



Canadian
Transportation
Agency

Office
des transports
du Canada



Quarterly Financial Report

For the quarter ended December 31, 2025

Canadian Transportation Agency

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Management statement for the quarter ending December 31, 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 December 31.

Chart 1 – Comparison of net budgetary authorities and expenditures as of December 31, 2024, and December 31, 2025, in millions of dollars

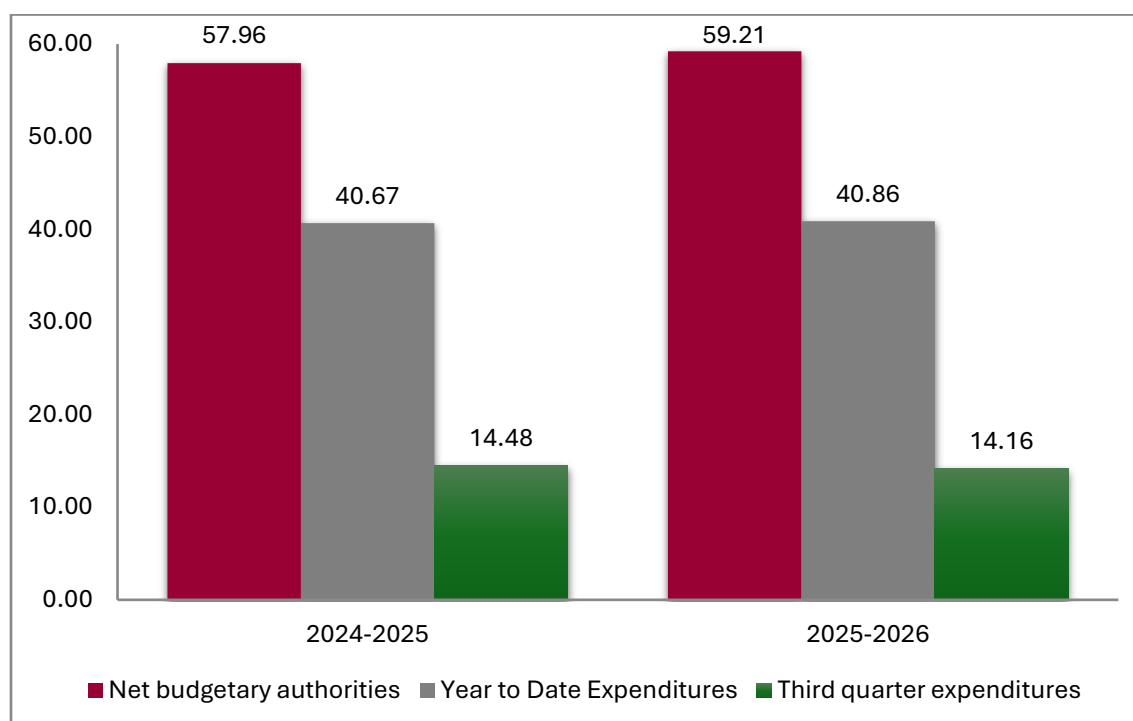


Table of Chart 1

(in millions of dollars)	2024-2025	2025-2026
Net budgetary authorities	57.96	59.21
Year to Date Expenditures	40.67	40.86
Third quarter expenditures	14.48	14.16

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 \$1,241,535, or 2.1%, from \$57,964,049 as of

December 31, 2024, to \$59,205,584 as of December 31, 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 third quarter decreased by \$312,860, or 2.2%, from the previous year, from \$14,477,776 to \$14,164,916 (see Table A: Variation in Departmental Expenditures by Standard Object).

Overall, the year-to-date expenditures at the end of the third quarter of 2025-2026 represent 69.0% of the annual planned expenditures, which is similar to the third quarter (70.2%) of 2024-2025.

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

	Variation in Q3 YTD expenditures between fiscal year 2024-2025 and 2025-2026
Personnel	(361,996)
Transportation and communications	75,143
Information	70,118
Professional and special services	(78,031)
Rentals	(186,207)
Repair and maintenance	60,801
Utilities, materials and supplies	15,642
Acquisition of machinery and equipment	84,077
Other subsidies and payments	7,593
Total net budgetary expenditures	(312,860)

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

Personnel: In comparison to the previous fiscal year, personnel expenditures have decreased by \$361,996. This reduction is primarily due to retroactive salary adjustments processed in the third quarter of 2024-2025 following the renewal of various collective agreements.

Rentals: In comparison to the previous fiscal year, rental expenditures have decreased by \$186,207. 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).

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 (e.g. number of complaints) and as a result of on-going budgetary pressures and a high proportion of the Agency's budget being temporary, there is a risk that sufficient funding sources may not be available to deliver on a timely manner activities and services. 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 across critical transportation domains and accessibility may pose future challenges to the Agency’s ability to deliver on some of its key areas of responsibility. 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.

Digital and technology: The Agency continues to manage several technology-related risks. Going into 2026-27, cybersecurity remains a priority, with challenges in retaining specialized resources and adapting to evolving threats. To mitigate these risks, the Agency is building partnerships and investing in modern, automated security solutions to strengthen resilience. Budget constraints and shifts in government policy may influence procurement processes and lead to delays; the Agency will focus on strengthening change management with Shared Services Canada to maintain continuity. The Agency is also addressing end-of-life technologies, such as unsupported website and intranet technologies, by prioritizing modernization and onboarding Canada.ca. Rapid AI adoption and data governance requirements are introducing privacy and compliance complexities, which are, and will be, managed through policy development, mandatory training, and process reviews. Finally, enterprise software delivery faces capacity challenges and varying readiness across business units. The Agency will continue to use its Digital Strategy to better align priorities and resources.

Approval by Senior Officials

Approved by:

X
France Pégeot
Chair and Chief Executive Officer

X
Nadia Della Valle
Chief Financial Officer

Statement of Authorities (*unaudited*)

Fiscal year 2025-2026

	Total available for use for the year ending March 31, 2026*	Used during the quarter ended December 31, 2025	Year to date used at quarter-end
Vote 1 – Program expenditures	52,482,205	12,484,071	35,817,456
Budgetary statutory authorities – Employee Benefit Plans	6,723,379	1,680,845	5,042,534
Total authorities	59,205,584	14,164,916	40,859,990

Fiscal year 2024-2025

	Total available for use for the year ending March 31, 2025*	Used during the quarter ended December 31, 2024	Year to date used at quarter-end
Vote 1 – Program expenditures	51,923,312	12,967,592	36,138,585
Budgetary statutory authorities – Employee Benefit Plans	6,040,737	1,510,184	4,530,553
Total authorities	57,964,049	4,477,776	40,669,138

* 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 December 31, 2025	Year to date used at quarter-end
Personnel	52,190,518	13,202,455	38,397,443
Transportation and communications	707,531	167,255	262,121
Information	913,573	112,842	447,589
Professional and special services	2,233,231	229,367	759,416
Rentals	1,934,687	244,654	644,835
Repair and maintenance	299,770	77,191	163,715
Utilities, materials and supplies	84,024	27,132	77,684
Acquisition of machinery and equipment	835,051	96,277	99,988
Other subsidies and payments	7,199	7,743	7,199
Total net budgetary expenditures	59,205,584	14,164,916	40,859,990

Fiscal year 2024-2025

Expenditures:	Planned expenditures for the year ending March 31, 2025	Expended during the quarter ended December 31, 2024	Year to date used at quarter-end
Personnel	51,477,124	13,564,451	37,627,127
Transportation and communications	480,296	92,112	222,836
Information	709,922	42,724	423,424
Professional and special services	2,058,365	307,398	838,118
Rentals	2,659,637	430,861	1,303,516
Repair and maintenance	73,248	16,390	50,447
Utilities, materials and supplies	50,277	11,490	21,893
Acquisition of machinery and equipment	456,852	12,200	183,449
Other subsidies and payments	(1,672)	150	(1,672)
Total net budgetary expenditures	57,964,049	14,477,776	40,669,138