



Canadian
Transportation
Agency

Office
des transports
du Canada



Quarterly Financial Report

For the quarter ended June 30, 2025

Canadian Transportation Agency

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Management statement for the quarter ending June 30, 2025

1. Introduction

This quarterly financial report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board under the Treasury Board Directive on Accounting Standards: GC 4400 Departmental Quarterly Financial Report. It should be read in conjunction with the Main Estimates and Supplementary Estimates for the current year.

The quarterly report has not been subject to an external audit or review.

1.1 Canadian Transportation Agency mandate

The Canadian Transportation Agency (Agency) is an independent regulator and quasi-judicial tribunal with the powers of a superior court. It operates within the context of the very large and complex Canadian transportation system. The Agency's responsibilities are:

- To help ensure that the national transportation system runs efficiently and smoothly in the interests of all Canadians: those who work and invest in it; the producers, shippers, travellers, and businesses who rely on it; and the communities where it operates.
- To provide consumer protection for air passengers.
- To protect the human right of persons with disabilities to an accessible transportation network.

The Agency has specific powers assigned to it under the *Canada Transportation Act*:

- It is an economic regulator of modes of transportation under federal jurisdiction and develops and applies ground rules that establish the rights and responsibilities of transportation service providers and users and that level the playing field among competitors. These rules can be binding regulations, guidelines, or codes of practice.

- It is a tribunal that hears and resolves disputes like a court. It resolves disputes between transportation service providers and their clients or neighbours, using various tools from facilitation and mediation to arbitration and adjudication.

Further information on the Agency's mandate, roles, responsibilities and programs can be found in [Part III of the Estimates – Departmental Plan](#).

1.2 Basis of presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Agency's spending authorities granted by Parliament, and those used by the Agency consistent with the Main Estimates and Supplementary Estimates (as applicable) for the 2025-2026 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts, or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Agency uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental results reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

2. Highlights of the fiscal quarter and the fiscal year-to-date (YTD) results

This section highlights the significant items that contributed to the net increase in resources available for the year, as well as actual expenditures for the quarter ended June 30.

Chart 1 – Comparison of net budgetary authorities and expenditures as of June 30, 2024, and June 30, 2025, in thousands of dollars

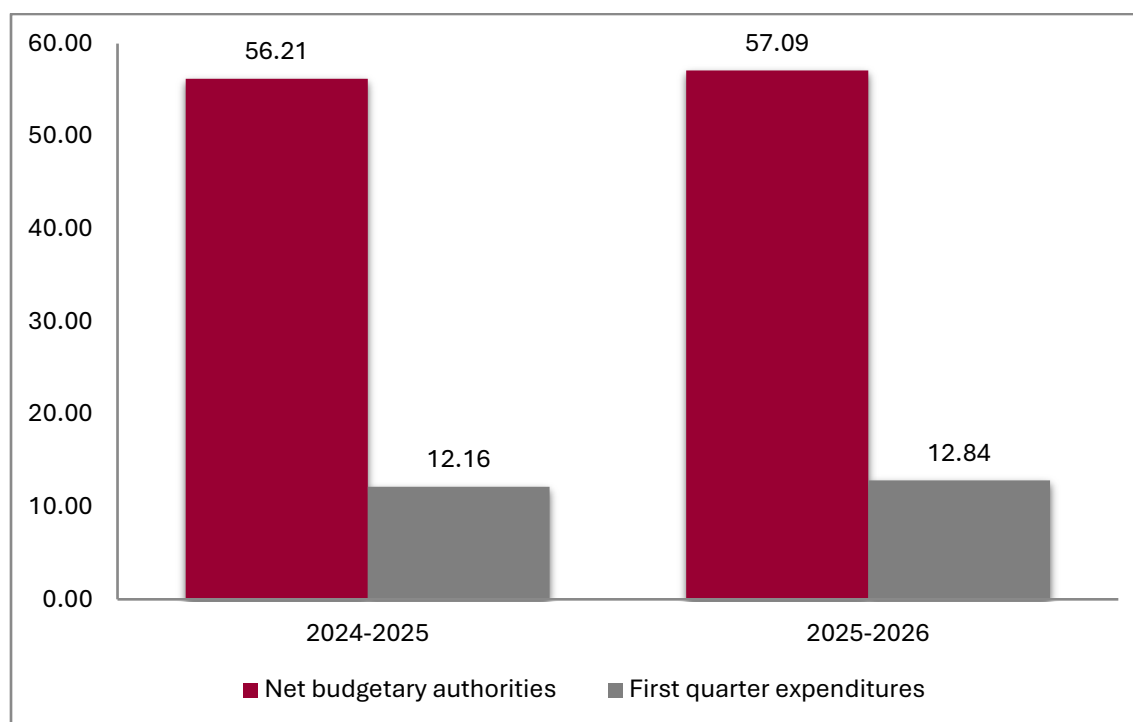


Table of Chart 1

(in thousands of dollars)	Net budgetary authorities	First quarter expenditures
2024-2025	56.21	12.16
2025-2026	57.09	12.84

2.1 Significant changes to authorities

As illustrated in the Statement of Authorities and the Departmental Budgetary Expenditures by Standard Object tables at the end of this report, the Agency's total authorities available for use increased by \$879,440, or 1.6%, from \$56,209,178 as of June 30, 2024, to \$57,088,618 as of June 30, 2025. This increase in authorities available for use is primarily attributable to an increase in the Employee Benefit Plans (EBP) budgetary statutory authorities granted by Parliament.

2.2 Significant changes to expenditures

As illustrated in the Statement of Authorities and the Departmental Budgetary Expenditures by Standard Object tables at the end of this report, expenditures recorded to the end of the first quarter increased by \$678,741, or 5.6%, from the previous year, from \$12,158,212 to \$12,836,953 (see Table A: Variation in Departmental Expenditures by Standard Object).

Overall, the year-to-date expenditures at the end of the first quarter of 2025-2026 represent 22.5% of the annual planned expenditures, which is similar to the first quarter (21.6%) of 2024-2025.

Table A: Variation in departmental expenditures by standard object (unaudited)

	Variation in Q1 YTD expenditures between fiscal year 2024-2025 and 2025-2026
Personnel	969,259
Transportation and communications	1,766
Information	102,270)
Professional and special services	(29,274)
Rentals	(94,724)
Repair and maintenance	(7,374)
Utilities, materials and supplies	976
Acquisition of machinery and equipment	(60,647)
Other subsidies and payments	1,029
Total net budgetary expenditures	678,741

Note: Explanations are provided for variances in excess of \$100,000.

Personnel: In comparison to the previous fiscal year, personnel expenditures have increased by \$969,259. Personnel expenditures are greater in 2025-2026 due to increased salary rates following the renewal of various collective agreements.

Information: In comparison to the previous fiscal year, the decrease in expenditures during the first quarter of 2025-2026 is mainly due to a timing difference in the settlement of invoices received for phone operations and contact centre services.

With respect to all other budgetary expenditures by Standard Object, overall expenditures are similar to those of the previous fiscal year. Any difference is primarily attributable to the period in which the purchases were settled.

3. Significant changes in relation to operations, personnel, and programs

During the first quarter of 2025-2026, changes to the Agency's senior management personnel were implemented. Nadia Della Valle has been appointed Chief Financial Officer of the Agency effective May 8, 2025.

There have been no significant changes in relation to the Agency's operations or programs over the last quarter.

4. Risks and Uncertainties

Unpredictability of air travel complaint volumes: In recent years, the Agency has experienced a consistent and significant increase in air travel complaints. Despite receiving supplemental temporary funding to address the growing volume of air travel complaints, the number of incoming complaints has exceeded the projections. Consequently, the backlog of cases continues to grow despite the additional resources provided. This unpredictability in complaint volumes poses challenges in planning for case processing times and delivering accurate information to the public. To mitigate this risk, the Agency continually reviews and streamlines its business processes and procedures, while also adopting new technologies and tools to enhance efficiency.

Managing in the context of significant change: The Agency has transformed its approach to handling air travel complaints and is now committed to a process of continuous improvement, actively seeking new ways to enhance efficiency and effectiveness. To mitigate the risks associated with the high rate of change and to maintain agility, the Agency is currently reassessing its investment plans for technology and systems, as well as its strategies for employee development and training, with a view to further invest in and strengthen these areas. Additionally, efforts are being deployed into stakeholder engagement and external communications products.

Sunsetting temporary funds: Budget 2023 announced that the Agency would receive \$75.9 million over three years, starting in 2023-2024, to increase its capacity to process air travel complaints. The Agency over the last two years has and continues to receive twice the number of complaints it anticipated. With the temporary funding coming to an end in fiscal year 2025-2026, the Agency continues to aggressively seek efficiencies and will pursue long-term funding options in order to ensure the delivery of its mandate in an

effective and timely manner. The significant portion of the Agency's budget being temporary (approximately 40%), also leads to a higher rate of employee turnover, and requires greater allocation of time and resources to staffing and training, accompanied by a decrease in productivity. The Agency is diligently monitoring and managing its financial resources to optimize staffing, onboarding, and training processes within the constraints of available funding.

Approval by Senior Officials

Approved by:

<p>X</p> <hr/> <p>France Pégeot Chair and Chief Executive Officer</p>	<p>X</p> <hr/> <p>Sandrine Chevrier for Nadia Della ... a/ Chief Financial Officer</p>
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Statement of Authorities (*unaudited*)

Fiscal year 2025-2026

	Total available for use for the year ending March 31, 2026*	Used during the quarter ended June 30, 2025	Year to date used at quarter-end
Vote 1 – Program expenditures	50,365,239	11,156,108	11,156,108
Budgetary statutory authorities – Employee Benefit Plans	6,723,379	1,680,845	1,680,845
Total authorities	57,088,618	12,836,953	12,836,953

* Includes only authorities available for use and granted by Parliament at quarter-end.

Fiscal year 2024-2025

	Total available for use for the year ending March 31, 2025*	Used during the quarter ended June 30, 2024	Year to date used at quarter-end
Vote 1 – Program expenditures	50,168,441	10,648,028	10,648,028
Budgetary statutory authorities – Employee Benefit Plans	6,040,737	1,510,184	1,510,184
Total authorities	56,209,178	12,158,212	12,158,212

* Includes only authorities available for use and granted by Parliament at quarter-end.

Departmental Budgetary Expenditures by Standard Object (unaudited)

Fiscal year 2025-2026

Expenditures:	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended June 30, 2025	Year to date used at quarter-end
Personnel	54,356,913	12,075,885	12,075,885
Transportation and communications	249,255	54,526	54,526
Information	352,037	195,710	195,710
Professional and special services	847,212	267,042	267,042
Rentals	936,870	233,867	233,867
Repair and maintenance	91,365	504	504
Utilities, materials and supplies	36,199	8,684	8,684
Acquisition of machinery and equipment	219,573	1,541	1,541
Other subsidies and payments	(806)	(806)	(806)
Total net budgetary expenditures	57,088,618	12,836,953	12,836,953

Fiscal year 2023-2024

Expenditures:	Planned expenditures for the year ending March 31, 2024	Expended during the quarter ended June 30, 2023	Year to date used at quarter-end
Personnel	52,221,363	11,106,626	11,106,626
Transportation and communications	247,675	52,760	52,760
Information	438,675	297,980	297,980
Professional and special services	1,585,577	296,316	296,316
Rentals	1,485,951	328,591	328,591
Repair and maintenance	52,285	7,878	7,878
Utilities, materials and supplies	23,901	7,708	7,708
Acquisition of machinery and equipment	155,586	62,188	62,188
Other subsidies and payments	(1,835)	(1,835)	(1,835)
Total net budgetary expenditures	56,209,178	12,158,212	12,158,212