Canadian Air Transport Security Authority (CATSA)

Summary of the
2026/27 to 2030/31 Corporate Plan
2026/27 to 2030/31 Operating Budget
2026/27 to 2030/31 Capital Budget

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Executive Summary

The Canadian Air Transport Security Authority (CATSA) is the federal authority responsible for aviation security screening at 89 designated airports across Canada. The organization fulfills a critical security mandate by ensuring the secure and efficient movement of people and goods across Canada's air transportation network and internationally, contributing to economic growth and national security.

In the first half of 2025/26, 96.3% of passengers waited less than 15 minutes to be screened at Class 1 airports and 90.4% of passengers surveyed reported a positive screening experience. CATSA expects to screen 74.5 million passengers in 2026/27, which represents a 4.8% increase from the forecasted 71.1 million passengers for 2025/26. It is anticipated that passenger traffic will increase further over the coming years, with 78.2 million projected in 2027/28, and reaching 89.4 million by 2030/31.

Over the next five years, CATSA will accelerate investments in technology and automation to provide more secure, efficient and cost-effective security screening services, while enhancing the overall experience for passengers. Transport Canada, as CATSA's regulator, plays a critical enabling role. CATSA collaborates with Transport Canada to secure regulatory approvals, seek appropriate regulatory relief measures, and validate innovative screening technologies.

In support of Canada's domestic economy, approximately 90% of CATSA's contracts are awarded to Canadian companies in the security and technology sectors. CATSA will continue to seek opportunities to increase this proportion where feasible.

CATSA recognizes the seriousness of cybersecurity threats and the significant impacts of cybersecurity incidents. Accordingly, the organization continuously strengthens and adapts its cybersecurity approach, and works closely with key government partners to prevent and attenuate these risks.

Given its important role in securing critical elements of Canada's air transportation system, CATSA furthers several key federal priorities. These include building a stronger Canadian economy and enhancing security relationships; protecting Canada's sovereignty and security; shifting from reliance to resilience; creating a more efficient and effective government; enhancing productivity through innovation and the use of artificial intelligence; delivering on Canada's diversity, equity and inclusion values; promoting reconciliation with Indigenous Peoples; ensuring an accessible, barrier-free workplace and superior security screening experience for travellers; and, putting environmental sustainability principles into practice.

CATSA operates under the guidance of its Strategic Plan, which serves as a roadmap to inform its key activities. Supported by four key pillars, the plan fosters an environment that upholds core values, and reflects a commitment to *Protect, Innovate, and Elevate* in delivering on the organization's mandate and pursuing its mission and vision:

Promote an Integrated Aviation Ecosystem
CATSA will continue to leverage its strong collaboration with partners to drive a more integrated aviation industry and advance shared objectives, including the integration of technologies that enhance end-to-end experiences and the secure, seamless exchange of critical data. Key initiatives include deepening partner engagement and communication, and executing the Domestic Stakeholder Engagement Strategy to strengthen the collective impact across the aviation ecosystem.

Elevate the Client Experience
CATSA will further improve the passenger experience via streamlined processes, staff empowerment, and continuous improvement programs that raise satisfaction and operational efficiency at designated airports across the country. Key initiatives include maintaining an annual wait time service level where 95% of passengers wait less than 15 minutes to be screened (95/15) at Class 1 airports, advancing the Service Strategy, and undertaking initiatives with members of the broader community, including accessibility and diversity interest groups, and official language minority communities.

Drive Innovation
CATSA will augment security effectiveness and screening efficiency, and champion innovative solutions through a problem-solving mindset. It will do so by transitioning from basic automation to artificial intelligence-enabled operations, modernizing screening and biometrics systems, and enhancing secure data platforms to drive security and efficiency. Through an established governance framework, CATSA will ensure the ethical use of artificial intelligence, supporting responsible decision-making and accountability. Key initiatives include continuing to test new technologies, such as artificial intelligence in our oversight programs, proceeding with the trial and rollout of new detection algorithms to enhance the effectiveness of current security screening equipment, adopting new technologies and best practices, while fostering an innovative culture. Building on its solid foundation of expertise, experience and collaboration, there is an opportunity to engage other industries where advances in computed tomography (CT) X-ray imaging technology directly complement aviation security screening.

Invest in Our People for Tomorrow
CATSA is building a future-ready workforce by attracting the skills required for tomorrow, strengthening leadership at all levels, and fostering an environment where talent is developed, retained, and empowered to grow. This includes advancing a flexible, diverse, inclusive and psychologically safe workplace that supports the well-being of employees. CATSA will also reinforce its commitment to both its internal workforce and third-party screening officer community by prioritizing modernized training, professional development, and capability-building programs that enable excellence in security, service and innovation.

Funding

As part of Budget 2023, CATSA received $1.7 billion in supplemental funding over three years, ending in fiscal year 2025/26. This three-year funding allowed the organization to exceed its wait time service levels while improving service to travellers and strengthening collaboration with key partners for the future of the aviation system in Canada. Predictable long-term funding will allow CATSA to continue investing in technology and partnerships to enhance security effectiveness, operational efficiencies and service delivery.

Budget 2025 announced the results of the Comprehensive Expenditure Review (CER) in which CATSA's funding will decrease by $30.5 million in 2026/27, $31.8 million in 2027/28, and $48.9 million in 2028/29 onwards.

In March 2026, the Government of Canada confirmed CATSA's supplemental funding of $736.8 million for 2026/27 (net of CER reductions). Sustainable funding is necessary in 2027/28 and beyond for CATSA to deliver its mandated activities. Therefore, the plans and activities outlined in this Corporate Plan are subject to confirmation of the required funding for 2027/28 to 2030/31.

Overview

Mandate

CATSA is an agent Crown corporation accountable to Parliament through the Minister of Transport.

CATSA delivers the mandate of security screening at 89 designated airports across the country through a third-party screening contractor model. Playing a pivotal role in Canada's aviation system, the organization is responsible for the delivery of the following four mandated activities:

- **Pre-board screening (PBS):** The screening of all passengers and their carry-on baggage and belongings prior to their entry to the secure area of an air terminal building.
- **Hold baggage screening (HBS):** The screening of all passengers checked ("hold") baggage for prohibited items such as explosives, prior to being loaded onto an aircraft.
- **Non-passenger screening (NPS):** The screening of non-passengers such as flight personnel, ground crew and service providers, and their belongings (including vehicles and their contents) entering restricted areas at major airports.
- **Restricted area identity card (RAIC):** The management of the system that uses iris and fingerprint biometric identifiers to allow authorized non-passengers access to the restricted areas of airports. The final authority that determines access to the restricted areas of an airport is the airport authority.

CATSA also has an agreement with Transport Canada to conduct screening of a limited amount of cargo at smaller airports where screening capacity exists, using existing resources, technology and procedures.

Additionally, CATSA may provide screening services on a cost-recovery basis to both designated and non-designated airports upon the approval of the Minister of Transport.

Mission

CATSA protects the travelling public by providing the highest level of aviation security screening.

Vision

The travelling public and our partners benefit from the most secure aviation security screening service and the best client experience through our leadership.

Core Values

Integrity

We are driven by a strong conviction in our mandate and mission. We are stewards of public funds, and we act ethically and transparently to foster accountability and public trust.

Innovation

We are steadfast in our commitment to implementing forward-thinking, creative solutions to evolving and emerging challenges.

Collaboration

We believe that collaboration is fundamental within the organization, across the aviation industry, and with our partners. We leverage our collective strengths and experience for the benefit of all.

Inclusivity
In all aspects of our business, respect and inclusivity are central to our approach. We are leaders in the implementation of meaningful actions, dedicated to creating a barrier-free experience for our clients, screening officers, and workforce.

CATSA Strategic Plan

CATSA's Strategic Plan is available on its website. The Strategic Plan sets the stage for a strong corporate culture based on core values and provides the foundation for the organization to achieve its mandated and strategic objectives.

CATSA Annual Report

CATSA submitted the *Annual Report 2025* to the Minister of Transport on June 27, 2025 and is available on the organization's website.

Operating Environment

CATSA continuously analyses its internal and external operating environment to plan strategically and innovate to deliver its mandate.

Screening Operations

CATSA's service delivery model for screening services entails the contracted engagement of Canadian third-party screening contractors. These contractors employ certified and dedicated screening officers to carry out screening at active designated airports across Canada. Once certified, screening officers can work in any province or territory.

The following table illustrates the screening contractors engaged in each region.

Region	Screening contractor
Pacific	Paladin Airport Security Services Ltd.
Prairies	Paladin Airport Security Services Ltd.
Central	GardaWorld Security Screening Inc.
East	GardaWorld Security Screening Inc.

It is important to note that approximately 95% of CATSA's total operating budget is directly linked to delivering security screening operations. This includes purchasing screening hours through screening contractors, maintenance of screening equipment, the development and delivery of training for screening officers, and essential oversight activities.

Screening Technology

CATSA is a technology forward-looking organization that embraces innovation with intention and purpose to enhance the passenger experience through streamlined processes and operational efficiency, and to ensure the highest possible security of people and goods as they move across the air transportation network in Canada or travelling abroad.

CATSA will accelerate investments in innovative technology, such as the deployment of CT X-ray equipment at PBS checkpoints to enhance effectiveness and efficiency. It will implement initiatives to enhance the traveller experience by deploying and upgrading technology related to biometrics, automated detection algorithms, and artificial intelligence tools, among other initiatives, as well as maximize screening equipment availability to mitigate impacts on overall wait times.

Passenger Traffic

CATSA's forecasts estimate passenger traffic will increase 25.7% between 2025/26 and 2030/31, as detailed in the following table.

Fiscal year	Screened passenger traffic, all airports (in millions)
2024/25 Actual	68.9
2025/26 Forecast	71.1
2026/27 Forecast	74.5
2027/28 Forecast	78.2
2028/29 Forecast	82.4
2029/30 Forecast	86.4
2030/31 Forecast	89.4

The Compound Annual Growth Rate (CAGR) of CATSA's passenger forecast is 4.7% over the reporting period. A report published by Airports Council International in 2025 related to airport infrastructure needs concluded that large hubs in the United States are expected to see an annual passenger growth rate of 2.3% through 2050; medium hubs 2.1%; and small hubs 1.7%. Looking at other markets, the International Air Transport Association's 2025 report, *The future of global air travel (2024-2044)*, concluded that Asia-Pacific will see a CAGR of 5.1%, Africa 4.2%, Middle East 4.1%, Latin America 3.3%, and Europe 2.5%.

Alignment with Government of Canada Priorities

CATSA actively supports the Government of Canada's broader economic, security, productivity and innovation priorities, as well as its equity, diversity, inclusion and reconciliation objectives. See Appendix H for more information.

Collaboration

CATSA works closely with screening contractors, maintenance service providers, airport authorities, air carriers, industry associations, and local law enforcement agencies. It also collaborates with several federal departments and agencies, most notably its regulator Transport Canada, the Canadian Transportation Agency (CTA), the Canada Border Services Agency, the Royal Canadian Mounted Police, the Canadian Security Intelligence Service, and the Canadian Centre for Cyber Security. CATSA achieves a high level of client satisfaction and of security effectiveness while meeting common objectives through proactive partnerships.

CATSA also engages with several international partners to share trial results, lessons learned, and best practices to advance industry harmonization and innovation. These partners include the United States Transportation Security Administration (TSA) and other foreign airport screening agencies; the International Civil Aviation Organization (ICAO); the European Civil Aviation Conference (ECAC); and the International Air Transport Association (IATA).

In addition to its core security mandate, CATSA is also an economic enabler, ensuring the safe and seamless movement of travellers that underpins tourism, trade, and major events such as the G7 Leaders' Summit and the FIFA World Cup 2026. By facilitating these events, CATSA contributes to Canada's economic prosperity and strengthens the country's international reputation as a secure, reliable, and welcoming destination.

CATSA's primary objectives in its collaboration with partners are promoting greater integration, enhancing data sharing and improving client service.

Human Resources Management

CATSA relies on a highly skilled and diverse workforce at its headquarters and regional offices to carry out its mandate.

In recognition of growing demands and passenger volumes, the Government of Canada approved an augmentation of CATSA's workforce in 2023. The organization increased its workforce by 84 indeterminate full-time equivalents (FTEs) over three years, with all new resources in place by 2025/26.

In 2025/26, CATSA had fewer FTEs (532) than it did in 2010/11 (538), despite an expanding mandate, growing pressures to innovate, and a 49% increase in passenger volumes over the same period.

In alignment with the Government of Canada's efforts to decrease its overall operational costs as part of the CER, CATSA was required to reduce its FTEs by 20 positions as of April 1, 2026. This was achieved in part through attrition. Severance costs were incurred in 2025/26.

CATSA will manage its human resources through succession planning, enterprise vacancy management, and knowledge transfer, while addressing skills gaps to keep up with rapid advancements in technology, including in artificial intelligence. It will develop a future-ready workforce through comprehensive staff training, skills-driven recruitment, strong leadership development, and programs fostering talent retention and capability growth.

The following table illustrates the distribution of CATSA's human resources, including the actual FTEs for 2024/25 and 2025/26, and the planned FTEs expected from 2026/27 to 2030/31.

Year	FTEs	Executives[1]	Headquarters	Regions
2024/25	522	5	324	193
2025/26	532	5	334	193
2026/27	512	5	319	188
2027/28	512	5	319	188
2028/29	512	5	319	188
2029/30	512	5	319	188
2030/31	512	5	319	188

Nearly all regional employees are deployed at Class 1 airports, with the exception of two FTEs that were re-allocated from the Vancouver International Airport to Class 2 airports in Victoria and Kelowna, where they execute the overall planning, delivery and oversight of screening operations.

Moving forward, CATSA envisions a resilient, agile workforce strengthened by human-AI collaboration that delivers seamless transitions, strong leadership, higher productivity, and greater capacity to quickly adapt to evolving demands. The outcomes of annual workforce planning, as well as outsourcing/insourcing strategies, may require future requests for additional FTEs or the flexibility to increase FTEs within the approved budget.

[1] Excludes the Vice-President, People, Culture, and Experience which is a fixed-term resource. See Appendix B: Corporate Governance for more information.

Response to External Audits

The *Office of the Auditor General (OAG) Special Examination* final report on CATSA was tabled in Parliament in 2025. The report did not highlight any significant deficiencies in the corporate management practices, or in the management or operations. As of April 2025, CATSA has addressed all 10 recommendations made by the OAG.

The CTA conducted a comprehensive audit of all Class 1 airports in early 2025 to evaluate adherence to the *Accessible Transportation for Persons with Disabilities Regulations (ATPDR)*. Observing passengers at screening checkpoints, the CTA reported no significant non-compliance issues. In April 2025, the CTA shared encouraging feedback, noting the positive outcomes thus far. CATSA's further enhancements will be guided by learnings from the CTA, advocacy organizations and individuals with lived experience of disability.

Environmental Scan

CATSA's environmental scan details the key strengths, weaknesses, opportunities and challenges (SWOC) the organization now faces or expects to confront over the planning period.

SWOC Summary	
Strengths	**Weaknesses**
• Worldwide expertise, credibility, and adaptability in security screening • Customer service excellence • Highly qualified, motivated and diverse workforce	• Human resource capacity and future skills
Opportunities	**Challenges**
• Strengthening security through innovation and collaborative partnerships • Elevating the client experience through service excellence • Contributing to Canada's economic productivity and prosperity	• Meeting client and partner expectations in a period of fiscal restraint • Navigating regulatory, economic, and supply chain pressures • Evolving threat landscape • Global cybersecurity threats • Adequate physical space at airports

Planning and Results

In support of its core mandate to protect the travelling public by providing the highest level of aviation security screening, CATSA's strategic objectives are categorized within four overarching pillars:

- Promote an integrated aviation ecosystem;
- Elevate the client experience;
- Drive innovation; and
- Invest in our people for tomorrow.

Objectives and Activities

Strategic Pillar: Promote an integrated aviation ecosystem

Through collaboration and information sharing, CATSA will implement process improvements and realize opportunities for alignment across the aviation ecosystem. The organization will work with its partners to provide the best possible experience to its clients, enhance ecosystem efficiency, and improve security effectiveness.

Priority 1: Maximize opportunities for collective engagement

CATSA will expand engagement and collaboration with its partners. This will facilitate the achievement of common goals and objectives, and ensure the aviation industry continues to thrive. The organization will also leverage its relationships with partners in the international community, proactively sharing information and plans for future innovations. As part of this important work, CATSA will:

- Proactively maximize stakeholder engagement opportunities by aligning objectives, modernizing communications products directed to industry, driving risk-based outcomes, and further building industry partnerships. This will enhance collaboration, data-sharing and integration of the aviation ecosystem;
- Continue to improve collaboration and engagement with the Office of the Commissioner of Official Languages (OCOL), the CTA, special interest groups, aviation partners, and others to improve services to travellers who are diverse in needs, abilities and languages;
- Strengthen external accessibility partnerships and execute plans to remove barriers at security checkpoints and improve the end-to-end passenger journey; and
- Update and execute the Domestic Stakeholder Engagement Strategy to improve the efficacy of collective engagement efforts.

Priority 2: Advance industry harmonization and share best practices

CATSA will maintain strong and positive working relationships with its partners and the Government of Canada to advance common goals and interests. CATSA will:

- Work with the Government of Canada to secure sustainable long-term funding for CATSA's operations and capital investments beyond 2026/27 to ensure it can fully deliver on its mandate;
- Continue to engage and collaborate proactively, openly and positively with Transport Canada, the Treasury Board of Canada Secretariat, Finance Canada, and other partners to secure resources and other supports to execute on plans and priorities that enable air travel and Canada's economy;
- Maintain regular communication with airport authorities to facilitate and collaborate on equipment deployment projects, operational opportunities and initiatives aimed at enhancing the passenger experience;
- Engage with suppliers and international aviation security partners on initiatives to enhance security effectiveness and the passenger experience, including continued participation in the Airports Council International's SmartSecurity; and
- Leverage collaboration with other Crown corporations through various forums to exchange best practices, advance digital transformation, explore artificial intelligence applications, and identify efficiencies that strengthen governance, innovation, and service delivery.

Montreal Metropolitan Airport
In 2025/26, CATSA signed an agreement with Montreal Metropolitan Airport to support the launch of commercial operations as part of the cost recovery framework established in the *CATSA Act*. Over the course of the planning period, CATSA will launch and stabilize screening services.

Strategic Pillar: Elevate the client experience

CATSA will create a reliable, consistent, respectful, and barrier-free screening experience for all its clients at designated airports across the country and is wholly committed to learning from our clients to elevate the end-to-end experience.

Priority 1: Deliver continuous improvement for our clients
CATSA is dedicated to enhancing the client experience while also securing critical elements of the air transportation system. The organization will:

- Sustain a high annual wait time service level where 95% of passengers wait less than 15 minutes to be screened;
- Advance the Service Strategy to ensure the efficient movement of people, enhance accessibility and lessen touchpoints at security checkpoints through automation, and provide greater passenger autonomy through biometrics; and
- Further the automation of wait time data collection and enhance feedback mechanisms to improve performance tracking and oversight.

Priority 2: Engage community advocacy organizations
Engagement allows CATSA to conduct operations with a deeper understanding of the needs of the clients it serves. To foster positive relationships and deliver a security screening experience built on a foundation of public trust, CATSA will:

- Implement more accessible screening at PBS checkpoints pursuant to the 2026-2029 Accessibility Plan;
- Enhance engagement with broader communities, including accessibility and diversity special interest groups and official language minority communities, to improve the traveller experience by removing barriers; and
- Communicate important information to partners and clients to enhance the end-to-end passenger journey.

Strategic Pillar: Drive innovation

CATSA embraces innovation through agility, a problem-solving mindset, new processes, and technology. With a renewed commitment to sharing its success both internally and externally, the organization will create an environment where innovation, curiosity, and outside-the-box thinking are not only valued but celebrated.

Priority 1: Enhance security effectiveness and screening efficiency
Due to the dynamic nature of the aviation industry, including evolving threats and regulatory changes, it is necessary for CATSA to accelerate investments in several key areas to deliver effective and efficient security screening services. Over the planning period, CATSA will:

- Collaborate with Transport Canada to obtain approval for the deployment of new screening technologies;
- Maximize CT and modular CATSA Plus deployments to increase efficiency and effectiveness;

- Implement biometrics deployments at PBS to improve efficiency;
- Make enhancements for passengers to CATSA AI Assist, AI Chatbots and interactive maps to enhance the passenger experience;
- Refine explosive algorithms at HBS checkpoints to increase effectiveness;
- Expand artificial intelligence oversight at non-passenger screening terminals/vehicles checkpoints to increase efficiency;
- Evolve its predictive preventative maintenance and predictive passenger forecasting capabilities to enhance efficiency;
- Proceed with the trial and rollout of new artificial intelligence driven detection algorithms to reduce full-body scanner alarms and enhance the security effectiveness of current screening equipment;
- Continue to work closely with Transport Canada to implement non-passenger screening enhancements and deploy CT X-rays at PBS checkpoints to increase security effectiveness;
- Evolve operational systems and technologies related to training and training data to increase productivity and efficiency;
- Modernize the RAIC technology; and
- Continue to pursue screening equipment continuous improvement initiatives to increase equipment availability for PBS CT X-rays, HBS CT X-rays and CATSA Plus lines.

CT X-ray Technology
CATSA is replacing X-ray equipment at PBS checkpoints at major airports with CT technology. The deployment has been widely successful and will continue during the planning period. This project is the biggest public-facing screening equipment deployment to-date in terms of scope and resource requirements. CT is the most significant enhancement to the passenger screening experience and security effectiveness since CATSA Plus, allowing for permitted liquids, gels, and aerosols (less than 100ml), medical devices, and large electronics to remain in carry-on baggage throughout the screening process. This deployment also lays the foundation for future efficiencies, notably the eventual integration of Automated Prohibited Items Detection Systems (APIDS), once they meet the necessary regulatory detection standards. Designed to work in conjunction with explosives detection to better identify prohibited items and lower alarm rates, different APIDS algorithms will be assessed, trialed and implemented over the planning period.

Priority 2: Champion forward-thinking solutions
CATSA fosters a culture of innovation that promotes and celebrates new ideas, novel processes, and the adoption of new technologies to solve emerging challenges. To further enhance security effectiveness, strengthen operational performance, and improve the overall passenger experience, the organization will:

- Enhance research and development to adopt new technologies and best practices that improve operational efficiency by leveraging digital tools, automation, and data-driven solutions that streamline workflows, reduce costs, and enhance performance;
- Launch the initial virtual walkthrough, an immersive learning tool for screening officers related to non-passenger screening at Class 1 airports;
- Progress the implementation of the networking of screening equipment for performance monitoring and optimisation for PBS CT X-rays and full body scanners;

- Continue to mature the testing and evaluation of eventual integration of APIDS, once they meet the necessary regulatory detection standards, to increase security effectiveness and efficiency;
- Conduct research on new technologies, identifying opportunities for evaluations and trials to ensure the continued enhancement of security activities;
- Implement the Cyber Plan to mitigate cyber security risks to protect systems and operational technology;
- Continue to identify opportunities for cost savings and enhance financial and operational processes and services through innovative practices; and
- Celebrate employee appreciation by leveraging CATSA's recognition programs, including the team and individual Innovation awards, to highlight new ideas, successful pilots, and creative problem-solving.

Strategic Pillar: Invest in our people for tomorrow

Investment in CATSA's employees and in the third-party screening officer workforce is invaluable to its ability to achieve its objectives. CATSA utilizes various strategies and programs to recruit and retain a skilled and specialized workforce, and to create an inclusive, diverse, and engaged work environment.

Priority 1: Nurture an inclusive environment that fosters excellence and engagement

CATSA is committed to providing and promoting a positive work environment and pursuing a well-balanced workforce that reflects the diversity of Canada and meets organizational needs. CATSA will:

- Implement a future-ready organizational structure;
- Prioritize critical backfills and continue enterprise-wide vacancy reviews to determine whether to fill, eliminate or automate those positions;
- Complete a skills gap analysis and act to resolve identified gaps;
- Prioritize responsible artificial intelligence tools, artificial intelligence assisted training, and process simplification for employees;
- Modernize its human resources data platform to improve data integration, efficiency and reporting;
- Introduce new, digital training for screening officers and virtual reality for remote training;
- Deploy tablet-based platforms for mobility and ease of access to enhance services to passengers;
- Introduce a new CATSA employee-focused learning and development program; and
- Invest necessary funds in critical skills training in a targeted manner.

Priority 2: Be an employer of choice

CATSA will focus on the following efforts during the planning period to attract and retain its workforce, support operational excellence, and ensure the organization is equipped to meet evolving demands:

- Optimize location and remote or hybrid work designs, with appropriate diversity, equity and inclusiveness considerations;
- Encourage and value diversity and inclusion, employee engagement, maintaining a welcoming and respectful culture to foster a diverse and passionate workforce;
- Continue to promote a calm, safe, and accessible hybrid workplace by exercising flexibility, ensuring fair work allocations, leveraging rewards and recognition tools, succession planning, and branch teambuilding;

- Address limitations and examine organizational requirements taking into account an evolving labour market and the fiscal environment; and
- Ensure critical change management practices support operational and technological shifts as well as organizational changes needed to address a rapidly evolving environment.

Financial Overview

Funding

As an appropriated Crown corporation, CATSA delivers its aviation security screening mandate in accordance with the resources it is assigned by the Government of Canada.

Since 2015, CATSA's A-Base funding has been supplemented with incremental funding to maintain its operations. In March 2026, the Government of Canada confirmed CATSA's supplemental funding of $736.8 million for 2026/27 (net of CER reductions).

Sustainable long-term funding is necessary in 2027/28 and beyond for CATSA to deliver its mandated activities.[2]

CATSA has introduced many initiatives to improve efficiency and reduce and/or avoid costs. It will strive to further reduce the operating cost per passenger over the planning period while never compromising security effectiveness.

Financial Plan

The operating and capital budgets are presented on a modified accrual basis. The narrative that follows reflects strategic objectives, subject to available funding.

Key priorities having a significant financial impact include, but are not limited to, the following:

- Delivering CATSA's mandated activities, which include targeting a wait time service level where 95% of all passengers wait less than 15 minutes to be screened at Class 1 airports on an annual basis;
- Ongoing replacement of current X-ray technology at PBS checkpoints at major airports with CT technology to elevate the traveller experience and increase security effectiveness;
- The introduction of new technologies, upgrades to existing technologies and additional equipment to strengthen security through innovation and collaborative partnerships;
- Implementation of enhanced non-passenger screening to address amendments to security measures set by Transport Canada;
- Deployment of supplemental full body scanner units in a primary screening position at Class 1 and 2 airports to enhance security effectiveness;
- Lifecycle management of other explosives detection systems (EDS) and non-EDS capital assets;
- Modernization of CATSA's IT service delivery through strategic investments and partnerships in key areas including cybersecurity, AI and cloud computing; and,

[2] The current funding shortfall for the planning period is estimated at $3.5 billion: $776 million for 2027/28; $837 million for 2028/29; $899 million for 2029/30; and $960 million for 2030/31.

- Continuing to maximize operational efficiencies to invest in advancements in elevating the client experience and enhancing security effectiveness through innovation and technology.

The following table summarizes the financial results for 2024/25, the forecasted financial results and original budget for 2025/26, as well as the operating and capital budgets for 2026/27 to 2030/31 by program activity based on CATSA's approved funding.

Financial Plan by Program *(in thousands of dollars)*	**Actual 2024/25**	**Forecast 2025/26**	**Budget 2025/26**	**Plan 2026/27**	**Plan 2027/28**	**Plan 2028/29**	**Plan 2029/30**	**Plan 2030/31**
Operating Expenditures								
PBS	$ 660,889	$ 698,918	$ 714,456	$ 764,855	$ 270,770	$ 259,899	$ 259,899	$ 259,899
HBS	138,563	150,815	139,868	163,961	58,380	56,038	56,038	56,038
NPS	149,681	164,664	190,794	204,127	71,900	69,012	69,012	69,012
RAIC	4,468	3,490	2,052	2,209	831	797	797	797
Corporate Services	56,118	56,957	54,754	57,850	21,770	20,891	20,891	20,891
Subtotal	**$ 1,009,719**	**$ 1,074,844**	**$ 1,101,924**	**$ 1,193,002**	**$ 423,651**	**$ 406,637**	**$ 406,637**	**$ 406,637**
Revenue and Other Income	(3,192)	(2,422)	-	-	-	-	-	-
Net Operating Expenditures funded by Parliamentary Appropriations	**$ 1,006,527**	**$ 1,072,422**	**$ 1,101,924**	**$ 1,193,002**	**$ 423,651**	**$ 406,637**	**$ 406,637**	**$ 406,637**
Capital Expenditures								
PBS	$ 42,150	$ 54,869	$ 63,945	$ 65,575	$ 69,378	$ 53,761	$ 47,535	$ 42,497
HBS	22,091	29,615	38,095	32,935	29,285	41,352	49,145	43,348
NPS	1,245	539	2,602	487	458	441	467	454
RAIC	1,383	439	388	677	647	647	693	682
Corporate Services	5,270	11,378	8,515	9,632	7,412	6,675	7,627	7,019
Subtotal	**$ 72,139**	**$ 96,840**	**$ 113,545**	**$ 109,306**	**$ 107,180**	**$ 102,876**	**$ 105,467**	**$ 94,000**
Proceeds on disposal and Vendor Credit	-	(19)	-	-	-	-	-	-
Net Capital Expenditures funded by Parliamentary Appropriations (Note)	**$ 72,139**	**$ 96,821**	**$ 113,545**	**$ 109,306**	**$ 107,180**	**$ 102,876**	**$ 105,467**	**$ 94,000**
Total Expenditures funded by Parliamentary Appropriations	**$ 1,078,666**	**$ 1,169,243**	**$ 1,215,469**	**$ 1,302,308**	**$ 530,831**	**$ 509,513**	**$ 512,104**	**$ 500,637**

The following section provides highlights of CATSA's financial plan, subject to available funding.

2026/27 – 2030/31

Screening Operations

Screening services to carry out CATSA's mandated PBS, HBS and NPS programs account for a significant majority of its operating budget. These costs consist mainly of payments to Canadian third-party screening contractors for the delivery of security screening performed by screening officers.

The financial plan reflects an increase in screening services costs, which is mainly attributable to additional screening hours to accommodate increasing passenger traffic, enhanced non-passenger screening, and inflationary increases in screening contractor billing rates. These increases are partially offset by the introduction of various efficiencies, including regulatory modernization and new screening technologies which will increase the efficiency of screening operations while also enhancing security effectiveness and elevating the passenger experience.

New/Ongoing Initiatives

CATSA's financial plan emphasizes investment over the planning period in the accelerated adoption of new and advanced technology to enhance operations and improve the client experience, including the ongoing upgrade of existing screening equipment with the latest detection algorithms. CATSA will also invest in corporate initiatives such as advanced analytic techniques and artificial intelligence to enhance oversight, screening operations and training programs, the modernization of CATSA's IT service delivery through strategic investments and partnerships, and the implementation of CATSA's Cyber Plan to mitigate cyber security risks and strengthen cyber security defenses.

Capital Lifecycle Management/New Technology

CATSA's lifecycle management plans include the ongoing replacement of current X-ray technology with CT X-rays at PBS checkpoints in major airports which enhances security effectiveness through improved detection capabilities and reduces passenger divesting requirements. As part of this program, CATSA will also replace single-view X-ray machines with multi-view versions at NPS checkpoints and Class 3 airports to maximize the organization's resources and optimize its investments.

The introduction of CT X-rays at PBS establishes a foundation for future efficiencies, including the future integration of APIDS. APIDS is designed to work alongside explosives detection systems to improve identification of prohibited items and reduce alarm rates. Deployment of this technology is expected in 2028/29 provided the technology meets all required regulatory detection standards.

In addition, CATSA's capital plan includes the deployment of additional full body scanner units in a primary screening position at Class 1 and 2 airports to enhance security effectiveness, as well as upgrades to full body scanner software and hardware to keep pace with anticipated detection algorithm and hardware improvements in the coming years. CATSA's capital plan also provides for the deployment of additional screening equipment to accommodate the 95/15 wait time service level and the expansion of screening capacity for existing HBS systems at Canada's largest airports, as well as the replacement of non-EDS equipment and systems as the existing assets reach the end of their useful lives.

When making capital acquisitions of screening equipment, CATSA follows its procurement and contracting policy, which ensures transparency and consistency in establishing operational requirements and procurement strategies for screening equipment. With respect to specific requirements for screening equipment, the equipment must meet Transport Canada detection performance standards, which are typically aligned with the TSA and/or ECAC.

Unforeseen impacts, including supply chain disruptions and potential delays on the part of industry partners, may affect the timing of capital projects and result in delays beyond CATSA's control. Consequently, the organization may require a re-profile of funds to account for any unexpected delays in capital projects.

Key Assumptions and Financial Risks

Passenger Traffic Projections — In 2025/26, CATSA expects to screen 71.1 million passengers, representing a 3.2% increase from 2024/25 levels. CATSA's current passenger volume projections are based on a range of passenger forecast scenarios as well as analysis from Oxford Economics/IATA and InterVistas Consulting, and reflect ongoing increases in passenger traffic levels over the planning period. Any significant deviation from CATSA's passenger forecasts will have a material impact on its financial requirements.

Screening Officer Staffing — The financial plan assumes screening contractors will be able to hire and retain the necessary number of screening officers to address the increasing volumes of passengers and non-passengers over the planning period. If labour market conditions make it challenging for screening contractors to hire the necessary number of screening officers, passenger wait times would be negatively impacted.

95/15 Wait Time Service Level — CATSA's ability to deliver its funded wait time service level target is significantly impacted by the physical space allocated by, or available within, airports for screening lines. The financial plan assumes physical space at the airports will be available for additional lines that may be required. In addition, the financial plan is based on current operations and does not consider unknown changes in CATSA's regulatory or operating environment which may increase or decrease the efficiency with which screening is performed, including major airport expansion projects such as GTAA LIFT.

Inflation and Billing Rates — Billing rates for screening and maintenance services are the greatest source of inflation in CATSA's ongoing operations. The rates used in the financial plan are based on the terms of existing contracts and anticipated rate increases in contracts to be signed or renewed over the planning period. Any significant change to inflationary assumptions may have a material impact on future financial requirements.

Foreign Exchange Rates — Financial projections reflect a projected USD exchange rate of 1.40 for the planning period, except for maintenance costs that have been hedged at approximately 1.37 for 2026/27. CATSA will continue to monitor its future commitments and will enter new hedging contracts as per its approved hedging strategy. Significant fluctuations in the exchange rate for any unhedged amounts may have a material impact on CATSA's financial requirements.

Re-Profiles — Re-profile requests have become a necessary part of CATSA's annual financial management process. The financial plan assumes CATSA will continue to receive approval of capital re-profiles, including the possible transfer of capital funding to a future financial period based on a revised spending profile for major projects.

Internal transfer — The financial plan assumes that CATSA will receive approval for internal budget transfers if required, from capital to operating to align reference levels to required budget. Approval of internal transfers (if any) is critical for CATSA to offset incremental operating requirements with available capital funding where the organization's capital requirements are lower than the approved funding for that fiscal year.

Refocusing Government Spending

As part of Budget 2023, the Government of Canada announced an initiative seeking approximately a 3.3% reduction of eligible spending by 2026/27. CATSA's approved proposals focused on maximizing operational efficiencies and reinforcing CATSA's federal role and mandated responsibilities.

Budget 2023 also announced initiatives aimed at reducing government spending in professional services and travel budgets. CATSA implemented these reductions while recognizing the importance of the organization's air travel security screening service mandate. An 18.5% reduction in spending in both professional services (from 2023/24 planned spending levels) and travel (from pre-pandemic spending) is reflected in CATSA's financial plans throughout the planning period, except in 2026/27 as CATSA's plans include additional travel spending to support FIFA World Cup 2026.

Cost Recovery

In 2025/26, CATSA established a cost recovery agreement with the Montreal Metropolitan Airport (MET) in Saint-Hubert, Québec aligning with the cost recovery framework outlined in the *CATSA Act*. As MET is not a designated airport under the *CATSA Aerodrome Designation Regulations*, screening services will be provided on a cost-recovery basis, independent of CATSA's mandate to screen passengers at designated airports. If MET were to become a designated airport, CATSA will require supplemental funding to avoid operating and capital budget shortfalls, as this scenario has not been factored into the current budget.

The following table summarizes the anticipated cost recovery amounts using flight and passenger volume assumptions and equipment requirements provided by the airport authority. The amounts identified as a "Net Operating Cost (Revenue)" and "Total" reflect funds available for CATSA to cover administrative costs.

Montreal Metropolitan Airport Operating and Capital Plan *(Figures are in thousands, Pre-tax)*	Actual 2024/25	Forecast 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31
OPERATING EXPENDITURES							
Screening Services and Other Related Costs	$ -	$ 2,070	$ 8,225	$ 8,529	$ 8,780	$ 9,065	$ 9,360
Equipment Operating and Maintenance	-	45	509	826	984	1,053	1,071
Program Support and Corporate Services	-	-	-	-	-	-	-
SUBTOTAL	**$ -**	**$ 2,115**	**$ 8,734**	**$ 9,355**	**$ 9,764**	**$ 10,118**	**$ 10,431**
Recovery	-	(2,339)	(9,660)	(10,347)	(10,799)	(11,191)	(11,537)
Net Operating Cost (Recovery)	**$ -**	**$ (224)**	**$ (926)**	**$ (992)**	**$ (1,035)**	**$ (1,073)**	**$ (1,106)**
CAPITAL EXPENDITURES							
EDS	$ 4,418	$ 2,940	$ -	$ -	$ -	$ -	$ -
Non-EDS	-	180	-	-	-	-	-
SUBTOTAL	**$ 4,418**	**$ 3,120**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Recovery	(4,418)	(3,120)	-	-	-	-	-
Net Capital Cost (Recovery)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
TOTAL	**$ -**	**$ (224)**	**$ (926)**	**$ (992)**	**$ (1,035)**	**$ (1,073)**	**$ (1,106)**

Appendix A: Ministerial Letter of Expectation

March 24, 2023
Thao Pham
Chairperson of the Board of Directors
Canadian Air Transport Security Authority

Dear Thao Pham:

Please allow me to begin by congratulating you on your appointment as Chair of the Canadian Air Transport Security Authority (CATSA). I am grateful that you have accepted to serve as Chair of this Crown corporation given the important role it plays in the effective delivery of screening services for Canadians.

I would also like to thank the CATSA Board, as well as the organization's senior management and staff for the efforts made over Spring and Summer 2022 to address congestion in Canadian airports, and for their collaboration with key industry stakeholders to improve service for passengers.

As you know, the rapid return of passenger demand, along with a tight labour market, have placed pressure on all aspects of the air travel system. While other industries faced similar situations, air transport was particularly challenged given the complexity and interconnectedness of the system, and the enormous numbers of people moved daily. Challenges during the summer travel season further convinced me of the need to look at the air transport system as a whole, including the delivery of screening services.

As you are aware, Transport Canada considered the commercialization of CATSA as a solution to best serve the interests of industry and the Government; however, due to recent discussions with the Designated Screening Authority and consultations with the industry, I am advising you that the commercialization process is on hold for the time being. Nevertheless, I do believe that we must move forward with some reforms to passenger screening services, and I ask that you work with Transport Canada officials to come up with measures to improve the passenger experience while maintaining the security of air transport in Canada. I encourage you to collaborate with Transport Canada and other stakeholders in the air transport system as appropriate in the following areas.

Improved Service Delivery

Over Summer 2022, CATSA's wait time service level did not consistently meet the needs of the air industry or passengers during peak periods. Moving forward, I expect that CATSA will explore improvements to its operations to ensure that passengers are screened at service levels comparable to other jurisdictions, specifically with a view to improving passenger through-put particularly during peak periods. I expect that CATSA will also work with Transport Canada to advance the implementation of digital solutions and technologies before Summer 2023, and to explore the use of innovative solutions, including pilot projects in selected airports, to achieve these service levels.

As you know, the Air Travel Right-Touch Solution is a priority initiative in my mandate letter and, as one of the major operators at airports, CATSA's active participation in this initiative is essential to its success. In addition, I encourage the ongoing collaboration between CATSA and my officials on defining a new risk-based screening procedure for Trusted Traveller lines as a means of improving service delivery and customer experience at top airports by Summer 2023. I would also encourage CATSA to develop aggressive capital investment and deployment plans for technologies such as CT, so the passenger screening experience can be improved.

The recent launch of CATSA's Request for Proposals for Airport Screening Services Agreements is also an opportunity to seek improvements and greater accountability in the delivery of screening services while pursuing value for money. CATSA should endeavor to integrate lessons learned from

the past summer into its new screening agreements. It will be important for CATSA to have clear operating hours and well-trained screening officers for a consistent application of the aforementioned higher service levels at Canada's top airports. I also expect that the new screening agreements will advance Government's priorities related to official languages, diversity and inclusion, and accessibility. Given recent and enduring labour shortages and the increased reliance on advanced screening technologies, I also expect the Agency to increase its training capabilities so that it can continue to meet screening demands in a timely manner.

Better Accountability and Integration with Other Air Sector Operators

The pandemic brought to light the lack of operational coordination between the various air sector stakeholders (e.g., CATSA, air carriers, designated airports, and NAV Canada) operating within the airport ecosystem. I encourage CATSA to actively engage, along with Transport Canada, in enhancing collaboration with airport authorities and other stakeholders, to find efficiencies that facilitate passengers' journey. I invite you to propose creative ways to meet this objective, and work with my officials.

Screening that respects Canada's diversity and inclusion values

Canadian society is diverse and constantly changing. We must promote multiculturalism and do more to ensure respect for religious values and beliefs. In this sense, I expect CATSA to redouble its efforts in this area. It is important to listen to our citizens and engage them regularly so that our screening officers treat religious objects as well as Indigenous sacred and ceremonial objects with the utmost respect and care. CATSA also needs to pay more attention to issues related to the LGBTQ+ community by introducing better technologies and more respectful alarm resolution procedures. I would like CATSA to remain at the forefront of these issues and become the best example of the importance the Government of Canada places on diversity and inclusion.

CATSA's next Corporate Plan should reflect how you propose to fulfill the above expectations, and you should keep me abreast of your progress on a quarterly basis in advancing these reforms. I look forward to collaborating with you and your team to address the ongoing challenges facing the air transportation industry.

I would like to again extend my gratitude to you, the CATSA Board, as well as CATSA senior management and staff for your service to Canadians during these uncertain times.

Sincerely,



The Honourable Omar Alghabra, P.C., M.P.
Minister of Transport

Appendix B: Corporate Governance

Board of Directors

CATSA is governed by an eleven-member Board of Directors appointed by the Governor in Council on the recommendation of the Minister of Transport. The airline industry and the airport industry nominate two directors each.

The Board of Directors and its committees meet on a quarterly basis and as required to effectively oversee the corporation's business and strategic direction. The Board of Directors has a number of ongoing responsibilities, including:

- Establishing and approving CATSA's strategic direction through various means, including its strategic plan and annual corporate plan;
- Safeguarding the resources of the corporation by approving annual reports, quarterly financial reports as well as capital and operating budgets;
- Ensuring the fulfillment of the corporation's mandate;
- Monitoring corporate performance;
- Ensuring the principal organizational risks are identified and that appropriate systems/mitigations to manage these risks have been implemented;
- Approving the President and Chief Executive Officer's (CEO) objectives for the year and evaluating their performance;
- Drafting, amending or repealing corporate by-laws; and,
- Reviewing and approving the succession plan for senior management.

Board Committees

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to financial reporting, financial risk management, climate disclosure, cybersecurity, internal controls, internal and external audits, budgets and any other matter assigned by the Board.

The Governance, Human Resources and Pension Committee (GHRP) assists the Board in fulfilling its oversight responsibilities with respect to governance matters, human resources and compensation, management succession plans, ethics and business conduct policies, annual objectives for the President and CEO, management and administration of the employee pension plans and any other matter assigned to it by the Board.

The Ad-Hoc Committee on Short-term Strategy (AHC) has been established temporarily to assist the Board in considering funding requests, offers strategic oversight and guidance on the alignment of such requests with the organization's needs and strategic objectives, and provides guidance on the Domestic Stakeholder Engagement Strategy to support the funding requests.

As of October 1, 2025, CATSA's Board of Directors included:

Board Member	Audit	GHRP	AHC	Total Remuneration (YTD 2025/26)	Appointment Date	Mandate Expiry Date
Thao Pham, Board Chairperson	X	X	X	$16,740	2023/03/14	2028/03/13
Sharon Duggan	X	X	X	$10,890	*Original:* 2018/02/21 *Reappointment:* 2024/06/05	2028/06/05
Diane Trenn *Appointed as a nominee of the Canadian Airports Council*	X	X	X	$10,695	*Original:* 2018/06/14 *Reappointment:* 2022/10/28	2026/10/28
Patricia Anne Kennedy *Appointed as a nominee of the Air Transport Association of Canada*	X	X		$7,575	*Original: 2015/03/26 Reappointment: 2018/06/25*	2021/06/24*
Rosemary Capparelli *Appointed as a nominee of the National Airlines Council of Canada*	X			$6,990	2022/10/28	2026/10/28
Kenneth Chan		X	X	$9,135	2024/12/17	2029/12/17
Michael Maxwell	X			$8,745	2024/12/17	2028/12/17
Andrew Loschmann	X			$7,965	2024/12/17	2028/12/17
Theresa Redburn		X	X	$9,915	2025/02/17	2030/02/17
Jennifer Sullivan *Appointed as a nominee of the Canadian Airports Council*		X	X	$8,550	2022/10/28	2026/10/28
Gilles Lalonde	X			$6,990	*Original:* 2018/02/21 *Reappointment:* 2021/05/21	2025/05/21*

**Per the Financial Administration Act, any Director (other than the Chairperson) whose term has expired, may continue in office until a successor is appointed.*

CATSA will continue to proactively engage Transport Canada on the need for timely and staggered appointments to its Board of Directors.

CATSA's Senior Management Team

In November 2025, Neil Parry (previously, the Senior Vice-President of Operations) was appointed as President and Chief Executive Officer (CEO) by the Governor General in Council, on an interim basis, for a term of 18 months, or until a new President and CEO is appointed. As of February 2026, the President and CEO is supported by a senior management team, including:

Kelsey MacTavish	Acting Senior Vice-President, Operations
Nancy Fitchett	Vice-President, Corporate Affairs and Chief Financial Officer
Dan Fortier	Vice-President and Chief Technology Officer
Lisa Hamilton	Vice-President, Corporate Services, General Counsel and Corporate Secretary
Donna Achimov[3]	Vice-President, People, Culture and Experience

CATSA's Executive Compensation Structure

Maintaining a competitive total compensation package is key to CATSA's ability to attract and retain a diverse and qualified workforce. The total compensation program consists of a base salary as well as performance incentives, group benefits and pension plan.

CATSA's Board of Directors, through the GHRP Committee, reviews the compensation package regularly to ensure that it is reasonable and is competitive with similar public sector organizations.

Pursuant to subsection 20(2) of the *Canadian Air Transport Security Authority Act,* the rate of any remuneration paid to the President and CEO is fixed by the Governor in Council by Order in Council (2025-0766), wherein the base salary is within the range of $277,100 - $326,000 per annum.

In 2025/26, the base salary range for Senior Vice-Presidents and Vice-Presidents is $217,015 to $390,627. CATSA's Senior Vice-Presidents and Vice-Presidents are also eligible to receive incentive pay in the range of 0-26%, depending on their performance.

Annual Public Meeting

CATSA held its 2025 Annual Public Meeting by means of an audio-visual presentation that was posted on its website on October 15, 2025.

[3] Donna Achimov, Vice-President, People, Culture, and Experience, joined CATSA on September 30, 2024 for an 18-month fixed-term position.

Appendix C: Planned Results

Expected Results and Performance Indicators

CATSA uses several key indicators to monitor, assess and report on progress and achievements in areas of critical importance to the fulfillment of its mandate, mission, operational performance and strategic objectives.

Set out over the following pages are short (immediate), medium (intermediate) and long-term (ultimate) outcomes, key measured targets and the criteria and indicators used to measure progress in their achievement. The expected results and risks mitigated by the achievement of the strategic objectives are also included.

All recent results are for the first half of 2025/26, unless otherwise noted.

Objective: Promote an Integrated Aviation Ecosystem

Output: Achieving a more integrated and efficient aviation ecosystem through ongoing engagement and collaboration with industry to integrate technologies that enhance end-to-end experiences and facilitate seamless, secure data sharing, drive risk-based outcomes and modernize communications products directed to industry.

Risk Mitigated: Partner Relations Risk – CATSA's reputation

Government of Canada Priorities: Strengthening Canada's economic and security relationships; building a stronger, safer and more secure Canada; enhancing productivity through innovation and the use of artificial intelligence.

Immediate/intermediate/ultimate outcome: Maximize opportunities for collective engagement and advance industry harmonization and share best practices.

Performance measures and key statistics	• Partner satisfaction
Target(s)	• Partners' satisfaction level: 95%
Expected results	• CATSA's partners indicate that the organization engages in meaningful and proactive collaboration, for the benefit of the traveling public and the aviation industry
Recent results	• Partners' satisfaction level: 92% (FY 2024/25)
Data sources/influences	• Partner survey

Objective: Elevate the Client Experience

Output: Provide a superior passenger experience through streamlined processes, staff empowerment, and continuous improvement programs that raise satisfaction and operational efficiency.

Risk Mitigated: Partner Relations Risk – CATSA's reputation

Government of Canada Priorities: Enhancing productivity through innovation and the use of artificial intelligence; delivering on Canada's diversity, equity, barrier-free and inclusion values, and promoting reconciliation with Indigenous Peoples.

Immediate/intermediate/ultimate outcome: Deliver continuous improvement for CATSA's clients and engage the community.

Performance measures and key statistics	• Overall passenger experience • Customer satisfaction index • Overall experience for each Class 1 airport • Confidence in security screening • Satisfaction with speed of screening • Satisfaction specific to passengers who used the family and accessible line • Satisfaction with service in the Official Language of Choice
Target(s)	• Overall passenger experience: 90% • Customer satisfaction index: 90% • Overall experience for each Class 1 airport: 90% • Confidence in security screening: 85% • Satisfaction with speed of screening: 90% • Satisfaction specific to passengers who used the family and accessible line: 90% • Satisfaction with service in the Official Language of Choice: 90%
Expected results	• Execute Service Strategy • Increased passenger satisfaction with their screening experience • Consistently at or above target for all measures

Recent results	• Overall passenger experience: 89%
	• Customer satisfaction index: 90.4%
	• Overall experience for each Class 1 airport:
	  ○ YYC: 81.1%
	  ○ YEG: 90.7%
	  ○ YHZ: 97.5%
	  ○ YUL: 86.5%
	  ○ YOW: 96.5%
	  ○ YYZ: 87.9%
	  ○ YWG: 93.1%
	  ○ YVR: 88.1%
	• Confidence in security screening: 89.0%
	• Satisfaction with speed of screening: 85.6%
	• Satisfaction specific to passengers who used the family and accessible needs line: 86.1%
	• Satisfaction with service in the Official Language of choice: 96.5%

Data sources/influences	• Passenger intercept surveys at Class 1 airports • Complaints data • Equipment Availability

Objective: Drive Innovation

Output: Transition from basic automation to artificial intelligence-enabled operations; modernize screening and biometrics systems; and enhance secure data platforms to drive security and efficiency.

Risk Mitigated: Mandated Services Risk – Detection capabilities and maintaining care and control of screening checkpoints

Government of Canada Priority: Strengthening Canada's economic and security relationships; building a stronger, safer and more secure Canada; enhancing productivity through innovation and the use of artificial intelligence.

Immediate/intermediate/ultimate outcome: Enhance security effectiveness and screening efficiency.

Performance measures and key statistics	• Overall security effectiveness • Wait time service level • Wait time service level at peak periods • Consistency of security screening procedures, overall
Target(s)	• Overall security effectiveness: (Cannot be shared in a public document due to security classification) • Wait time service level: 95/15 • Wait time service level at peak periods: 85/15 • Consistency of security screening procedures, overall: 95%
Expected results	• Security effectiveness remains at or above target • Annual wait time service level of 95/15 or above at Class 1 airports • Annual wait time service level of 85/15 or above during peak periods at Class 1 airports • Meet target for consistency of security screening procedures
Recent results	• Overall security effectiveness: (Cannot be shared in a public document due to security classification) • Wait time service level: 96.3%/15 • Wait time service level at peak periods: 92.2%/15 • Consistency of security screening procedures, overall: 95.2%
Data sources/influences	• Service monitoring and Recording Tool (SMART) • PBS, NPS, and HBS testing performance • Breach score • PBS, NPS, and HBS Threat Image Projection System (TIPS) performance • Boarding Pass Security System (BPSS) screened passenger data • Passenger wait times, averaged on an annual basis for all Class 1 airports

Immediate/intermediate/ultimate outcome: Champion forward-thinking solutions

Performance measures and key statistics	• Innovation culture
Target(s)	• Employees who believe CATSA fosters and encourages innovation: 85%
Expected results	• Employees indicate that CATSA fosters and encourages innovation.
Recent results	• Employees who believe CATSA fosters and encourages innovation: 78.1% (FY 2024/25)
Data sources/influences	• Employee survey

Objective: Invest in Our People for Tomorrow

Output: Develop a future-ready workforce through focused skills-driven recruitment, strong leadership development, and programs fostering talent retention and capability growth.

Risk Mitigated: Capacity risk: Resource availability

Government of Canada Priorities: Building a stronger, safer and more secure Canada; enhancing productivity through innovation and the use of artificial intelligence; delivering on Canada's diversity, equity, barrier-free and inclusion values.

Immediate/intermediate/ultimate outcome: Nurture an inclusive environment that fosters excellence and engagement.

Performance measures and key statistics	• Employee satisfaction • Employees who meet the language requirements of their positions • Workforce demographics, including women (W), Indigenous Peoples (IP), visible minorities (VM) and persons with disabilities (PWD) • Screening officer demographics

Target(s)	• Employee satisfaction: 85%
	• Employees who meet the language requirements of their positions: 75%
	• Workforce demographics:
	  ○ W: 49%
	  ○ PWD: 12.7%
	  ○ IP: 2.6%
	  ○ VM: 30.9%
	• Screening officer demographics:
	  ○ W: N/A
	  ○ PWD: N/A
	  ○ IP: N/A
	  ○ VM: N/A

Expected results	• At or above target employee satisfaction

	• The percentage of employees that meet the language requirement for their position is at or above target. • Increased representation among designated groups across all levels of employees by adopting strategies grounded in best practices to ensure accountability and raise awareness of barriers faced by equity deserving groups. • At or above target workforce demographics within CATSA. • At or above target workforce demographics within the screening officer workforce.

Recent results	• Employee satisfaction: 85% (FY 2024/25)
	• Employees who meet the language requirements of their positions: 72%
	• Workforce demographics results
	  ○ W: 43.7%
	  ○ PWD: 5.1%
	  ○ IP: 3.6%
	  ○ VM: 29.0%
	• Screening officer demographics (FY 2024/25):
	  ○ W: 45.3%
	  ○ PWD: 8%
	  ○ IP: 1.1%
	  ○ VM: 27.3%

Data sources/influences	• Employee survey • Annual Official Languages Report • Employee language test results (HR database) • Workforce demographics • Annual Employment Equity Report • Data from screening contractors

Immediate/intermediate/ultimate outcome: Be an employer of choice.

Performance measures and key statistics	• Employee satisfaction • Attrition • Employees who would recommend CATSA as an employer • National screening officer attrition rate • National training and certification program success rate

Target(s)	• Employee satisfaction: 85% • Annual attrition rate: Less than 8% • Employees who would recommend CATSA as an employer: 85% • National screening officer attrition rate: 28% • National training and certification program success rate: 90%
Expected results	• Meet or exceed targets • Implement resources for employees relating to mental health and well-being • Adequate certified screening officer staffing levels through collaboration with screening contractors and Transport Canada
Recent results	• Employee satisfaction: 85% (FY 2024/25) • Annual attrition rate: 5.5% (FY 2024/25) • Employees who would recommend CATSA as an employer: 79% (FY 2024/25) • National screening officer attrition rate: 17.4% (FY 2024/25) • National training and certification program success rate: 90.4%
Data sources/influences	• Employee survey • Attrition (HR database) • Data from screening contractors • Learning Management System

President and Chief Executive Officer Commitment

As President and Chief Executive Officer of the Canadian Air Transport Security Authority, I am accountable to the Board of Directors for the implementation of the objectives and initiatives described in this Corporate Plan and outlined in this Appendix. I confirm that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.



May 14, 2026

Neil Parry
President and Chief Executive Officer (Interim)
Canadian Air Transport Security Authority

Date

Appendix D: Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of the Canadian Air Transport Security Authority (CATSA), accountable to the Board of Directors of CATSA through the Chief Executive Officer, I have reviewed the 2026/27 – 2030/31 Corporate Plan and budgets, and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described, and assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks having a bearing on the financial requirements, the sensitivity of the financial requirements to changes in key assumptions, and the related risk-mitigation strategies have been disclosed.
3. Financial resource requirements have been disclosed and are consistent with the stated assumptions, and options to contain costs have been considered.
4. Funding is not sufficient to address the financial requirements for the expected duration of the Corporate Plan, with the following observation: CATSA's Base funding for 2027/28 - 2030/31 will cover the costs to continue to deliver its mandated activities for a portion of these fiscal years only.
5. The Corporate Plan and budgets are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place.
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operations of CATSA.
7. In my opinion, the Corporate Plan and budgets are sufficient to support decision-making, except for funding as noted in number 4 above.



2026-05-12

Nancy Fitchett, Vice-President, Corporate Affairs and Chief Financial Officer
Canadian Air Transport Security Authority

Date

Appendix E: Financial Statements and Budgets

Financial Statement Highlights

CATSA's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and approved by the Accounting Standards Board of Canada (AcSB).

Disposals

CATSA manages its assets, including asset disposal, as part of a lifecycle management regimen or as part of new technology requirements. The disposal of assets is governed by corporate policy and procedures that ensure compliance with applicable legislation and regulations concerning the disposal of Crown assets.

Statement of Financial Position

Statement of Financial Position	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
(in thousands of dollars)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
ASSETS							
Current assets							
Cash	$ 102,215	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Trade and other receivables	80,371	185,143	206,447	84,127	80,748	81,160	79,337
Inventories	18,776	22,474	16,376	13,229	11,146	9,828	9,664
Prepaids	8,603	8,861	9,127	9,401	9,683	9,973	10,272
Derivative financial assets	855	-	-	-	-	-	-
	$ 210,820	$ 226,478	$ 241,950	$ 116,757	$ 111,577	$ 110,961	$ 109,273
Non-current assets							
Property and equipment and intangible assets							
EDS	$ 370,576	$ 399,915	$ 442,624	$ 471,589	$ 500,535	$ 530,993	$ 548,883
Non-EDS	24,457	31,980	34,725	41,538	36,914	31,998	26,945
	$ 395,033	$ 431,895	$ 477,349	$ 513,127	$ 537,449	$ 562,991	$ 575,828
Right-of-use assets	$ 16,664	$ 13,317	$ 10,381	$ 7,602	$ 7,867	$ 6,398	$ 5,819
Employee benefits asset	64,809	89,122	86,372	83,627	80,883	78,141	75,398
Derivative financial assets	59	-	-	-	-	-	-
	$ 687,385	$ 760,812	$ 816,052	$ 721,113	$ 737,776	$ 758,491	$ 766,318
LIABILITIES AND EQUITY							
Current liabilities							
Trade and other payables	$ 182,949	$ 195,751	$ 217,055	$ 94,735	$ 91,355	$ 91,767	$ 89,944
Holdbacks	35	-	-	-	-	-	-
Lease liabilities	3,263	3,254	2,743	2,165	2,278	2,400	2,190
Deferred government funding related to operating expenses	27,379	31,335	25,503	22,630	20,829	19,801	19,936
Derivative financial liabilities	58	-	-	-	-	-	-
	$ 213,684	$ 230,340	$ 245,301	$ 119,530	$ 114,462	$ 113,968	$ 112,070
Non-current liabilities							
Lease liabilities	$ 15,738	$ 12,405	$ 9,771	$ 7,484	$ 7,478	$ 5,363	$ 4,501
Deferred government funding related to capital expenditures	389,690	431,018	476,566	512,438	536,849	562,471	575,388
Employee benefits liability	22,445	22,873	24,147	25,421	26,695	27,969	29,243
Deferred revenue - screening services - other	4,571	-	-	-	-	-	-
	$ 432,444	$ 466,296	$ 510,484	$ 545,343	$ 571,022	$ 595,803	$ 609,132
Equity							
Accumulated surplus	$ 41,257	$ 64,176	$ 60,267	$ 56,240	$ 52,292	$ 48,720	$ 45,116
	$ 687,385	$ 760,812	$ 816,052	$ 721,113	$ 737,776	$ 758,491	$ 766,318

Statement of Comprehensive Income (Loss) and Equity

Statement of Comprehensive Income (Loss) and Equity	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
(in thousands of dollars)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Expenses							
Pre-Board Screening	$ 670,637	$ 709,911	$ 788,054	$ 296,882	$ 290,391	$ 292,313	$ 292,280
Hold Baggage Screening	172,283	185,814	202,000	98,138	96,953	95,079	94,833
Non-Passenger Screening	150,960	166,748	206,547	73,734	70,688	70,443	70,391
Restricted Area Identity Card Program	5,011	4,957	4,797	2,559	2,594	2,314	2,012
Corporate services	60,447	62,185	64,584	30,131	29,873	30,629	31,433
Total expenses	**$ 1,059,338**	**$ 1,129,615**	**$ 1,265,982**	**$ 501,444**	**$ 490,499**	**$ 490,778**	**$ 490,949**
Other expenses (income)							
Finance costs	$ 683	$ 638	$ 519	$ 415	$ 352	$ 304	$ 240
Foreign exchange loss (gain)	82	(214)	-	-	-	-	-
Write-off of property and equipment and intangible assets	81	48	-	-	-	-	-
Net (gain) loss on fair value of derivative financial instruments	(948)	856	-	-	-	-	-
Gain on disposal of property and equipment	-	(19)	-	-	-	-	-
Total other expenses (income)	**$ (102)**	**$ 1,309**	**$ 519**	**$ 415**	**$ 352**	**$ 304**	**$ 240**
Revenue							
Finance income	$ 3,459	$ 2,170	$ -	$ -	$ -	$ -	$ -
Miscellaneous income	53	66	-	-	-	-	-
Total revenue	**$ 3,512**	**$ 2,236**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Financial performance before government funding	**$ 1,055,724**	**$ 1,128,688**	**$ 1,266,501**	**$ 501,859**	**$ 490,851**	**$ 491,082**	**$ 491,189**
Government funding							
Parliamentary appropriations for operating expenses	$ 1,002,116	$ 1,068,466	$ 1,198,834	$ 426,524	$ 408,438	$ 407,665	$ 406,502
Amortization of deferred government funding related to capital expenditures	48,201	51,575	59,985	68,116	75,947	77,263	78,443
Parliamentary appropriations for lease payments	3,242	3,937	3,773	3,192	2,518	2,582	2,640
Total government funding	**$ 1,053,559**	**$ 1,123,978**	**$ 1,262,592**	**$ 497,832**	**$ 486,903**	**$ 487,510**	**$ 487,585**
Financial performance	**$ (2,165)**	**$ (4,710)**	**$ (3,909)**	**$ (4,027)**	**$ (3,948)**	**$ (3,572)**	**$ (3,604)**
Other comprehensive income							
Item that will not be reclassified to financial performance							
Remeasurement of defined benefit plans	$ 6,521	$ 27,629	$ -	$ -	$ -	$ -	$ -
Total comprehensive income	**$ 4,356**	**$ 22,919**	**$ (3,909)**	**$ (4,027)**	**$ (3,948)**	**$ (3,572)**	**$ (3,604)**
Equity							
Accumulated surplus, beginning of year	**$ 36,901**	**$ 41,257**	**$ 64,176**	**$ 60,267**	**$ 56,240**	**$ 52,292**	**$ 48,720**
Total comprehensive income	4,356	22,919	(3,909)	(4,027)	(3,948)	(3,572)	(3,604)
Accumulated surplus, end of year	**$ 41,257**	**$ 64,176**	**$ 60,267**	**$ 56,240**	**$ 52,292**	**$ 48,720**	**$ 45,116**

Statement of Cash Flows

Statement of Cash Flows (In thousands of dollars)	Actual 2024/25	Forecast 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31
Cash flows provided by (used in)							
Operating activities							
Financial performance	$ (2,165)	$ (4,710)	$ (3,909)	$ (4,027)	$ (3,948)	$ (3,572)	$ (3,604)
Items not involving cash							
Depreciation and amortization	50,610	54,902	63,124	70,901	78,043	79,097	80,430
Change in net employee benefits asset/liability	2,761	3,744	4,024	4,019	4,017	4,016	4,017
Write-off of property and equipment and intangible assets	81	48	-	-	-	-	-
Amortization of deferred government funding related to capital expenditures	(48,201)	(51,575)	(59,985)	(68,116)	(75,947)	(77,263)	(78,443)
Change in fair value of financial instruments at fair value through profit and loss	(948)	856	-	-	-	-	-
Other non-cash transactions	(520)	(162)	-	-	-	-	-
Gain on disposal of property and equipment	-	(19)	-	-	-	-	-
Net change in working capital balances	77,636	(91,971)	-	-	-	-	-
	$ 79,254	$ (88,887)	$ 3,254	$ 2,777	$ 2,165	$ 2,278	$ 2,400
Investing activities							
Parliamentary appropriations received for capital funding	$ 65,115	$ 92,865	$ 105,533	$ 103,988	$ 100,358	$ 102,885	$ 91,360
Purchase of property and equipment and intangible assets:							
EDS	(41,742)	(79,009)	(94,354)	(86,558)	(91,418)	(93,404)	(82,024)
Non-EDS	(7,799)	(13,875)	(11,179)	(17,430)	(8,940)	(9,481)	(9,336)
	$ 15,574	$ (19)	$ -	$ -	$ -	$ -	$ -
Financing activities							
Lease principal payments	$ (2,568)	$ (3,309)	$ (3,254)	$ (2,777)	$ (2,165)	$ (2,278)	$ (2,400)
	$ (2,568)	$ (3,309)	$ (3,254)	$ (2,777)	$ (2,165)	$ (2,278)	$ (2,400)
Increase (decrease) in cash	$ 92,260	$ (92,215)	$ -	$ -	$ -	$ -	$ -
Cash, beginning of year	$ 9,955	$ 102,215	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Cash, end of year	$ 102,215	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000

Reconciliation of Financial Performance (IFRS) to Operating Appropriations Used

Reconciliation of Financial Performance (IFRS) to Operating Appropriations Used (in thousands of dollars)	Actual 2024/25	Forecast 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29	Plan 2029/30	Plan 2030/31
Financial performance before government funding	$ 1,055,724	$ 1,128,688	$ 1,266,501	$ 501,859	$ 490,851	$ 491,082	$ 491,189
Non-cash expenses							
Depreciation and amortization	$ (50,610)	$ (54,902)	$ (63,124)	$ (70,901)	$ (78,043)	$ (79,097)	$ (80,430)
Employee benefits expense	(2,761)	(3,744)	(4,024)	(4,019)	(4,018)	(4,016)	(4,017)
Non-cash finance costs related to leases	(674)	(628)	(519)	(415)	(352)	(304)	(240)
Spare parts expense funded from capital	(360)	(63)	-	-	-	-	-
Write-off of property and equipment and intangible assets	(81)	(48)	-	-	-	-	-
Non-cash loss on foreign exchange recognized in financial performance	(70)	-	-	-	-	-	-
Change in fair value of financial instruments at fair value through profit and loss	948	(856)	-	-	-	-	-
Gain on disposal of property and equipment	-	19	-	-	-	-	-
Parliamentary appropriations for operating expenses	$ 1,002,116	$ 1,068,466	$ 1,198,834	$ 426,524	$ 408,438	$ 407,665	$ 406,502
Other items affecting funding							
Net change in prepaids and inventories	$ 4,411	$ 3,956	$ (5,832)	$ (2,873)	$ (1,801)	$ (1,028)	$ 135
Total operating appropriations used	$ 1,006,527	$ 1,072,422	$ 1,193,002	$ 423,651	$ 406,637	$ 406,637	$ 406,637

Operating and Capital Plans

The five-year operating and capital budgets reflect CATSA's approved funding levels with the budget for 2027/28 and beyond reverting to CATSA's reference level funding. CATSA continues to support Transport Canada in the development of an operationally effective and sustainable long-term funding strategy. Supplemental funding will be required for 2027/28 and beyond to

allow the organization to maintain operations. The narrative that follows reflects the priorities established in CATSA's strategic plan, subject to available funding.

Operating

Operating Plan by Major Expenditure Category	Actual	Forecast	Budget	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
OPERATING EXPENDITURES								
Screening Services and Other Related Costs	845,471	904,127	938,194	1,026,041	360,831	346,341	346,341	346,341
Equipment Operating and Maintenance	56,135	56,678	55,147	53,917	20,287	19,472	19,472	19,472
Program Support and Corporate Services	108,113	114,039	108,583	113,044	42,533	40,824	40,824	40,824
SUBTOTAL	**$1,009,719**	**$1,074,844**	**$1,101,924**	**$1,193,002**	**$ 423,651**	**$ 406,637**	**$ 406,637**	**$ 406,637**
Revenue and Other Income	(3,192)	(2,422)	-	-	-	-	-	-
TOTAL	**$1,006,527**	**$1,072,422**	**$1,101,924**	**$1,193,002**	**$ 423,651**	**$ 406,637**	**$ 406,637**	**$ 406,637**

2025/26 Financial Results

Net operating expenditures are estimated to be $1,072.4 million, which is $29.5 million lower than the Corporate Plan budget of $1,101.9 million. The major factors contributing to the variance are lower spending due to a delay in the introduction of Transport Canada regulations for enhanced NPS and lower passenger volumes than planned.

2026/27 – 2030/31 Financial Plan Highlights

Funding requirements for Screening Services and Other Related Costs will increase over the planning period mainly to reflect additional screening hours to support the 95/15 wait-time service level in the face of increasing passenger volumes, the implementation of enhanced non-passenger screening, and screening contractor billing rate increases. These increases are partially offset by efficiencies, including but not limited to those associated with the Comprehensive Expenditure Review which are largely focused on CATSA's screening operations given this area reflects the majority of CATSA's planned spending.

Equipment Operating and Maintenance spending includes the costs to support CATSA's EDS and non-EDS equipment. These costs vary over the planning period primarily due to new and ongoing deployments of more advanced technology, in addition to anticipated contractual rate increases on several of CATSA's extended warranty agreements with equipment vendors. In addition, deployments of new and more advanced technology will require training for CATSA's maintenance service provider.

Program Support and Corporate Services include salaries and benefits to support CATSA's workforce, as well as other business-related costs. Over the five-year planning period, funding requirements vary due to inflationary pressures, as well as other support costs for various corporate initiatives including the implementation of CATSA's Cyber plan, IT modernization and artificial intelligence. These impacts are minimized through achievement of savings and reduction in the workforce.

Capital

Capital Plan by Major Initiative	Actual	Forecast	Budget	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2024/25	2025/26	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
CAPITAL EXPENDITURES								
Explosives Detection Systems (EDS)								
PBS	$ 38,009	$ 49,243	$ 59,138	$ 61,492	$ 57,273	$ 50,066	$ 44,259	$ 38,676
HBS	21,971	29,255	37,401	32,862	29,285	41,352	49,145	43,348
NPS	1,118	530	2,539	-	-	-	-	-
Total EDS	**$ 61,098**	**$ 79,028**	**$ 99,078**	**$ 94,354**	**$ 86,558**	**$ 91,418**	**$ 93,404**	**$ 82,024**
Non-EDS								
PBS	$ 4,141	$ 5,626	$ 4,807	$ 4,083	$ 12,105	$ 3,695	$ 3,276	$ 3,821
HBS	120	360	694	73	-	-	-	-
NPS	127	9	63	487	458	441	467	454
RAIC	1,383	439	388	677	647	647	693	682
Corporate Services	5,270	11,378	8,515	9,632	7,412	6,675	7,627	7,019
Total Non-EDS	**$ 11,041**	**$ 17,812**	**$ 14,467**	**$ 14,952**	**$ 20,622**	**$ 11,458**	**$ 12,063**	**$ 11,976**
Total Capital Expenditures	**$ 72,139**	**$ 96,840**	**$ 113,545**	**$ 109,306**	**$ 107,180**	**$ 102,876**	**$ 105,467**	**$ 94,000**
Proceeds on disposal and vendor credit	-	(19)	-	-	-	-	-	-
TOTAL	**$ 72,139**	**$ 96,821**	**$ 113,545**	**$ 109,306**	**$ 107,180**	**$ 102,876**	**$ 105,467**	**$ 94,000**

2025/26 Financial Results

Capital expenditures are estimated to be $96.8 million, which is $16.7 million lower than the Corporate Plan budget of $113.5M. The major factors contributing to the variance are delays in several projects including the lifecycle replacement of various PBS and HBS equipment platforms. Consequently, CATSA may seek Finance Canada approval for a capital re-profile from 2025/26 to future financial periods. The potential re-profile has not been reflected in the capital budget.

Key priorities in 2025/26 capital spending include the deployment of CT technology at PBS which improves the passenger screening experience by permitting laptops and liquids, gels, and aerosols (within the 100ml limit) to remain in carry-on bags while enhancing security effectiveness, and the replacement of the existing oversize X-ray units in Class 1 airports with CT technology as part of CATSA's lifecycle management plan.

2026/27 – 2030/31 Financial Plan Highlights

The lifecycle management of CATSA's EDS equipment and systems is a key corporate priority and annually represents a significant portion of the capital spending. From 2026/27 - 2030/31, significant capital investments include the replacement of existing X-ray equipment with CT technology which began in 2024/25, as well as the deployment of supplemental full body scanner units in a primary position to improve security effectiveness. The capital plan also reflects an acceleration of the replacement of High-Speed HBS CT units, as well as the deployment of new screening tools to enhance CATSA's screening operations and improve the detection capabilities of CATSA's screening equipment including Bulk Alarm Resolution Tools and X-ray diffraction systems. Finally, CATSA's capital plan also provides for the lifecycle management of non-EDS equipment and systems including IT network infrastructure, BPSS equipment and CCTV cameras.

The five-year plan also includes investments in innovation and the use of advanced technologies to enhance screening operations, as well as to accommodate capacity expansion at both PBS and HBS screening operations. In each deployment scenario, work will be coordinated with airport authorities to minimize disruption to screening operations.

The capital plan does not include additional funding to address requirements for the GTAA LIFT initiative which is aimed at transforming the airport into one of the most advanced, sustainable and passenger-friendly airports in the world. The plan also does not include additional funding for the planned expansion at the Montreal Trudeau International Airport. While CATSA has had preliminary discussions with the airport authorities, sufficient information is not currently available to identify specific budgetary requirements. CATSA will return to government for supplemental funding if the project requirements exceed its available funding.

As capital project delays may arise, CATSA will work with airport authorities and vendors to accommodate revised project plans. As a result, the organization may require a re-profile of funds to account for delays in capital projects.

Appendix F: Risks and Risk Responses

Risk management is embedded into strategic decision-making and resource allocation within CATSA, thereby allowing informed decisions at the corporate and operational levels.

CATSA manages its corporate risks through an Enterprise Risk Management (ERM) framework, and maintains a comprehensive overview of its risk profile, including descriptions of key operational and financial risks, risk ratings as measured by likelihood and impact of risk occurrence, and risk mitigation strategies.

CATSA's overall risk attitude is conservative and flexible.

Conservative: The organization generally focuses effort more heavily on the active management of medium, medium-high and high risk and the acceptance of low risk.

Flexible: As a public sector organization, fully dependent on public funds to deliver a security mandate, CATSA's environment is significantly influenced by two key partners, namely Transport Canada and the Government of Canada. From a risk management perspective, the nature of CATSA's environment requires flexibility and discretion in the application of risk attitude.

CATSA's Risk Profile as at December 2025

Mandated services risk

Detection capabilities and maintaining care and control of screening checkpoints
Due to the evolving nature of the aviation security threat environment, there is a risk that CATSA may not have the technology, threat and risk information, processes or human factor capability to detect all high-risk threat items or new and emerging threats and prevent screening circumventions at screening checkpoints. This may result in substantial consequences to the public and the aviation system.

Risk mitigation
CATSA monitors the effectiveness of operational programs through testing, oversight programs and performance measurement. Trials are conducted to determine if results demonstrate improved detection capability. The organization also ensures that it remains aligned with Transport Canada regulations, and any aviation security equivalency requirements stemming from national and international counterparts.

Capacity risk

Adequacy of government funding
There is a risk that the organization's funding envelope may be insufficient due to cost increases, new requirements and/or government cost-cutting initiatives.

Risk mitigation
CATSA works closely with Transport Canada and Central Agencies to ensure adequate funding throughout the planning period by conducting ongoing financial risk management, budgeting and forecasting activities. CATSA will continue to leverage new technologies to maximize operational efficiencies.

Resource, capability, and skills availability
There is a risk that corporate resources, capabilities, and skills may be insufficient to achieve organizational goals while supporting a productive and healthy work environment.

Risk mitigation
The organization is focused on activities related to prioritisation and efficiency efforts to streamline work. Staffing requests are assessed according to enterprise needs, risk and available alternatives. The organization is investing in productivity tools for automating business processes and completing a skills gap analysis.

Service delivery through third-party risk

Legal and illegal labour disruption
Given CATSA's third party service provider model, there is a risk that CATSA may have limited influence to prevent a legal labour disruption event or to maintain service levels during an illegal labour disruption event initiated by the unionized screening officer workforce. Technological advances, including greater adoption of artificial intelligence, could lead to a reduced reliance on physical labour, which may lead to higher risk of labour activity. Labour disruptions may result in longer wait times, increased passenger complaints and harm to CATSA's reputation.

Dependence on outsourced screening services, equipment maintenance services or major suppliers
Due to a contractor no longer being able or willing to provide the agreed upon contracted services or goods, including as a result of their own business challenges, there is a risk that CATSA's dependence on outsourced screening services, equipment maintenance services, or major suppliers may result in negative service delivery impacts, given limited availability of alternate suppliers.

Risk mitigation
CATSA monitors labour market conditions in all its regions to identify potential labour disruption events. The organization also monitors and addresses any impacts to its supply chain and has contractual terms and conditions that provide recourse should a contractor become unable to provide the agreed-upon services. CATSA has developed contingency plans, including the potential future need to internalize certain functions, which would require additional financial and human resources.

Partner relations risk

Reputational risk
There is a risk that CATSA may encounter events that it is not able to manage effectively, which may cause damage to its reputation with travellers and/or partners, resulting in loss of public trust in CATSA and/or confidence in air transportation security.

Risk mitigation
CATSA provides proactive and timely communications with passengers and partners to address potential wait time service level and other operational issues. Periodic passenger surveys are conducted to gauge and improve the passenger experience. Regular engagements with Transport Canada and aviation industry partners occur to discuss various issues that may impact the aviation industry. The organization also prioritises implementing seasonal preparedness plans in advance of key peak periods that may impact passenger traffic.

Information technology risk

Cyber attacks
Due to the evolving nature of the cyber threat environment, there is a risk that cyber threats and/or attacks may negatively impact CATSA's IT infrastructure and/or operational technology resulting in a loss of public confidence and potential damage to CATSA's reputation.

Risk mitigation
CATSA continues to maintain and build effective and strong cyber controls. The organization also continues to monitor for cyber threats including the impacts of artificial intelligence on its cyber risk landscape.

Appendix G: Compliance with Legislative and Policy Requirements

Legislative and Regulatory Frameworks

Under provisions of the *Canadian Air Transport Security Authority Act* (the CATSA Act), and within the framework of the *Aeronautics Act,* CATSA is responsible for the screening of persons who access aircraft or restricted airport areas, the property in their possession or control, and the belongings that they give to an air carrier for transportation at designated airports across the country. CATSA's screening operations are also guided by the *Canadian Aviation Security Regulations, 2012*, and the confidential security measures.

Other legislation and Treasury Board of Canada directives address financial accountability, official languages, impact assessments, privacy, access to information, and multiculturalism, including:

- *Financial Administration Act (FAA), Part X;*
- *Crown Corporation General Regulations, 1995;*
- *Crown Corporation Corporate Plan, Budget and Summaries Regulations;*
- *Treasury Board of Canada Directives;*
- *Canada Transportation Act;*
- *Transportation Information Regulations;*
- *Official Languages Act;*
- *Access to Information Act and the Privacy Act;*
- *Accessible Canada Act and associated regulations;* and
- *Employment Equity Act and associated regulations.*

Government of Canada Directives

Buy Canadian

In January 2026, P.C. 2026-0009 was issued pursuant to section 89 of the FAA, which directs CATSA to align its policies, guidelines and practices with the *Buy Canadian Procurement Policy Framework* and the policy instruments issued under section 6 of that framework, in a manner that is consistent with its mandate. CATSA will align its policies, guidelines and practices by April 1, 2026.

CATSA supports the mission of building Canada strong, serving as an anchor customer for Canadian businesses, and bolstering the nation's economy. Given the unique nature of the organization's mandate and regulatory environment, there are limited suppliers for certain aspects of our business (e.g. screening equipment). However, in 2024/25, 90% of the organization's operating expenditures were related to screening services and equipment maintenance. These costs were all related to procuring goods and services from Canadian suppliers such as Paladin Airport Security Services Ltd, GardaWorld Security Screening Inc., K'Prime Technologies Inc. and Logistik Unicorp Inc.

Public sector pension reform

In June 2019, CATSA was issued a directive (Order in Council P.C. 2019-783) pursuant to Section 89 of the FAA, which outlines certain principles with regards to CATSA's pension plans. CATSA is compliant with the directive.

Travel and hospitality

As part of CATSA's commitment to open and accountable governance, CATSA confirms that its Travel, Hospitality, Conferences and Event Expenditures Policy is in compliance with directive P.C. 2015-1114, pursuant to Section 89 of the FAA, which requires CATSA's policies, guidelines and practices to be aligned with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations. This policy is available on CATSA's website.

CATSA reports travel and hospitality expenses through proactive disclosure. This disclosure is aligned with the Treasury Board standards for expenditures that are currently in effect.

Proactive publication under the *Access to Information Act*

In June 2023, the Government of Canada issued a Directive on Proactive Publication under the *Access to Information Act*. CATSA continues to be committed to open and accountable governance through proactive publication. All proactive publication requirements were completed during fiscal year 2024/25 and within legislative timelines.

Greening Government Strategy: A Government of Canada Directive

CATSA recognizes its role in supporting the Government of Canada's Greening Government Strategy and is aligned with achieving net-zero emissions by 2050.

Accessible Canada Act and associated regulations

In addition to meeting the requirements of the *Accessible Canada Act*, CATSA must meet several operational, planning and reporting requirements pursuant to the *Accessible Transportation for Persons with Disabilities Regulations*, *Accessible Transportation Planning and Reporting Regulations* and the *Accessible Canada Regulations*. Over the next three years, the organization will implement feedback provided by the accessibility advocacy community to enhance accessibility at screening checkpoints and in the workplace. CATSA will continue to engage partners in aviation and government on solutions to barriers within the air transportation network, ensuring equal access for persons with disabilities.

Employment Equity Act

The objective of the CATSA's Employment Equity Plan, pursuant to the *Employment Equity Act,* is to achieve a well-balanced workforce that reflects Canada's diversity and fosters a positive and supportive working environment. CATSA endeavours to reduce and eliminate gaps in representation among the four designated groups (women, Indigenous Peoples, members of visible minorities, and persons with disabilities). The plan addresses previously identified barriers and sustains positive practices to increase the representation of the four designated groups while encompassing broader principles of diversity and inclusion.

Official Languages Act

Under Part IV of the *Official Languages Act*, CATSA provides screening services to the travelling public in both official languages at airports with one million or more passengers, and at airports where there is a significant demand for services in the minority language. A measurement of demand exercise will be completed in 2026. The organization conducts quarterly passenger surveys and analyses results alongside compliance reports and complaints to identify opportunities for improvement and to improve front-line performance.

CATSA remains committed to its official languages obligations, including those related to its workforce, and collaborates with internal and external partners such as its Advisory Committee on Official Languages, OCOL and the Treasury Board Secretariat Official Languages Centre of

Excellence, to make further progress on official languages goals. CATSA's Official Language Action Plan includes activities aligned with the 2025 *Act for the Substantive Equality of Canada's Official Languages.* The organization will continue to work with all its partners to ensure compliance with all Official Language requirements.

Access to Information Act and *Privacy Act*

CATSA is subject to the *Access to Information Act* and the *Privacy Act* and strives to meet both the spirit and the legal requirements of both.

As part of the organization's commitment to its *Privacy Act* obligations, CATSA has training requirements for all employees, covering privacy essentials including the collection and use of personal information and implementing privacy protection measures.

Pay Equity Act

CATSA posted its revised Pay Equity Plan in September 2024, in accordance with the *Pay Equity Act*. The organization is committed to closing the gender wage gap and ensure that workers receive equal pay for work of equal value. CATSA's Pay Equity Plan introduces long-term, sustainable changes that will ensure that work that is considered predominantly done by women is valued and compensated fairly.

Protection of Federal Assets

CATSA is committed to ensuring the responsible acquisition, maintenance and ultimate replacement of its screening equipment and related technologies and systems. CATSA's lifecycle management plans ensure a comprehensive approach to the proper protection of federal assets to ensure optimal value for money for the duration of the planned economic life of the equipment.

Appendix H: Government Priorities

CATSA is committed to supporting Government of Canada priorities, as set out in the Speech from the Throne, the government's budget plans, the mandate letter from the Prime Minister to Cabinet Ministers, and the letter of expectations from the Minister of Transport to the Chairperson of CATSA's Board of Directors (see Appendix A).

Government of Canada Core Priorities

The Speech from the Throne, the Prime Minister's May mandate letter to Cabinet and Budget 2025 pronounce several key themes and priorities, many of which align with CATSA's capabilities and position the organization to contribute substantively. These include building a stronger Canadian economy and enhancing security relationships; protecting Canada's sovereignty and security; shifting from reliance to resilience; creating a more efficient and effective government; enhancing productivity through innovation and the use of artificial intelligence; delivering on Canada's diversity, equity and inclusion values; promoting reconciliation with Indigenous Peoples; ensuring an accessible, barrier-free workplace and security screening experience for travellers; and, putting environmental sustainability principles into practice.

In June 2025, the Prime Minister also announced that Canada would dedicate an additional 1.5% of GDP to investments in critical defence and security-related expenditures, such as new airports, ports, telecommunications, emergency preparedness. CATSA is honoured to contribute to this commitment. CATSA has begun reporting eligible expenditures that align with the NATO definition of defence- and security-related investment expenditures, in anticipation of future government reporting to NATO, beginning in 2026.

Cyber Security

CATSA's Cyber Plan 2025 has integrated the Communications Security Establishment's (CSE) Canadian Centre for Cyber Security Top 10 Security Actions. The Plan is focused on four priority workstreams: vulnerability management, identity and access management, security monitoring and incident response. It will be reviewed again when the CSE's security actions list is updated.

Improved Service Delivery

CATSA strives to improve its mandated delivery of security screening services through meeting or exceeding its security effectiveness and wait time service level targets, investing in ongoing professional development for its workforce and screening officers, driving innovation with the implementation of new technologies, advanced analytics and artificial intelligence, implementing life-cycle management plans and collaborating with partners to promote an integrated aviation ecosystem and elevate the client experience.

Diversity, Equity and Inclusion

CATSA shares the Government of Canada's commitment to respecting Canada's diversity and inclusion values as it relates to its workforce and in delivering respectful and inclusive security screening. As part of its efforts, the organization has collaborated with various special interest groups as well as third party service providers to enhance training for CATSA staff and screening officers, on topics such as Indigenous cultural awareness, unconscious bias and accessibility.

In addition to the efforts contained in CATSA's Employment Equity Plan described in Appendix G, the organization's Code of Ethics, Conduct and Conflict of Interest, is designed to foster and reinforce a safe, respectful and inclusive work environment for all.

CATSA's commitments to diversity, equality, inclusion and employment equity are also supported by the adoption of workplace policies and practices that ensure employees from diverse backgrounds have access to reasonable accommodation of their values and traditions.

Progress towards meeting diversity and employment equity goals is actively measured, monitored and evaluated. CATSA submits an annual report on its fulfillment of the *Employment Equity Act* and the *Canadian Multiculturalism Act*.

See the Planned Results section for more information on diversity and inclusion at CATSA.

Indigenous Relations and Reconciliation

CATSA is fully committed to reconciliation with Indigenous Peoples, which includes striving towards a workforce that is representative of Indigenous populations and ensuring that sacred and spiritual items are treated respectfully during the screening process.

CATSA continues to deliver in-person, Instructor-Led Learning sessions on Indigenous Cultural Awareness to Facilitators, who are responsible for ensuring passengers travelling with sacred and spiritual items receive proper service. In addition, screening officers are required to take two on-line training sessions, one on Indigenous Cultural Awareness and another on screening procedures for sacred and spiritual items, as part of their initial training program. These courses continue to be an important focus for CATSA as we work with screening contractors to underscore the importance of the procedures for screening sacred and spiritual items. These procedures, which are an ongoing element of CATSA's screening program, outline best practices for screening items with sensitivity and respect.

Gender-based Analysis Plus

CATSA enables the implementation of Gender-based Analysis Plus (GBA Plus) principles in its decision-making processes, employment and recruitment practices, and operational procedures. Progress on efforts towards creating a barrier-free, inclusive, and sensitive environment is measured against the CATSA's GBA Plus principles and supports the organization's objectives related to improving the client experience and creating an inclusive environment for its workforce. The principles have been successful in championing new initiatives, strengthening current processes and identifying gaps. CATSA has implemented successful initiatives including integrating these GBA Plus principles into the project planning process and mandatory GBA Plus training for decision makers.

CATSA is implementing its new Service Strategy with GBA Plus principles at the forefront. This strategy reflects the importance of respectful, sensitive and barrier-free interactions with passengers.

Lastly, the organization's Diversity and Inclusion Network undertakes strong internal engagement work, educating employees and management on GBA Plus principles and resources.

Ensuring Accessibility for all Canadians

CATSA's commitment to a barrier-free workplace and security screening experience for all Canadians is paramount in the planning and analysis of programs, practices, policies and services. This focus frames CATSA's future through an accessibility lens.

CATSA published its second Accessibility Plan in December 2025. The organization continues to progress towards the *Accessible Canada Act* commitment to a barrier-free Canada by 2040.

In December 2024, the House of Commons Standing Committee on Transport, Infrastructure and Communities presented its report entitled *Towards Accessible Air Transportation in Canada*. The committee made several recommendations focusing on the need to regularly engage with relevant communities, standard requirements for accessibility plans, the reporting of complaints, web accessibility, and strengthening oversight of the requirements pursuant to the ATPDR.

Ongoing engagement with the accessibility community remains a priority through engagement events and consultation with associations representing the interests of persons with disabilities.

Sustainable Development

In September 2015, United Nations Member States, including Canada, adopted the 2030 Agenda for Sustainable Development at the UN General Assembly.

The UN Department of Economic and Social Affairs outlined 17 goals for sustainable development. Many of CATSA's programs and services are maintained and developed in line with the following sustainable development goals:

- Achieve gender equality and empower all women and girls;
- Promote inclusive and sustainable economic growth, employment and decent work for all;
- Build resilient infrastructure, promote sustainable industrialisation and foster innovation;
- Make cities inclusive, safe, resilient and sustainable;
- Ensure sustainable consumption and production patterns;
- Take urgent action to combat climate change and its impacts; and
- Promote just, peaceful and inclusive societies.

CATSA incorporates UN sustainable development principles into practice, using the goals as a guideline to build a sustainability framework to progress government priorities throughout the organization. CATSA's existing initiatives including the Accessibility Plan and Employment Equity Plan highlight the organization's strong foundation of sustainability and equity.

Climate Change

CATSA disclosed its inaugural Task Force on Climate-related Financial Disclosures (TCFD) report within the 2025 Annual Report. This marked an important milestone in CATSA's sustainability journey. Looking ahead, CATSA is committed to its climate strategy, which includes enhancing reporting of CATSA's Greenhouse Gas (GHG) inventory by incorporating supply chain based indirect (Scope 3) emissions, and remaining resilient by continuing to assess CATSA's climate-related risks and opportunities. Progress towards CATSA's climate priorities and targets will be disclosed annually, alongside other climate-related disclosures, in accordance with TCFD.