Personnel Support Programs (PSP)

- Military Family Services
- Mission Information Line and Centrepointe
- National and International Sports
- Physical Fitness
- R&D into Human Performance
- Recreation
- Health Promotion
- Deployed Operations
- Deployment Support
- Messes
- Corporate Sponsorship
- National Advertising



OUR MISSION

To enhance the quality of life of the military community, thus contributing to the operational readiness and effectiveness of the Canadian Forces (CF).

CANEX

COMMUNITY RESPONSIBILITY



Through the retail operations of the CANEX division - expressmarts, grocery stores, food services and concessions - CFP SA provides goods and services tailored to our clients and location.

With technology, CANEX is now an accessible point of purchase for deployed personnel. During the fiscal year (2004/2005) CANEX served its deployed customers with the enhanced online shopping capability - *What you need* ("WYN"). We also enhanced asset value and protection with the introduction of a CANEX wide loss prevention program.

Continuing with our strong focus to exploit the benefits of technology, our customer programs were also expanded with the launch of the web-linked CANEX Gift Card just prior to the winter holiday season.

Our operational efforts in 2004/2005 continued to be focussed on revitalization of the CANEX infrastructure, including major renovations and the addition of new holdings of the CF.



Projects included: renovations to the Belmont Park ExpressMart at CFB Esquimalt, construction of a new convenience store, gas station and Tim Hortons at CFB Valcartier, and construction of the new Windsor Park Retail Store at CFB Halifax, which included a boutique prototype entitled "Navy Roots".

In Ottawa, a new food services outlet was opened at the CFP SA Headquarters, along with a new barber and beauty salon at National Defence Headquarters.



SISIP FINANCIAL SERVICES

QUALITY PRODUCTS

Since 1969, SISIP Financial Services (SISIP FS) has provided financial products and services exclusively to serving and former members of the Canadian Forces (CF). SISIP FS understands that careers in the CF have unique requirements and needs, and that is why its financial products and services are tailored to the military lifestyle.

SISIP FS remains active in the community in many ways. Along with annual contributions of \$2.5 million to the Morale and Welfare grants, SISIP FS also contributes financially to the CF Sports Award Banquet, the "I Quit" smoking cessation program, Operation SANTA CLAUS, and the Volunteers' Recognition Program.

SISIP FS insured almost 120,000 CF serving and former members, along with their spouses, under various term life insurance plans. More than \$27.3 million in life insurance benefits have been paid to beneficiaries.

Financial planning, counselling and education were provided through a network of 18 offices across Canada. Dedicated professionals have helped over 3,700 financial planning clients with more than \$54.6 million in investments under management.



The Canadian Forces Group Retirement Savings Plan (CFGRSP) is now being administered through the Group Retirement Services, a division of Great West Life Assurance Company. SISIP FS financial planning clients, serving or former CF members, and spouses are all eligible for this plan.

Financial education was provided to 6,000 recruits, Officer Cadets, along with junior and senior supervisors through the Personal Financial Management Education program.

Canadian Forces Personnel Assistance Fund (CFPAF) provided \$12.1 million in financial distress loans and grants, self-improvement loans, and educational assistance loans to 5,000 CF personnel.



PERSONNEL SUPPORT PROGRAMS DIVISION

As a division of the CFPSPA, and a part of the fabric of the Canadian Forces Community, Personnel Support Programs (PSP) division is committed to 'Serving Those Who Serve'. Below is a selection of 2004/2005 PSP highlights.

PSP Succession Planning Strategy

Of particular note, was the launch of the PSP Succession Planning Strategy. Open to all NPF employees, this program will be crucial in facilitating smooth transition as senior and middle managers retire within the next five years. Although launched in PSP division, this program is carving a template that other CFPSPA divisions could follow.



National and International Sports

CF sporting activities continued in 2004/2005 with the CFPSPA organizing 13 National CF Sports Championships, the 26th World Volleyball Championship for the Conseil International du Sport Militaire (CISM), and the CISM Continental Men's Soccer Championship.



**RESPECT
FOR RULES**

Hospitality Services – Golf Management

The Department of National Defence, like a growing number of Canadian municipalities, has chosen to implement policies restricting the cosmetic use of pesticide on lands within their boundaries. CFPSPA/PSP worked in co-operation with the Director General Environment, to eliminate the use of pesticides for cosmetic lawn care purposes on all CF Golf Course properties. Using the National Audubon Society of Canada Sanctuary Program and Integrated Pest Management Certification (IPM) program, over the past year, all CF Golf Courses have achieved the IPM certification.



Directorate of Military Family Services

Canadian/Military Family Resource Centres were assisted in transitioning to "MFSP: Parameters for Practice", a new service model that compels the program to focus on our most valued resource: CF families. In addition, a revised funding mechanism with clearly delineated roles and responsibilities was introduced, which ensures that our support of CF families is second to none.

COMMUNITY



The Mission Information Line (MIL) received 29,000 calls, providing supportive services to families of deployed members.

Canadian Forces Radio and Television (CFRT) was transmitted live via satellite 24/7 to deployed forces in Europe, Africa, the Middle East, to Her Majesty's ships in the Persian Gulf region, and to our main deployed force in OP ATHENA.

Deployed Operations

During the past year, the PSP deployed operations program has recruited, trained, and deployed over 100 civilian NPF staff to deliver the Morale and Welfare programs in OP ATHENA, OP HALO, and OP BOREAS. We also closed out OP PALLADIUM operations in Bosnia, after over four years and eight rotations. During that time, CFPSA provided service to those who served on OP PALLADIUM, for eight rotations commencing September 2000, until the mission ceased operation in September 2004.

Mess Services, Hospitality and Recreation, and Finance and Informatics

In a joint effort, PSP Division and Finance and Informatics Division developed web-based templates for a Customer Relationship Management system, aimed at all bases/wings. This software application will align and integrate morale and welfare programs on bases and wings. During 2004/2005, the project was piloted at CFB Esquimalt, and the business planning module was adopted for local club management at five bases: CFB Borden, CFB Esquimalt, CFB Trenton, CFB Gander and CFB Valcartier.

Six CF Show Tours were produced for over 5000 deployed members.

Our agency's Finance and Informatics division provided the technological support for the project, through the Community Gateway – a standard internet template for all bases/wings.

CONNECTING YOUTH

Recreation and Youth

After several years of community consultations, youth needs assessments, and the development of program enhancement strategies, the Canadian Military Community Youth Program received a financial boost in October 2004. The Non-Public Property Board of Directors approved funding for the next three years, to support the enhancement of national and local youth programs, services, resources, facilities, partnerships, and employment/volunteerism strategies.

In 2004, the Canadian Military Community Youth program began the development of a "virtual" outreach initiative. The "Connecting CF Youth", web site targeting youth of CF families, was designed by a group of 70 Canadian youth located around the world, through an innovative youth engagement project funded by National Defence Online (NDOL). The web site, which is located at www.connectingcfyouth.ca, will be officially launched in Fall 2005.



“Volunteering at the Halifax Military Family Resource Centre is a way for me to give something back to the military community that has helped me a great deal in my life as a military spouse and I feel great doing it too.”

Tracy Johnson, Halifax MFRC Volunteer

HEALTH

Directorate of Human Performance and Health Promotion Strengthening the Forces Health Promotion program

Health Promotion Program highlights for 2004-2005 include:

The Second Annual HP National Conference was held in May 2004. HP core programs in Addiction Awareness and Prevention, Injury Prevention/Active Living, Nutritional Wellness, and Social Wellness will continue to be rolled out to the CF.

These programs are developed by DGHS (Director General Health Services at DND) staff, and delivered by CFPSA HP personnel at B/W/Us. Programs are available to the Defence Team members which include: CF regular and reserve Force members, retired and former CF personnel, military families, Department of National Defence (DND) employees, and Non-Public Funds (NPF) employees.



Research and Development

The agency's Research and Development section improved the Fire Fighters Physical Fitness Maintenance program, including the research and development of Fire Fighter Selection Standards, and research on women's capability to meet physical performance requirements of the professional fire fighter.

Work continues on elite level physical fitness standards, and programs for special operations in the CF. Phase 1 and 2 of the CF Divers physical fitness maintenance standards is complete, and the final Phase 3 will begin in support of CF physical fitness maintenance standards for CF diving operations. Work will commence shortly to develop a Minimum Physical Fitness Standard (MPFS) for CF Personnel 55 years and older, and will be in concert with the CF MPFS which is currently in use in the CF.

The Chief of the Air Staff (CAS) is funding a three-year research program, to research and develop a pre-deployment physical fitness standard for CAS personnel, as well as supporting physical fitness programs for air force personnel. It is envisaged that this standard will support CAS in ensuring the physical abilities of CAS personnel selected for deployed operations, and provide training programs that will assist its personnel in attaining and maintaining requisite fitness levels.

In the spring of 2004, a comprehensive pregnancy, exercise, and nutrition program was delivered to the CF. Ongoing work on a 'Compendium of Research on Military Related Injuries', for the Director of Casualty Administration and Support, will assist Veterans Affairs Canada (VAC) in understanding military activities and their contribution to chronic injury of CF members.



HUMAN RESOURCES

EQUALITY

The HR Division aims to make CFPSA an employer of choice by attracting, retaining and motivating employees through employee relationship management (ERM). Our team has reinforced a positive work environment through unveiling an Employee Assistance Program (EAP) and assisting employees in all divisions of the Agency.

This fiscal year, our programs included the implementation of Labour Relations Training for personnel in the Management cadre from Coordinators to PSP Managers. As well, HR finalized the implementation of the pension buy-back program, which resulted in 596 employees buying back 393 years of service. The focus has also been on meeting legislative requirements such as Official Languages, Health and Safety, and Employment Equity within the framework of compliance audits under the Employment Equity Act.

FINANCE AND INFORMATICS

Finance and Informatics Division implemented the nationalization of NPF accounting in September 2004. This resulted in reduced accounting costs and savings for both the Department of National Defence (DND) Public and Non-Public Funds. Further, NPF accounting operations in Europe, within the overall accounting framework, were integrated and rationalized.

The Chief of Defence Staff approved a contract with the Canadian Imperial Bank of Commerce, to implement a group banking services package. This new initiative for 'Canadian Defence Community Banking' will be available nationally in the fall of 2005.

A Content Management System has been implemented, which allows users to maintain the content of their web pages without the involvement of technical web staff. In addition, several computer applications have been developed and implemented to ease the administrative burden for both clients and internal staff.

TRANSPARENCY



Ten on-going National Defence Online (NDOL) projects including Community Gateway, CF Newspapers, CF EXPRES Fitness testing, and Deployed Operations secured over \$800,000 from National Defence Online.

INTERNAL AUDIT AND REVIEW

CORPORATE INTEGRITY

Our mission: To provide independent appraisal and client-focused advice to management on financial and operational issues.

Internal Audit and Review (IA&R) professionals work behind the scenes to strengthen corporate governance. This fiscal, the IA&R Division provided independent objective assurance, advice and consultancy support to the NPP Board of Directors, Environmental Chiefs of Staff, Base/Wing Commanders and the CFPSA, through a series of 37 projects, reviews and internal audits.

The division issued 25 IA&R Reports wherein auditors proposed solution-oriented recommendations aimed at improving efficiency, effectiveness and economy across a broad range of NPP operations at all levels -locally and nationally.

IA&R provided support to Deployed Operations, Base Funds, Special Interest Clubs, HR Management, Finance and Administration, and developed and facilitated an Enterprise Risk Management (ERM) for CFPSA senior managers.

OUR CLIENTS AND OUR COMMUNITY MATTER TO US...

Serving members of the CF, both Regular and Reserve force, make up CFP SA's largest client group. From a National sports program, to SISIP Financial Services (SISIP FS), CFP SA caters to a host of requirements that contribute to the operational readiness and effectiveness of the CF. CFP SA still offers a range of services to CF members in retirement or after they have completed their careers. As "authorized patrons", retired and former members continue to benefit from the activities, services and programs available through CANEX and SISIP FS.

SISIP FS TOTAL CONTRIBUTIONS TO THE MORALE & WELFARE GRANTS FY 04/05

Halifax	192,180
Goose Bay	7,680
Greenwood	78,780
Gagetown	132,440
Gander	11,800
St. John's	21,675
Moncton	13,400
Borden	105,795
Meaford	17,625
North Bay	32,225
Kingston	100,605
Kingston (RMC)	60,315
Petawawa	147,180
Trenton	100,740
Ottawa	184,925
Leitrim	33,075
Valcartier	175,770
Bagotville	63,765
Montréal	95,880
Edmonton	148,710
Cold Lake	85,605
Suffield	10,360
Wainwright	37,275
Comox	57,180
Esquimalt	145,200
Moose Jaw	26,675
Dundern	8,760
Shilo	52,730
Winnipeg	84,615
Yellowknife	10,480
Canada small units	153,670
Europe	39,310
United Kingdom	11,220
United States	59,520
All others	2,950

CANEX TOTAL CONTRIBUTIONS TO BASES/WINGS FY 04/05

Halifax	230,655
Goose Bay	120,992
Greenwood	60,548
Gagetown	177,085
Gander	2,574
St. John's	5,092
Borden	283,123
North Bay	46,844
Kingston	160,992
Kingston (RMC)	32,502
Petawawa	377,656
Trenton	94,532
Ottawa	203,721
NDMC O	5,569
Leitrim	14,153
Valcartier	271,965
Bagotville	67,913
Montréal	129,044
Edmonton	198,602
Cold Lake	151,332
Suffield	325,280
Wainwright	108,306
Comox	56,047
Esquimalt	217,292
Moose Jaw	20,797
Shilo	126,088
Winnipeg	57,640
Yellowknife	2,201

As an NPP entity, CFP SA invests in the CF Community. During 2004/2005 we have made a difference in your community by contributing to your programs and services.

NPP BOARD OF DIRECTORS

(as of 31 March 2005)

Chief of the Defence Staff

General R.R. Henault (until January 2005)
General Rick Hillier (effective February 2005)

Vice Chief of the Defence Staff

Lieutenant-General G.E.C. Macdonald (until August 2004)
Vice-Admiral R.D. Buck (effective September 2004)

Deputy Chief of the Defence Staff

Vice-Admiral G. Maddison

Assistant Deputy Minister (Human Resources-Military)

Vice-Admiral G.E. Jarvis

Chief of the Maritime Staff

Vice-Admiral R.D. Buck (until August 2004)
Vice-Admiral M.B. MacLean (effective August 2004)

Chief of the Land Staff

Lieutenant-General Rick Hillier (until January 2005)
Lieutenant-General J.H.P.M. Caron (effective February 2005)

Chief of the Air Staff

Lieutenant-General K. Pennie

Assistant Deputy Minister (Finance and Corporate Services)

Mr. R. Monette

Judge Advocate General

Major-General J.S.T. Pitzul

DND/CF Legal Advisor

Ms. L. Holland

Chief Reserves and Cadets

Rear-Admiral R. Zuliani (until December 2004)
Major-General H. Petras (effective December 2004)

President and Chief Executive Officer, CFPSA

Mr. J. Geci (until July 2004)

Chief Executive Officer, CFPSA

Major-General D.W. Langton (effective October 2004)

CF Chief Warrant Officer

Chief Petty Officer First Class R.M. Lupien (until July 2004)
Chief Warrant Officer J.L.D. Gilbert (effective August 2004)

Deputy Chief of Defence Staff Gp CWO

CWO V.P. Rioux

Maritime Command Chief Petty Officer

Chief Petty Officer First Class J.M.S. Joncas (until July 2004)
Chief Petty Officer First Class K.E. Davis (effective August 2004)

Land Force Command Chief Warrant Officer

Chief Warrant Officer G.R. Lacroix

Air Command Chief Warrant Officer

Chief Warrant Officer J.L.D. Gilbert (until July 2004)
Chief Warrant Officer R. Bouchard (effective July 2004)

Assistant Deputy Minister (HR-Mil) Group Command Chief Warrant Officer

Chief Warrant Officer C.V. Tkacz

NPP COMMITTEES

Audit and Accountability Committee

Chair:

Lieutenant-General Rick Hillier, Chief of the Land Staff (until January 2005)
Major-General M. Caron, A/Chief of the Land Staff (LGen effective January 2005)

Members:

Chief Petty Officer, 1st Class R.M. Lupien, Canadian Forces Chief Warrant Officer
Mr. K. Dye, Former Auditor General of Canada
Mr. J. Van Adel, Chief of Review Services
Mr. John F. Geci, President and Chief Executive Officer, CFPSA
Mr. Terry P. Payan, Vice-President Internal Audit & Review, CFPSA

Human Resources and Compensation Committee

Chair:

Lieutenant-General G.E.C. Macdonald, Vice Chief of the Defence Staff

Members:

Vice-Admiral Greg Jarvis, Assistant Deputy Minister (Human Resources-Military)
Vice-Admiral R.D. Buck, Chief of the Maritime Staff
Ms. L. Holland, Department of National Defence/Canadian Forces Legal Advisor
Chief Petty Officer, 1st Class R.M. Lupien, Canadian Forces Chief Warrant Officer
Chief Warrant Officer J.L.D. Gilbert, Air Command Chief Warrant Officer
Mr. Jim Millar, Vice-President Strategic Planning, Risk Management and Communications, Canada Mortgage and Housing Corporation (CMHC)
Mr. R. Verdon, External member (retired senior executive)

Ex Officio:

Mr. John F. Geci, President and Chief Executive Officer, CFPSA (until July 2004)
Major-General D.W. Langton, Chief Executive Officer, CFPSA (effective October 2004)

Advisor:

Mr. Gérard Étienne, Vice-President Human Resources, CFPSA

Investment Committee

Chair:

Vice-Admiral Ron Buck, Chief of the Maritime Staff

Members:

Lieutenant-General Ken Pennie, Chief of the Air Staff
Mr. Rod Monette, Assistant Deputy Minister (Finance and Corporate Services)
Major-General Terry Hearn, Chief of Finance
Chief Petty Officer, 1st Class R.M. Lupien, Canadian Forces Chief Warrant Officer
Chief Warrant Officer Greg Lacroix, Land Force Command Chief Warrant Officer
Dr. Jim Frank, retired Vice-President and Chief Economist Conference Board of Canada
Mr. Bob Smith, Chief Financial Officer and Vice-President Informatics, CFPSA (Secretary)

Ex Officio:

Mr. John F. Geci, President and Chief Executive Officer, CFPSA (until August 2004)
Major-General D.W. Langton, Chief Executive Officer, CFPSA (effective October 2004)

Serving Those Who Serve

**CANADIAN FORCES
PERSONNEL SUPPORT AGENCY**



**AGENCE DE SOUTIEN DU PERSONNEL
DES FORCES CANADIENNES**

www.cfpsa.com