Canadian Transportation Agency
Office des transports du Canada

Quarterly Financial Report

For the quarter ended September 30, 2025

Canadian Transportation Agency

Canada

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Management statement for the quarter ending September 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.

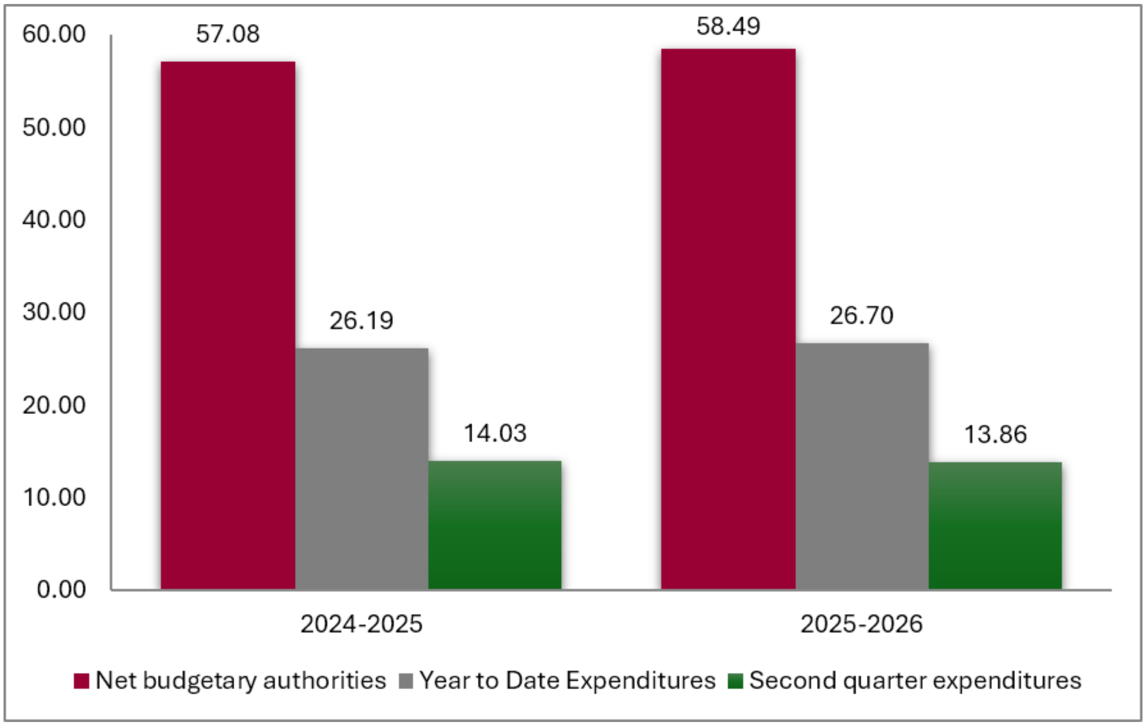
When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant 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 September 30.

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



	2024-2025	2025-2026
Net budgetary authorities	57.08	58.49
Year to Date Expenditures	26.19	26.7
Second quarter expenditures	14.03	13.86

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 $1,410,608, or 2.5%, from $57,083,356 as of September 30, 2024, to $58,493,964 as of September 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, as well as an increase of the allotment related to the Operating Budget Carry Forward.

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 second quarter decreased by $175,079, or 1.2%, from the previous year, from $14,033,150 to $13,858,121 (see Table A: Variation in Departmental Expenditures by Standard Object).

Overall, the year-to-date expenditures at the end of the second quarter of 2025-2026 represent 45.6% of the annual planned expenditures, which is similar to the second quarter (45.9%) of 2024-2025.

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

	Variation in Q2 YTD expenditures between fiscal year 2024-2025 and 2025-2026
Personnel	163,053
Transportation and communications	(37,624)
Information	56,317
Professional and special services	28,603
Rentals	(377,750)
Repair and maintenance	59,841
Utilities, materials and supplies	39,173
Acquisition of machinery and equipment	(106,891)
Other subsidies and payments	249
Total net budgetary expenditures	**(175,029)**

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

Personnel: In comparison to the previous fiscal year, personnel expenditures have increased by $163,053. Personnel expenditures are greater in 2025-2026 due to increased salary rates following the renewal of various collective agreements.

Rentals: In comparison to the previous fiscal year, rental expenditures have decreased by $377,750. This reduction is mainly attributable to Shared Services Canada (SSC) assuming responsibility for the cost of certain software licences for fiscal year 2025-2026 (e.g., Microsoft products and Wide Area Network services).

Acquisition of machinery and equipment: In comparison to the previous fiscal year, acquisition of machinery and equipment have decreased by $106,891. This reduction is mainly due to the purchase of informatics equipment in the second quarter of 2024-2025, in alignment with the Agency's planned equipment replacement cycle.

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

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

4. Risks and Uncertainties

Financial resilience: Given the unpredictability of workload, such as the number of air travel complaints, combined with ongoing budgetary pressures and a high proportion of temporary funding, there is a risk that sufficient resources may not be available to deliver activities and services in a timely manner. 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.

Change management: The Agency is managing change driven by legal and policy shifts, coupled with the rapid emergence of transformative technologies. This dynamic environment challenges the Agency's ability to adapt its processes, systems, and workforce. To mitigate the risks associated with the high rate of change and maintain agility, the Agency is reassessing its investment plans for technology and systems, as well as its strategies for employee development and training, with a view to further investing in and strengthening these areas. Additionally, the Agency is optimizing stakeholder engagement and external communications products.

Maintaining expertise: Sustaining a sufficient level of specialized technical professionals with respect to critical transportation domains and accessibility may pose challenges to the Agency's ability to fulfill key responsibilities. To mitigate these risks, the Agency is developing a reliable talent pipeline, promoting knowledge sharing and development, and proactively planning for future workforce needs. At the same time, structured knowledge transfer and cross-training reduce reliance on individual employees, while strategic workforce planning helps anticipate skill gaps early so staffing risks can be addressed before they become critical.

Approval by Senior Officials

Approved by:

France Pégeot
Chair and Chief Executive Officer
Signed on: November 26, 2025

Nadia Della Valle
Chief Financial Officer
Signed on: November 26, 2025

Statement of Authorities *(unaudited)*

Fiscal year 2025-2026

	Total available for use for the year ending March 31, 2026*	Used during the quarter ended September 30, 2025	Year to date used at quarter-end
Vote 1 – Program expenditures	51,770,585	12,177,276	23,333,385
Budgetary statutory authorities – Employee Benefit Plans	6,723,379	1,680,845	3,361,689
Total authorities	**58,493,964**	**13,858,121**	**26,695,074**

Fiscal year 2024-2025

	Total available for use for the year ending March 31, 2025*	Used during the quarter ended September 30, 2024	Year to date used at quarter-end
Vote 1 – Program expenditures	51,042,619	12,522,966	23,170,993
Budgetary statutory authorities – Employee Benefit Plans	6,040,737	1,510,184	3,020,369
Total authorities	**57,083,356**	**14,033,150**	**26,191,362**

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

Departmental Budgetary Expenditures by Standard Object (unaudited)

Fiscal year 2025-2026

	Planned expenditures for the year ending March 31, 2026	Expended during the quarter ended September 30, 2025	Year to date used at quarter-end
Expenditures:			
Personnel	52,991,331	13,119,103	25,194,988
Transportation and communications	459,898	40,340	94,866
Information	893,309	139,037	334,747
Professional and special services	1,642,681	263,007	530,049
Rentals	1,819,259	166,314	400,181
Repair and maintenance	193,251	86,020	86,524
Utilities, materials and supplies	58,227	41,868	50,552
Acquisition of machinery and equipment	436,552	2,170	3,711
Other subsidies and payments	(544)	262	(544)
Total net budgetary expenditures	**58,493,964**	**13,858,121**	**26,695,074**

Fiscal year 2024-2025

	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended September 30, 2024	Year to date used at quarter-end
Expenditures:			
Personnel	52,046,713	12,956,050	24,062,676
Transportation and communications	381,220	77,964	130,724
Information	577,508	82,720	380,700
Professional and special services	1,709,424	234,404	530,720
Rentals	1,955,333	544,064	872,655
Repair and maintenance	82,416	26,179	34,057
Utilities, materials and supplies	36,065	2,695	10,403
Acquisition of machinery and equipment	296,499	109,061	171,249
Other subsidies and payments	(1,822)	13	(1,822)
Total net budgetary expenditures	**57,083,356**	**14,033,150**	**26,191,362**