

# **Canadian Air Transport Security Authority (CATSA)**

Summary of the  
2024/25 to 2028/29 Corporate Plan  
2024/25 to 2028/29 Operating Budget  
2024/25 to 2028/29 Capital Budget

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## Executive Summary

As the federal authority responsible for screening at eighty-nine designated airports across Canada, the Canadian Air Transport Security Authority (CATSA) remains focused on its mandate of civil aviation security screening.

Supported by a dedicated team of screening officers engaged through service agreements with third-party screening contractors, CATSA expects to screen 69.1 million passengers in 2023/24, surpassing pre-pandemic volumes and reflecting a nearly 20% increase from the 57.6 million passengers screened in 2022/23. It is anticipated that passenger traffic will increase further over the coming years, with an estimated 73.1 million passengers screened in 2024/25, and 78.8 million in 2025/26.

While CATSA experienced elevated wait time service levels in spring and summer 2022, the organization quickly responded, working collaboratively with industry partners to prepare for increased passenger traffic and any disruptions to the civil aviation ecosystem. Despite the early challenges, in 2022/23 CATSA delivered an annual wait time service level where 88.6% of passengers waited less than 15 minutes to be screened at Class 1 airports. For the first nine months of 2023/24, CATSA delivered an annual wait time service level of 94.4%.

CATSA will continue to focus on key initiatives and innovations during the planning period intended to support and advance achievement of strategic objectives in three principal areas:

- **SERVICE EXCELLENCE AND INNOVATION** – prioritize effective, efficient and evolving security and an outstanding passenger experience.
- **A DIVERSE AND ENGAGED WORKFORCE** – recruit and retain diverse talent in a competitive labour market while promoting employee success and well-being in an inclusive environment.
- **PROACTIVE AND EFFECTIVE PARTNERSHIPS** – engage in proactive partner collaboration, consultation and community relations.

More specifically, CATSA will emphasize the following priority initiatives over the planning period:

- Meet or exceed the **security effectiveness** target;
- Purchase and deploy new **innovative screening technologies**;
- Achieve an **improved wait time service level** where, on average, 95% of all passengers wait less than 15 minutes to be screened at Class 1 airports on an annual basis (95/15);
- Implement **changes to non-passenger screening** to address upcoming amendments to security measures set by Transport Canada;
- Implement new **Airport Screening Services Agreements (ASSAs)** effective April 2024;
- Promote **risk-based approaches to security screening**;
- Deliver a **positive screening experience** for all passengers;

- Expand efforts, engagements and consultations aimed at **supporting Government of Canada priorities**;
- Continue to **collaborate and share information** with partners in order to facilitate a better overall passenger journey;
- Continue to explore the **application of advanced analytic techniques and artificial intelligence**; and
- Enhance **employee engagement, development and well-being**.

As part of Budget 2023, CATSA was provided with supplemental funding over three years starting in 2023/24, which provides an element of stability for the organization throughout 2024/25 and 2025/26, and encourages a more integrated, long-term view to strategic planning. Additional funding will be necessary in 2026/27 and beyond for CATSA to deliver its mandated activities and implement its strategic plan.

## Overview

### Mandate

CATSA is an agent Crown corporation, funded by parliamentary appropriations and accountable to Parliament through the Minister of Transport.

CATSA's *mandate* is to prevent prohibited items from entering the civil air transportation system through the systematic application of four complementary security services:

- **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 the highest risk 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 supplemental screening services on a cost-recovery basis to both designated and non-designated airports upon the approval of the Minister of Transport.

## Mission and Vision

CATSA's *mission* is to protect the public by securing critical elements of the air transportation system.

CATSA's *vision* is to be a recognized global leader in aviation security screening, achieved through:

**Our service:** We use innovative technology and an agile approach to maintain the highest level of security and provide the best possible passenger experience. We deliver value to Canadians with an optimal use of our resources.

**Our people:** We attract, cultivate and support a diverse and engaged workforce.

**Our partnerships:** We work collaboratively with our partners toward common goals and interests.

## CATSA Annual Report

CATSA submitted the *Annual Report 2023* to the Minister of Transport on June 30, 2023. This report is available on CATSA's website.

## Operating Environment

### Introduction

CATSA analyzes its internal and external operating environments in an ongoing effort to plan strategically and adjust operations as necessary to deliver its mandate.

### Human Resources Management

CATSA relies on a highly skilled and diverse workforce at its headquarters and regional offices.

The organization has conducted a number of prioritization and workforce planning exercises over several years in an effort to identify and prioritize resource requirements to address capacity concerns, address the needs of the organization, and meet the expectations of the Government of Canada, industry stakeholders and passengers.

Based on CATSA's critical work to identify resource needs, the Government of Canada approved an augmented workforce through CATSA's 2023/24 Corporate Plan. The additional eighty-four full-time equivalents (FTEs) will be fully in place by 2025/26 to help address the increased pressures on operations with a particular focus on new technology deployment, requirements for enhanced screening, training of screening officers, oversight, improved wait time service

level, and cybersecurity, as well as the heightened expectations related to Government of Canada priorities.

The following table illustrates the planned distribution of CATSA’s FTEs. The regional teams are deployed at all Class 1 airports, where they are responsible for the overall planning, delivery and oversight of screening operations.

Year	FTEs	Executives	Headquarters	Regions
2022/23	448	5	290	153
2023/24	507	5	318	184
2024/25	522	5	324	193
2025/26	532	5	334	193
2026/27	532	5	334	193
2027/28	532	5	334	193
2028/29	532	5	334	193

CATSA’s service delivery model for screening services entails the contracted engagement of third-party screening contractors to provide certified and dedicated screening officers to carry out screening at the eighty-nine designated airports across Canada. CATSA is currently transitioning to new screening services contracts, with an effective date of April 1, 2024. The following table illustrates the current screening contractors engaged in each region, and the contractors who will be engaged effective April 1, 2024.

Region	Current (Until March 31, 2024)	Effective April 1, 2024
Pacific	Allied Universal Security Services of Canada	Paladin Airport Security Services Ltd.
Prairies	GardaWorld Security Screening Inc.	Paladin Airport Security Services Ltd.
Central	GardaWorld Security Screening Inc.	GardaWorld Security Screening Inc.
East	Securitas Transport Aviation Security Ltd.	GardaWorld Security Screening Inc.

## Passenger Traffic

CATSA's passenger traffic forecasts predict increased growth over the planning period, as depicted in the following table.

Fiscal year	Screened passenger traffic (in millions)
2023/24	69.1
2024/25	73.1
2025/26	78.8
2026/27	82.5
2027/28	85.0
2028/29	87.0

## Screening Operations

As CATSA moves forward following the pandemic and subsequent industry recovery, the organization will strive for ongoing progress and leverage lessons learned to best prepare for the future. In particular, CATSA is on track to achieve its 2024/25 goals relating to hiring additional screening officers as well as increasing its training development and delivery capacity.

In order to respond to predicted passenger growth as well as any other future changes in air travel demand, CATSA will continue to re-examine and innovate internal processes in areas including training development and capacity, as well as program delivery, maximizing flexibility, while respecting the broader regulatory framework and security context.

In addition to its on-going participation on the Airports Recovery Operations Committee, CATSA collaborates in various fora aimed at improving performance reporting and accountability and enhancing data sharing to further improve operations and passenger communication protocols. CATSA encourages open and transparent communication among all partners to explore innovative solutions to the challenges the civil aviation industry faces, particularly where there are opportunities to create a better overall passenger journey and prepare for any future disruptions to the civil aviation system.

## Alignment with Government of Canada Directions and Priorities

CATSA actively supports the Government of Canada's broader social, economic, environmental and general governance agenda wherever applicable and possible.

The Minister of Transport's March 2023 letter of expectations to the Chair of CATSA's Board of Directors (Appendix A) affirmed the understanding that the organization will help the Minister

advance the Government of Canada's priorities through enhanced collaboration. CATSA maintains an extensive mapping of its progress on ministerial expectations and shares this with Transport Canada on a quarterly basis. CATSA's commitment to the broader priorities of the Government of Canada can be found in Appendix H.

Also, as part of Budget 2023, the Government of Canada announced an initiative aimed at refocusing government spending.

## Civil Aviation Ecosystem

While CATSA is Canada's designated national civil aviation security screening authority, aviation security is a shared responsibility. As CATSA operates in a highly integrated, complex and evolving airport ecosystem, the organization works closely with air carriers, airport authorities, third-party screening contractors and local law enforcement agencies. CATSA also collaborates with a number of other federal departments and agencies, most notably its regulator Transport Canada, the Canadian Transportation Agency, the Canada Border Services Agency, the Royal Canadian Mounted Police, and the Canadian Security Intelligence Service. The organization will emphasize proactive partnerships, particularly as it relates to achieving a high level of security effectiveness and improving the passenger journey.

CATSA also engages with several international partners to share trial results, lessons learned, and best practices to advance continuous improvement opportunities. These partners include but are not limited to, the United States Transportation Security Administration (TSA) as well as other foreign airport screening agencies, the International Civil Aviation Organization (ICAO), the European Civil Aviation Conference (ECAC) and the International Air Transport Association (IATA).

## Response to External Audits

Three significant audits have provided a focus for CATSA's efforts in continuous improvement:

- *The Office of the Auditor General (OAG) Special Examination report (2015/16)* concluded that CATSA's systems and practices provide reasonable assurance that assets are safeguarded and controlled, resources are managed economically and efficiently, and operations are carried out effectively. CATSA agreed with each of the OAG's seven recommendations and all recommendations have been addressed. This [report](#) can be accessed publicly. A subsequent Special Examination began in 2023/24, and a report is expected in 2025.
- Following the *Office of the Commissioner of Official Languages 2017* audit report on CATSA's provision of bilingual services to the travelling public, the organization exhibits continuous improvement in its approach to official languages, taking proactive steps to address the audit findings and continuing its official language activities. This [report](#) and



the subsequent [audit follow-up](#) can be accessed publicly.

- The OAG’s *Accessible Transportation for Persons with Disabilities report (2023)* focused on whether or not CATSA identified and removed existing barriers and worked towards preventing transportation barriers for persons with disabilities. CATSA has developed an action plan to address the OAG’s recommendations and continues its work towards removing barriers within the transportation system. The initiatives outlined in the action plan are expected to be completed in their entirety in 2024. This [report](#) can be accessed publicly.

## Environmental Scan

CATSA’s annual environmental scan outlines key strengths, weaknesses, opportunities and challenges that the organization is facing now and will face over the planning period. CATSA will continue to monitor the evolving landscape and adjust the environmental scan as necessary.

<b>Summary of Key Strengths, Weaknesses, Opportunities and Challenges</b>	
<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Highly qualified and dedicated employees</li> <li>• Credibility and expertise in security screening supported by a diverse and knowledgeable Board of Directors</li> <li>• Planning, preparing, and adjusting in response to the evolving civil aviation industry</li> </ul>	<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Human resource capacity constraints</li> <li>• Dependence on the supply chain for key components of service delivery</li> </ul>
<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Embrace innovative technology and processes to improve the passenger experience</li> <li>• Strengthened connection and collaboration within the civil aviation ecosystem in support of shared goals and Government of Canada priorities</li> <li>• CATSA’s strategic planning process</li> </ul>	<p style="text-align: center;"><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Influence over the domestic and international regulatory environment</li> <li>• Obtaining adequate physical space at airports to execute and support operations</li> <li>• Impact of evolving labour market conditions on attracting and maintaining a skilled workforce</li> </ul>

## Strategic Objectives, Activities, and Priority Initiatives

CATSA's strategic objectives are categorized within three overarching pillars:

- **SERVICE EXCELLENCE AND INNOVATION** – prioritize effective, efficient and evolving security and an outstanding passenger experience.
- **A DIVERSE AND ENGAGED WORKFORCE** – recruit and retain diverse talent in a competitive labour market while promoting employee success and well-being in an inclusive environment.
- **PROACTIVE AND EFFECTIVE PARTNERSHIPS** – engage in proactive partner collaboration, consultation and community relations.

### A. SERVICE EXCELLENCE AND INNOVATION

Service excellence and continued innovation are at the very core of CATSA's mandate. These themes encompass the organization's commitment to security effectiveness, operational efficiency and an outstanding passenger experience.

#### **Objective 1: Deliver Effective Security**

CATSA prevents prohibited and non-permitted items from entering the air transportation system through its mandated screening services. Due to the dynamic nature of the civil aviation industry, including evolving threats and continuous regulatory changes, it is necessary for CATSA to prioritize investments in a number of key areas:

- Implement changes to non-passenger screening to address upcoming amendments to security measures set by Transport Canada;
- Deploy pre-board screening enhancements including the procurement of new full body scanners and replacement of X-ray equipment with computed tomography (CT) X-ray technology at major airports;
- Champion risk-based approaches to security screening, including enhancements to the verified traveller program;
- Enhance security effectiveness of existing screening equipment with latest software upgrades and improved detection algorithms (e.g. current full body scanners); and
- Continue to explore the application of advanced analytic techniques and artificial intelligence to enhance oversight, screening operations and training programs.

#### **Objective 2: Operational Efficiency**

CATSA strives for optimal efficiency without compromising security screening effectiveness. While remaining a progressive innovator is a priority for the organization, the implementation of new technologies can have a negative impact on passenger wait times and the optimal flow of passengers in the initial stages of deployment due to slower processing. As such, CATSA

always explores and implements improved ways to plan, invest in and deploy human resources as well as equipment and systems.

CATSA will employ the following strategies over the planning period to ensure operational efficiencies:

- Purchase and deploy new innovative screening technologies, including CT X-rays at PBS checkpoints in major airports;
- Execute remote oversight and modelling related to changes to non-passenger screening;
- Explore remote screening opportunities and initiatives;
- Ensure the development and support of screening officers through new and innovative training content and delivery, as well as communications materials;
- Continue to work with airport authorities to optimize checkpoints and increase screening capacity, where operationally feasible;
- Implement next generation technologies and procedures to enhance processing efficiency, including the use of artificial intelligence and advanced analytics; and
- Work closely with the maintenance service provider and equipment manufacturers to ensure all screening equipment is well-maintained and repairs are performed in a timely manner.

### ***Improved Wait Time Service Levels***

Canadian civil aviation industry stakeholders have long expressed a desire for CATSA to strive for more ambitious wait time service level targets, with a particular focus on peak periods. CATSA is striving for a wait time service level where, on average, 95% of passengers wait less than 15 minutes to be screened at Class 1 airports on an annual basis (95/15). The ongoing achievement of this enhanced wait time service level is subject to available funding in 2026/27 and beyond.

Given the interrelatedness of the aviation ecosystem, an increased wait time service level can be dependent on a number of factors beyond CATSA's control, including but not limited to the labour capacity of stakeholders including airport authorities and airlines, labour market conditions, air carrier flight schedules, airport infrastructure, and airport allocation of appropriate space for all aspects of CATSA's operations.

### ***Airport Screening Services Agreements***

CATSA's ASSAs with third-party screening contractors expire in 2024. Procurement planning began in 2021/22, followed by a two-stage request for proposals (RFP). The organization recently awarded new contracts with a service commencement date of April 1, 2024.

CATSA established a Transition Steering Committee to facilitate the seamless implementation of the new service agreements. Transition plans target operational readiness, orientation and

execution, in addition to stabilization plans that extend beyond the April 1, 2024 service commencement date. Furthermore, CATSA has developed a comprehensive communication strategy to facilitate a seamless transition to the new ASSAs.

### **Objective 3: Improved Passenger Experience**

Many factors impact security screening and the experience of passengers. CATSA is committed to facilitating smooth and orderly passenger flow, and achieving high levels of customer satisfaction with, and confidence in, their screening experience.

CATSA will prioritize the following initiatives over the planning period in order to strive for an outstanding passenger experience:

- Develop and execute CATSA's *Customer Service Strategy* with a focus on improvements to the passenger experience;
- Implement initiatives in the Accessibility Plan and Action Plan developed in response to the OAG's *Accessible Transportation for Persons with Disabilities report (2023)*;
- Continue to underscore the importance of understanding Indigenous history and screening sacred and spiritual items respectfully by providing comprehensive training for screening officers and employees;
- Deliver a positive screening experience for all passengers by implementing best practices and respecting the diversity of the travelling public; and
- Continue to engage with government and industry partners on initiatives and policies that positively impact the passenger experience.

#### **Computed Tomography X-ray Technology**

During the planning period, CATSA will replace X-ray equipment at PBS checkpoints at major airports with computed tomography (CT) technology. This initiative is the next phase of CATSA's plan to transform the passenger experience while increasing security effectiveness. When combined with CATSA Plus, the CT X-rays provide the latest technology available to screen passengers' carry-on items. Additionally, CT technology is the most significant enhancement to the passenger screening experience, and for screening officers, since the introduction of CATSA Plus lines. This project will be the biggest public-facing screening equipment deployment to-date in terms of scope and resources requirements.

## B. A DIVERSE AND ENGAGED WORKFORCE

CATSA's delivery of mandated services is dependent on sustaining a diverse and engaged workforce, in an inclusive and supportive work environment. The organization utilizes various strategies and programs to recruit and retain a group of engaged, skilled and specialized employees.

CATSA regularly conducts organization-wide surveys that provide valuable insight on the perspectives of employees with respect to engagement, diversity and inclusion, corporate culture and work environment.

### **Objective 1: Inclusive and Diverse Workplace**

CATSA is committed to providing, enabling and promoting a positive work environment and pursuing a well-balanced workforce that reflects the diversity of Canada. CATSA will strive to improve the representation and full participation of all designated groups (women, Indigenous peoples, members of visible minorities and persons with disabilities) and will:

- Conduct comparative analysis amongst similarly-sized organizations and continuously review leading practices to support the organization's objectives of achieving a well-balanced workforce that reflects the diversity of Canada;
- Revisit strategies and measures outlined in the various action plans at their renewal (official languages, employment equity, GBA Plus and accessibility), with a particular focus on groups or areas where under-representation exists;
- Adopt human resources practices that support fairness and diversity in hiring, compensation, and advancement through the implementation of the Employment Equity Plan and Pay Equity Plan;
- Foster a flexible and inclusive workplace that supports employee needs while balancing organizational objectives;
- Continue to implement CATSA's Official Languages Action Plan, which includes promoting and supporting the use of both official languages in the workplace and at security screening checkpoints in airports designated bilingual, including the delivery of second language training to CATSA employees; and
- Maintain the organization's commitment to considering GBA Plus principles within its decision-making processes and the delivery of services through the implementation of the initiatives of the GBA Plus Action Plan.

### ***Diversity and Inclusion Network***

CATSA's Diversity and Inclusion Network (DIN) promotes and supports positive workplace practices and organizational priorities reflecting the principles of employment equity, diversity and inclusion. The advisory group is comprised of employees from various branches, ensuring a coordinated approach and establishing more accountability throughout the organization. The DIN strives to help foster a fair, respectful, equitable and inclusive working environment.

### **Objective 2: Employee Engagement and Support**

In an effort to attract and retain an engaged and passionate workforce, CATSA will focus on the following efforts during the planning period:

- Implement the organization's human resources strategic plan, including the launch of a wellness program and refreshed recognition program for employees;
- Implement the five-year workforce plan centered on attracting and retaining a talented and diverse workforce, reducing the risk of extended vacancies in critical positions through robust succession management, enhancing employee engagement, as well as meeting the learning and professional development needs of employees;
- Engage with employees through targeted focus groups on workplace-related systems, policies and practices;
- Employ responsible and sustainable approaches to workforce planning and prioritization in an environment of ever-changing priorities;
- Enhance diversity and inclusion education strategies to enrich learning and professional development opportunities; and
- Continue to prioritize and support the overall health and well-being of the organization's workforce.

### **Objective 3: Collaborative Leadership**

CATSA's leaders build trust and safety within their teams while displaying resilience and agility. Leaders actively support creative approaches to continuous improvement, idea-generation, innovation and collaboration across the organization, while empowering employees through learning and professional growth opportunities.

CATSA will focus on the following initiatives to support its leaders and workforce:

- Develop a clear strategic plan charting the path for the organization, which will govern future business plans;

- Expand CATSA’s robust leadership development program, including a focus on leadership principles and performance management initiatives focused on leadership behaviours; and
- Continue to promote a culture of innovation, utilizing the Innovation Centre portal to increase employee awareness and share in CATSA’s success in developing solutions to new and emerging challenges.

## C. EFFECTIVE AND PROACTIVE PARTNERSHIPS

CATSA operates in a highly integrated environment, with a diverse array of partners.. Recognizing that all must operate seamlessly to ensure optimal security and efficient movement of people and goods, CATSA is committed to continually building and strengthening collaborative relationships with industry partners, stakeholders and the broader community.

### **Objective 1: Industry and Government Collaboration**

CATSA will expand engagement and collaboration with industry partners including the Government of Canada, in the pursuit of common goals and objectives, and to ensure the civil 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, while continuing to work closely with the ICAO, IATA and Airports Council International.

In order to maintain strong and positive working relationships with its partners and the Government of Canada, and 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 2025/26;
- Actively engage Transport Canada and industry stakeholders to bring forward creative ideas to find efficiencies and facilitate a better overall passenger journey;
- Provide security screening services on a cost-recovery basis to interested designated and non-designated airports or other industry stakeholders such as air carriers, subject to the approval of the Minister of Transport;
- Continue to actively support Transport Canada’s Air Travel Right-Touch Solution initiative as required;
- Work collaboratively with airport authorities to evaluate and standardize approaches to queue offerings; and
- Continue to work with our United States TSA counterparts in order to establish mutual recognition of screening procedures, especially for verified travellers.

## **Objective 2: Community Relations**

CATSA is committed to ensuring the safety and well-being of the travelling public, which includes working together with special interest groups and other key stakeholders in the broader community.

As part of this important work, CATSA will continue to:

- Engage with advocacy groups on the implementation of the organization's Accessibility Plan;
- Demonstrate climate leadership by adopting the Task Force on Climate-related Financial Disclosures by 2024/25; and
- Undertake initiatives with members of the broader community, including Indigenous Elders, accessibility and diversity special interest groups, the 2SLGBTQI+ community, and official language minority communities.

## **Key Corporate Risks**

Please see Appendix G: Risks and Risks Response for more information on CATSA's enterprise risks, including definitions of the key corporate risks outlined below.

### **Capacity risk: CATSA staff capacity**

Despite the positive impacts on staff capacity stemming from the addition of eighty-four full-time equivalent positions, CATSA may face a sustained staff capacity risk over the planning period as a result of dynamic operational pressures, numerous corporate priorities, and labour market conditions, among other factors.

### **Service delivery through third parties risk: Dependence on outsourced screening services, equipment maintenance services or major suppliers**

CATSA's current ASSAs are set to expire at the end of March 2024. With that in mind, the organization is focused on implementing new ASSAs by April 1, 2024. CATSA transitioned the maintenance of most of its screening equipment from NAV Canada to KPrime Technologies in 2023/24. While supply chains for screening equipment parts and maintenance provider staffing levels have stabilized in the past year, there are still some areas of risk.

### **Stakeholder relations risk: CATSA's reputation**

CATSA operates in a highly integrated environment, and understands that its success requires ongoing collaboration with government and industry partners, stakeholders, and consultations with the public at large.



The organization continues to prioritize positive collaboration within its regulatory framework, and working closely with Transport Canada. CATSA is committed to collaborating with all of its partners to enhance operations and improve the passenger experience.

Please note that financial risks are detailed in the following Financial Overview section.

## Financial Overview

### Funding

As an appropriated Crown corporation, CATSA delivers its civil 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 in order to maintain its operations. As part of Budget 2023, CATSA received multi-year funding for 2024/25 and 2025/26. Additional funding will be necessary in 2026/27 and beyond in order for CATSA to continue to deliver its mandated activities.<sup>1</sup>

### Financial Plan

The operating and capital budgets are presented on a cash basis. The narrative that follows reflects the 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, on average, 95% of all passengers wait less than 15 minutes to be screened at Class 1 airports on an annual basis;
- Ongoing implementation of changes to non-passenger screening to address upcoming amendments to security measures set by Transport Canada;
- Replacing current X-ray technology at PBS checkpoints at major airports with CT technology, and the introduction of new technologies and trials as part of CATSA's lifecycle management plan;
- Recapitalizing and replacing of current full body scanner technology with newer technology with improved detection algorithms and the continued introduction of full body scanners as the primary screening tool at PBS checkpoints; and
- Lifecycle management of other Explosives Detection System (EDS) and non-EDS capital assets based on their estimated useful lives.

The following summarizes the financial results for 2022/23, the forecasted financial results and original budget for 2023/24, as well as the operating and capital budgets for 2024/25 to 2028/29 by program activity based on CATSA's approved funding.

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<sup>1</sup> The current funding shortfall for the planning period is \$2.2 billion: \$693.2 million for 2026/27; \$745.6 million for 2027/28; and \$795.7 million for 2028/29.

Financial Plan by Program (in thousands of dollars)	Actual 2022/23	Forecast 2023/24	Budget 2023/24	Plan 2024/25	Plan 2025/26	Plan 2026/27	Plan 2027/28	Plan 2028/29
<b>Operating Expenditures</b>								
PBS	\$ 536,071	\$ 597,346	\$ 572,481	\$ 704,843	\$ 682,666	\$ 251,830	\$ 251,830	\$ 251,830
HBS	121,011	136,444	138,918	146,210	147,085	70,538	70,538	70,538
NPS	141,524	153,997	203,206	191,684	214,041	74,526	74,526	74,526
RAIC	3,850	3,704	3,722	3,119	3,100	3,183	3,183	3,183
Corporate Services	48,962	48,446	50,149	49,518	51,932	51,767	51,767	51,767
<b>Subtotal</b>	<b>\$ 851,418</b>	<b>\$ 939,937</b>	<b>\$ 968,476</b>	<b>\$ 1,095,374</b>	<b>\$ 1,098,824</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>
Revenue and Other Income	(2,405)	(1,464)	-	-	-	-	-	-
<b>Net Operating Expenditures funded by Parliamentary Appropriations</b>	<b>\$ 849,013</b>	<b>\$ 938,473</b>	<b>\$ 968,476</b>	<b>\$ 1,095,374</b>	<b>\$ 1,098,824</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>
<b>Capital Expenditures</b>								
PBS	\$ 6,872	\$ 41,940	\$ 55,817	\$ 49,955	\$ 66,871	\$ 64,428	\$ 59,759	\$ 71,125
HBS	6,108	45,092	39,781	35,454	19,561	23,501	28,777	16,266
NPS	28	5,409	5,526	309	90	82	82	85
RAIC	370	3,040	2,263	778	597	532	518	525
Corporate Services	3,073	3,521	2,649	10,404	9,381	5,457	4,864	5,999
<b>Subtotal</b>	<b>\$ 16,451</b>	<b>\$ 99,002</b>	<b>\$ 106,036</b>	<b>\$ 96,900</b>	<b>\$ 96,500</b>	<b>\$ 94,000</b>	<b>\$ 94,000</b>	<b>\$ 94,000</b>
<b>Total Expenditures funded by Parliamentary Appropriations</b>	<b>\$ 865,464</b>	<b>\$ 1,037,475</b>	<b>\$ 1,074,512</b>	<b>\$ 1,192,274</b>	<b>\$ 1,195,324</b>	<b>\$ 545,844</b>	<b>\$ 545,844</b>	<b>\$ 545,844</b>

The following section provides key highlights of CATSA's financial plan. For the period 2026/27 to 2028/29, CATSA will require supplemental funding in order to continue to deliver its mandated activities for these fiscal years.

## **2024/25 – 2028/29**

### Screening Operations

Screening services to carry out CATSA's mandated PBS, HBS and NPS programs account for a large share of its activities and, as such, represent a significant majority of its operating budget. These costs consist mainly of payments to third parties 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, improved wait time service levels, as well as the ongoing implementation of the changes to the screening standard for non-passengers, with the balance due to inflationary increases in screening contractor billing rates. These additional screening hours will require incremental staffing of new screening officers over the planning period, creating employment opportunities in communities across the country.

## 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 passenger experience. These investments will include the ongoing upgrade of existing screening equipment with the latest detection algorithms. In addition to these investments, CATSA will collaborate with Transport Canada to explore opportunities for risk-based screening including enhancements to the verified traveller program.

CATSA will make investments in several corporate initiatives that have a profound impact on the organization's operations. These investments include exploring the application of advanced analytic techniques and artificial intelligence to enhance oversight, screening operations and training programs, modernization of CATSA's IT service delivery model through strategic investments and partnerships, and the introduction of additional cyber controls to strengthen the organization's cyber security defenses.

## Capital Lifecycle Management/New Technology

A priority for CATSA's capital plans over the planning period is the introduction of next-generation screening equipment to enhance security effectiveness and improve the passenger experience. In support of this priority, CATSA's lifecycle management plans include the replacement of current X-ray technology with CT X-rays at PBS checkpoints in major airports over the course of the next five to six years, which will reduce passenger divesting requirements as experienced or committed to in other jurisdictions, pending approval by Transport Canada. 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. In addition, CATSA's capital plan includes the replacement of current full body scanners with the latest technology featuring improved detection algorithms, as well as deployment of additional full body scanners for primary screening. CATSA's capital plan also provides for the deployment of additional screening equipment to accommodate the 95/15 wait time service level, as well as additional CATSA Plus lines and 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. Key factors considered as part of a capital acquisition include technical, company and financial evaluations, which ensure the equipment meets CATSA's functional requirements and provides good value for money.

It is important to note that unforeseen impacts, including uncertainty surrounding supply chain disruptions and potential delays on the part of industry partners as they continue to focus on financial stability, may affect the timing of capital projects and result in various 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 2024/25, CATSA expects to screen 73.1 million passengers, representing an approximate 6% increase from 2023/24 levels. CATSA's current passenger volume projections are based on a range of passenger forecast scenarios, 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 the organization's 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 challenges persist, it may be challenging for screening contractors to hire the necessary number of screening officers, which could negatively impact passenger wait times.

**95/15 Wait Time Service Level** — CATSA's ability to deliver any given 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, a key factor to the successful delivery of any targeted wait time service level. Fiscal year 2023/24 represented a ramp-up period, with the targeted 95/15 wait time service level expected to be achieved on a national annual average basis across Class 1 airports in 2024/25. In addition, the financial plan is based on current operations and does not consider unknown changes in CATSA's regulatory or operating environment, including possible future advancements in screening technologies, which may increase or decrease the efficiency with which screening is performed.

**Inflation and Billing Rates** — While CATSA is experiencing inflationary pressure across all areas of the organization, labour rates are the greatest source of inflation in CATSA's ongoing operations. The contractual rates used in the financial plan are based on the terms of CATSA's new and existing contracts, including the latest contract rates in the new ASSAs, and the most recent contract for the deployment of CT at PBS checkpoints. Any significant change to inflationary assumptions may have a material impact on CATSA's financial requirements going forward.

**Foreign Exchange Rates** — Financial projections reflect a projected USD exchange rate of 1.35 for the planning period, except for maintenance costs for 2024/25 that have been hedged at approximately 1.357 to 1.359. CATSA will continue to monitor its future commitments and will enter into 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.

**Refocusing Government Spending** — CATSA seeks opportunities to maintain or reduce spending levels whenever possible. In addition to the reductions of \$10 million per annum identified in Budget 2023 for 2023/24 to 2025/26, CATSA’s financial plans reflect the implementation of several cost saving initiatives, including the associated reductions in spending.

**Internal transfer** — The financial plan is based on the assumption that CATSA will receive approval for internal budget transfers as required, from capital to operating in order to align the organization’s reference levels to its budget. Approval of internal transfers in any given year are 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.

## APPENDIX A: Ministerial Expectation Letter

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 Traveler 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 continue to 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 Structure

### Accountability Relationships

CATSA is an agent Crown corporation with a Board of Directors appointed by the Governor in Council on the recommendation of the Minister of Transport.

### Board of Directors

CATSA is governed by an eleven-member Board of Directors, independent from CATSA's management. The airline associations nominate two of the directors, and the Canadian Airports Council nominates two directors. 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 CATSA's strategic direction through various means, including its annual corporate plan, and safeguarding the resources of the corporation by approving annual reports, and capital and operating budgets;
- Approving CATSA's corporate plan for recommendation to the Minister;
- 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, policies and processes relating to employee business conduct and ethical behaviour, 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.

As of September 30, 2023, CATSA's Board of Directors included:

Board Members	Audit	GHRP	Total Remuneration (YTD 2023/24)	Appointment Date	Mandate Expiry Date
<b>Thao Pham, Board Chairperson</b>	X	X	\$17,580	2023/03/14	2028/03/13
<b>Sharon Duggan, GHRP Chair</b>	X	X	\$9,525	2018/02/21	2022/02/21
<b>Diane Trenn, Audit Chair</b> <i>Appointed as a nominee of the Canadian Airports Council</i>	X	X	\$9,135	<i>Original: 2018/06/14 Reappointment: 2022/10/28</i>	2026/10/28
<b>Patricia Anne Kennedy</b> <i>Appointed as a nominee of the Air Transport Association of Canada</i>	X	X	\$8,550	<i>Original: 2015/03/26 Reappointment:2018/06/25</i>	2021/06/24
<b>Rosemary Capparelli</b> <i>Appointed as a nominee of the National Airlines Council of Canada</i>	X		\$8,745	2022/10/28	2026/10/28
<b>Jennifer Sullivan</b> <i>Appointed as a nominee of the Canadian Airports Council</i>		X	\$7,965	2022/10/28	2026/10/28
<b>Melissa Coulson</b>	X		\$8,550	<i>Original: 2014/01/30 Reappointment: 2018/02/21 Reappointment amended: 2022/12/16</i>	2023/02/21
<b>Jean-Philippe Brunet</b>		X	\$7,575	2018/02/21	2022/02/21
<b>Gilles Lalonde</b>	X		\$8,745	<i>Original: 2018/02/21 Reappointment: 2021/05/21</i>	2025/05/21
<b>Penny Westman*</b>		X	\$5,430	2019/03/22	2023/03/22
<b>Vacancy</b>					

\*Board member is currently on a leave of absence.

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

The Government of Canada appointed a new Chairperson in 2023. The terms of five directors have expired but they remain on the Board of Directors, and there is currently one vacancy. CATSA remains committed to working with Transport Canada to support timely appointments by the Government of Canada.

## CATSA’s Senior Management Team

On April 3, 2023, Nada Semaan was appointed as CATSA’s President and CEO for a five-year term by Order in Council. The President and CEO is supported by a senior management team, including:

Neil Parry	Senior Vice-President, Operations
Nancy Fitchett	Vice-President, Corporate Affairs and Chief Financial Officer
Denis Perron*	Acting Vice-President and Chief Technology Officer
Lisa Hamilton	Vice-President, Corporate Services, General Counsel and Corporate Secretary

\* Philippe Johnston will be joining CATSA as the new Vice-President and Chief Technology Officer, effective January 30, 2024.

## 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 organization’s 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 Governance, Human Resources and Pension 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 (2023-875), wherein the base salary is within the range of \$265,700 - \$312,500 per annum.

In 2023/24, the base salary range for Vice-Presidents is \$207,774 to \$373,994. CATSA’s Vice-Presidents are also eligible to receive incentive pay in the range of 0 – 30%, depending on their performance.

## Annual Public Meeting

CATSA held its 2022/23 Annual Public Meeting by means of an audio-visual presentation that was [posted](#) on the organization’s website on June 26, 2023.

## APPENDIX C: Planned Results

### Expected Results and Performance Indicators

CATSA has one Core Responsibility: to deliver effective, efficient and consistent security screening for civil aviation that is in the interest of the travelling public at designated airports, by way of PBS, HBS, NPS, and the RAIC program.

CATSA uses a number of key indicators to set operational performance targets and to monitor, assess and report on progress and achievements in areas of critical importance to the fulfillment of its mandate and mission, the support of government objectives and priorities, and the maintenance of favourable relations with the travelling public and its partners.

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

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results (Q2 2023/24 unless otherwise noted)	Data sources / influences
<b>A. SERVICE EXCELLENCE AND CONTINUED INNOVATION</b>					
<b>OBJECTIVE 1: Deliver Effective Security</b>					
<i>Output:</i> The prevention of prohibited items and non-permitted items from entering the air transportation system through the systematic application of CATSA's mandated screening services.					
<b>RISK MITIGATED:</b> Mandated Services Risk - Detection capabilities and maintaining care and control of the screening checkpoints					
<b>GOVERNMENT OF CANADA PRIORITY: Improving services to Canadians</b>					
<b>Immediate:</b>  Improve operational consistency and compliance.	<ul style="list-style-type: none"> <li>Consistency – Security Screening Procedures</li> </ul>	<ul style="list-style-type: none"> <li>96%</li> </ul>	<ul style="list-style-type: none"> <li>Improved results for consistency of security screening procedures</li> </ul>	<ul style="list-style-type: none"> <li>95%</li> </ul>	<ul style="list-style-type: none"> <li>Service Monitoring and Recording Tool (SMART)</li> </ul>
<b>ASSOCIATED INITIATIVE:</b> Continue to explore the application of advanced analytics techniques and artificial intelligence to enhance oversight and training programs.					
<b>Intermediate/Ultimate:</b>  Improve the ability of screening officers to identify and prevent prohibited and non-permitted items from entering the restricted area and air transportation system.	<ul style="list-style-type: none"> <li>Overall Security Effectiveness</li> </ul>	<i>Cannot be reflected in a public document due to security classification.</i>		<ul style="list-style-type: none"> <li>PBS, NPS and HBS testing performance</li> <li>Breach score</li> <li>PBS, NPS and HBS Threat Image Projection System (TIPS) performance</li> </ul>	
<b>ASSOCIATED INITIATIVES:</b> PBS screening enhancements, Ongoing advancement of existing screening equipment with latest software upgrades and detection algorithms, further enhancing the security effectiveness of existing equipment, Continue to explore the application of advanced analytics techniques and artificial intelligence to enhance oversight and training programs.					

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<b>A. SERVICE EXCELLENCE AND CONTINUED INNOVATION</b>					
<b>OBJECTIVE 2: Operational Efficiency</b>					
<i>Output:</i> The achievement of optimal screening efficiency, leveraging available resources, including personnel, systems, and equipment.					
<b>RISKS MITIGATED: Capacity Risk – Adequate government funding, Stakeholder Relations Risk – Reputational risk</b>					
<b>GOVERNMENT OF CANADA PRIORITY: Improving services to Canadians</b>					
<b>Immediate:</b>  Ensure screening contractor staffing and attrition management.	<ul style="list-style-type: none"> <li>National Screening Officer Attrition Rate</li> <li>National Training and Certification Program Success Rate</li> <li>Screening officer hiring targets</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> <li>90%</li> <li>Target varies by region and airport</li> </ul>	<ul style="list-style-type: none"> <li>Adequate screening officer staffing levels through collaboration with screening contractors and Transport Canada</li> <li>Meet screening officer hiring targets</li> </ul>	<ul style="list-style-type: none"> <li>7.3%</li> <li>90.5%</li> <li>On track to meet hiring targets</li> </ul>	<ul style="list-style-type: none"> <li>Data from screening contractors</li> <li>Learning Management System</li> <li>Payments to Screening Contractors Budget</li> <li>Transport Canada turnaround time for issuing security clearances</li> </ul>
<b>ASSOCIATED INITIATIVE:</b> Airport Screening Services Agreements, Provide continuous learning and process improvement for screening officer development					
<b>Intermediate:</b>  Enhance advanced analytics and modelling to optimize screening and checkpoint efficiency.	<ul style="list-style-type: none"> <li>Wait time service level (WTSL)</li> </ul>	<ul style="list-style-type: none"> <li>Stability or improvement in accuracy of short term passenger forecasts</li> </ul>	<ul style="list-style-type: none"> <li>National average of 95/15 WTSL or above at Class 1 airports starting in 2024/25</li> </ul>	<ul style="list-style-type: none"> <li>93.7/15</li> </ul>	<ul style="list-style-type: none"> <li>BPSS screened passenger data</li> <li>Passenger wait times, averaged on an annual basis for all Class 1 airports</li> <li>Flight schedules</li> </ul>
<b>ASSOCIATED INITIATIVE:</b> Improved wait time service level, Enhanced traffic forecasting models					
<b>Ultimate:</b>  Achieve the targeted wait time service level, including the government-funded target level, and the peak target level.	<ul style="list-style-type: none"> <li>WTSL</li> <li>WTSL at peak</li> </ul>	<ul style="list-style-type: none"> <li>WTSL: 95/15<sup>2</sup></li> <li>WTSL at peak: 85/15</li> </ul> <p>Measured improvement over time</p> <ul style="list-style-type: none"> <li>Consistent WTSL of 95/15 or above beyond 2024/25</li> <li>Consistent WTSL at peak of 85/15 or above beyond 2024/25</li> </ul>		<ul style="list-style-type: none"> <li>93.7/15</li> <li>86.4/15</li> </ul>	<ul style="list-style-type: none"> <li>Passenger wait times, averaged on an annual basis for all Class 1 airports</li> </ul>

<sup>2</sup> The WTSL performance targets were increased from 85/15 and 75/15 respectively, to 95/15 and 85/15 for the planning period.

<b>ASSOCIATED INITIATIVE:</b> Improved wait time service level, PBS screening enhancements, Verified Traveller program					
<b>Outcomes</b>	<b>Performance Measures and Key Statistics</b>	<b>Target</b>	<b>Expected Results</b>	<b>Recent Results</b>	<b>Data sources / influences</b>
<b>A. SERVICE EXCELLENCE AND CONTINUED INNOVATION</b>					
<b>OBJECTIVE 3: Outstanding Passenger Experience</b>					
<i>Output:</i> The achievement of high levels of passenger satisfaction with, and confidence in, their interactions with CATSA.					
<b>RISK MITIGATED: Stakeholder Relations Risk – Reputational risk</b>					
<b>GOVERNMENT OF CANADA PRIORITIES: Improving services to Canadians, Screening that respects Canada’s diversity and inclusion values (accessibility, official languages and GBA Plus), Indigenous relations and reconciliation</b>					
<b>Immediate:</b>  Increase awareness among passengers relating to screening processes and other key information to foster a positive trend for the screening experience.  Increase awareness and understanding of Indigenous history and enhance training around screening of Indigenous sacred and spiritual items for CATSA employees and screening officers.	<ul style="list-style-type: none"> <li>Overall Passenger Experience</li> </ul>	<ul style="list-style-type: none"> <li>85%</li> </ul>	<ul style="list-style-type: none"> <li>Updated and delivered Customer Service Strategy including Customer Service Commitment to Passengers</li> <li>Increased passenger satisfaction with their screening experience</li> </ul>	<ul style="list-style-type: none"> <li>90.3%</li> </ul>	<ul style="list-style-type: none"> <li>Passenger intercept surveys at Class 1 airports</li> </ul>
<b>ASSOCIATED INITIATIVES:</b> Support Government of Canada priorities (accessibility, official languages, Indigenous reconciliation, diversity and inclusion, etc.)					
<b>Intermediate:</b>  Ensure compliance with <i>Accessible Canada Act</i> regulations and responsibilities to passengers.  Ensure compliance with <i>Official Languages Act</i> requirements and responsibilities to passengers.	<ul style="list-style-type: none"> <li>Passenger feedback related to accessibility</li> <li>Passenger feedback on OL</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Decrease in complaints over time</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>Passenger feedback</li> <li>Audit results</li> <li>Complaints data</li> <li>Self-assessment results from the Official Languages Maturity Model</li> </ul>
<b>ASSOCIATED INITIATIVES:</b> Remain committed to implementation of CATSA’s Accessibility Plan, Strive to meet official language obligations and expectations					

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<p><b>Ultimate:</b></p> <p>Achieve consistent and high levels of passenger satisfaction with their security screening experience.</p>	<ul style="list-style-type: none"> <li>Overall Passenger Experience</li> </ul>	<ul style="list-style-type: none"> <li>Overall Passenger Experience: 85%</li> </ul>	<ul style="list-style-type: none"> <li>Consistently at or above target overall experience for passengers at Class 1 airports.</li> </ul>	<ul style="list-style-type: none"> <li>90.3%</li> </ul>	<ul style="list-style-type: none"> <li>Passenger intercept surveys at Class 1 airports</li> </ul>
<p><b>ASSOCIATED INITIATIVES:</b> Support Government of Canada priorities (accessibility, official languages, Indigenous reconciliation, diversity and inclusion, etc.), Further improve the security screening experience through the integration of new technologies</p>					
<p><b>B. A DIVERSE AND ENGAGED WORKFORCE</b></p>					
<p><b>OBJECTIVE 1: An Inclusive and Diverse Environment</b></p>					
<p><i>Output:</i> The achievement of a well-balanced workforce that strives to reflect the diversity of Canada, and the fostering of a positive and supportive working environment that respects and upholds diverse social and cultural values, and promotes the use of both official languages in the workplace.</p>					
<p><b>RISKS MITIGATED: Human Resources Risk – Employee recruitment and retention, Capacity Risk – CATSA staff capacity</b></p>					
<p><b>GOVERNMENT OF CANADA PRIORITIES: Diversity and employment equity, Protecting two official languages</b></p>					
<p><b>Immediate/Intermediate/Ultimate:</b></p> <p>Take steps to support fixed-term (as applicable) and indeterminate employees in meeting the language requirement of their position through second language training.</p> <p>Promote the use of both official languages in CATSA workplaces</p>	<ul style="list-style-type: none"> <li>Percentage of fixed-term and indeterminate employees that meet the language requirements in positions designated as bilingual</li> <li>Employee feedback</li> </ul>	<ul style="list-style-type: none"> <li>Short term: 75%</li> <li>Long term: 85%</li> </ul>	<ul style="list-style-type: none"> <li>The percentage of employees that meet the language requirement for their position is on or above target.</li> <li>Favourable feedback from employees relating to the use of both official languages in CATSA workplaces.</li> </ul>	<ul style="list-style-type: none"> <li>60.1%</li> </ul>	<ul style="list-style-type: none"> <li>Employee language test results (HR database)</li> <li>Annual Official Languages Report</li> <li>Employee culture surveys</li> </ul>
<p><b>ASSOCIATED INITIATIVES:</b> Support Government of Canada priorities (accessibility, official languages, Indigenous reconciliation, diversity and inclusion, etc.), Promote the use of both official languages in the workplace, Implementation of the human resources strategic plan and workforce plan</p>					



Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<p><b>Intermediate/Ulimate:</b></p> <p>Increase CATSA’s workforce representation among designated groups.</p>	<ul style="list-style-type: none"> <li>Workforce demographics, including women (W), Indigenous peoples (IP), visible minorities (VM) and persons with disabilities (PWD)</li> </ul>	<p>Workforce demographics targets:<sup>3</sup></p> <ul style="list-style-type: none"> <li>W: 48.2%</li> <li>PWD: 9.1%</li> <li>IP: 4.0%</li> <li>VM: 21.3%</li> </ul> <p>Turnover distribution by designated groups:<sup>3</sup></p> <ul style="list-style-type: none"> <li>W: 45.8%</li> <li>PWD: 1.8%</li> <li>IP: 1.8%</li> <li>VM: 21.7%</li> </ul>	<ul style="list-style-type: none"> <li>Increased representation among designated groups through more diverse methods of attracting candidates.</li> <li>On or above target demographics within CATSA.</li> </ul>	<p>Workforce demographics:</p> <ul style="list-style-type: none"> <li>W: 44.7%</li> <li>PWD: 3.3%</li> <li>IP: 2.1%</li> <li>VM: 24.1%</li> </ul> <p>Turnover distribution by designated groups (FY 2022/23):</p> <ul style="list-style-type: none"> <li>W: 59.5%</li> <li>PWD: 2.7%</li> <li>IP: 0%</li> <li>VM: 13.2%</li> </ul>	<ul style="list-style-type: none"> <li>Workforce demographics</li> <li>Annual Employment Equity Report</li> </ul>
<p><b>ASSOCIATED INITIATIVES:</b> Support Government of Canada priorities (accessibility, official languages, Indigenous reconciliation, etc.), Apply human resources practices that support diversity in hiring, compensation, and advancement, Implementation of the Employment Equity Plan and Pay Equity Plan, Implementation of the GBA Plus Action Plan and advance GBA Plus integration, Support workplace initiatives that understand and embrace diversity</p>					

<sup>3</sup> Targets for turnover distribution by designated group and workforce demographics are subject to change on an annual basis.

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<b>OBJECTIVE 2: Employee Engagement and Support</b> <i>Output:</i> Attract and retain a productive and engaged workforce, through corporate support for learning and skills development, the health and well-being of employees, and the celebration of individual and collective achievements.					
<b>RISKS MITIGATED: Human Resources Risk – Employee recruitment and retention, Capacity Risk – CATSA staff capacity</b>					
<b>GOVERNMENT OF CANADA PRIORITY: Diversity and employment equity</b>					
<b>Immediate:</b>  Utilization of efficient hiring practices and professional services to ensure employees and managers have the resources they need to be successful in their roles.  <b>ASSOCIATED INITIATIVES:</b> <ul style="list-style-type: none"> <li>• Responsible and sustainable approaches to workload management</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic use of fixed-term resources and professional services</li> </ul>	<ul style="list-style-type: none"> <li>• Stability or improvement in employee satisfaction</li> <li>• Annual attrition rate: 8.0%</li> </ul>	<ul style="list-style-type: none"> <li>• High level of employee satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee satisfaction (FY 2022/23): 86%</li> <li>• Attrition (FY 2022/23): 7.9%</li> </ul>	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Attrition</li> </ul>
<b>Intermediate:</b>  Implementation of initiatives and activities that support the mental health and well-being of employees.  <b>ASSOCIATED INITIATIVES:</b> <ul style="list-style-type: none"> <li>• Foster a flexible and fair workplace that supports employee needs while balancing organizational objectives</li> <li>• Delivering wellness support to employees at all levels</li> </ul>	<ul style="list-style-type: none"> <li>• Use of workplace support resources, and optimization of the flexible workplace model to accommodate employee needs, while upholding position requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Stability or improvement in employee satisfaction</li> <li>• Absenteeism: 12 days</li> <li>• Annual attrition rate: 8.0%</li> </ul>	<ul style="list-style-type: none"> <li>• High level of employee satisfaction.</li> <li>• Low absenteeism.</li> <li>• Implemented resources for employees relating to mental health and well-being.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee satisfaction (FY 2022/23): 86%</li> <li>• Absenteeism (FY 2022/23): 9.5 days</li> <li>• Attrition (FY 2022/23): 7.9%</li> </ul>	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Attrition</li> </ul>

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<b>OBJECTIVE 3: Collaborative Leadership</b>					
<i>Output:</i> The demonstration by example and active support of creative approaches to continuous improvement, innovation and collaboration.					
<b>RISK MITIGATED: Human Resources Risk – Employee recruitment and retention</b>					
<b>GOVERNMENT OF CANADA PRIORITY: Improving services to Canadians</b>					
<b>Immediate:</b>  Plan the Leadership Principles and the Leadership Introductions programs in order to provide fundamental growth and learning opportunities for CATSA’s people leaders.	<ul style="list-style-type: none"> <li>• Development of plans</li> <li>• Execution of plans</li> </ul>	<ul style="list-style-type: none"> <li>• Successful development and execution of the plan for the leadership programs</li> </ul>	<ul style="list-style-type: none"> <li>• Increased opportunities for growth and professional development through CATSA’s leadership programs</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Feedback from the Board</li> </ul>
<b>ASSOCIATED INITIATIVE:</b> Expand the implementation of leadership programs					
<b>Intermediate/Ultimate:</b>  Promote innovation among employees and management, fostering vision and behaviours that support a transformative culture.	<ul style="list-style-type: none"> <li>• Enhancement of existing vehicles (CATSA Leaders Forum, employee retreat and employee communication)</li> <li>• Commitment from leaders to remain apprised of the needs of the workforce</li> </ul>	<ul style="list-style-type: none"> <li>• Completed enhancements of existing vehicles.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved organizational awareness of projects and programs related to creating a barrier-free and inclusive environment</li> <li>• Improved results of employee surveys over time</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>• Employee surveys</li> <li>• Feedback from the Board</li> </ul>
<b>ASSOCIATED INITIATIVE:</b> Continue to promote a culture of innovation					

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<b>C. EFFECTIVE AND PROACTIVE PARTNERSHIPS</b>					
<b>OBJECTIVE 1: Industry and Government Collaboration</b>					
<p><i>Output:</i> The establishment and maintenance of strong and positive working relationships between CATSA, its partners and the Government of Canada, to progress on common goals and interests.</p>					
<p><b>RISK MITIGATED: Stakeholder Relations Risk – CATSA’s reputation</b></p>					
<p><b>GOVERNMENT OF CANADA PRIORITY: Improving services to Canadians, Better accountability and integration with other air sector operators</b></p>					
<p><b>Immediate/Intermediate/Ultimate:</b></p> <p>Continue to foster proactive partnerships with industry and government stakeholders, through reciprocal two-way engagement.</p>	<ul style="list-style-type: none"> <li>• Well-established formal and informal processes for dialogue and collaboration with industry</li> <li>• Responsiveness to industry requests, including for screening on a cost-recovery basis</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive approach to partnerships</li> <li>• Close, respectful and productive relations</li> <li>• Timely and meaningful response to industry requests</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive and productive relationships with stakeholders</li> <li>• Collaborative approach to contributing to government priorities</li> <li>• Efficient response times to requests from stakeholders.</li> <li>• Reciprocal two-way engagement and information sharing between all partners and government stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Worked closely with airport authorities on innovative solutions including CT, FBS, verified traveller and gender-neutral software.</li> <li>• Active engagement with industry associations to discuss challenges.</li> <li>• Enhanced engagement with Transport Canada at all levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Industry consultations and feedback</li> <li>• Negotiated agreements for cost recovery screening enhancements where applicable</li> </ul>
<p><b>ASSOCIATED INITIATIVES:</b> Work collaboratively with airport authorities to evaluate and standardize approaches to queue offerings, Continue to work with US TSA counterparts in order to establish mutual recognition of screening procedures, especially for verified travellers</p>					

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<b>OBJECTIVE 2: Community Relations</b>					
<i>Output:</i> The establishment and maintenance of close and favourable relations with key stakeholders in the broader community.					
<b>RISK MITIGATED: Stakeholder Relations Risk – CATSA’s reputation</b>					
<b>GOVERNMENT OF CANADA PRIORITY: Improving services to Canadians</b>					
<p><b>Immediate/Intermediate/Ultimate:</b></p> <p>Continue to prioritize the delivery of a positive passenger experience through effective communications with the travelling public.</p>	<ul style="list-style-type: none"> <li>• Well-established formal and informal processes for feedback from and consultation with the travelling public</li> <li>• Effective means of communicating with the travelling public</li> <li>• Overall passenger experience</li> </ul>	<ul style="list-style-type: none"> <li>• Close, respectful and productive relations</li> <li>• Timely and meaningful response to public and community requests and complaints</li> <li>• Overall Passenger Experience: 85%</li> </ul>	<ul style="list-style-type: none"> <li>• On or above target overall passenger experience results</li> <li>• Positive reputation for community engagement and communications</li> </ul>	<ul style="list-style-type: none"> <li>• Accessibility Plan consultations</li> <li>• Consultations with cultural groups</li> <li>• Overall Passenger Experience: 90.3%</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder consultations and communications</li> <li>• Public and passenger enquiries, suggestions and complaints</li> </ul>

Outcomes	Performance Measures and Key Statistics	Target	Expected Results	Recent Results	Data sources / influences
<p><b>Immediate/Intermediate/Ultimate:</b></p> <p>Collaborate with key stakeholders, including Transport Canada and industry partners, in order to achieve common goals.</p>	<ul style="list-style-type: none"> <li>Well-established formal and informal processes for communication and feedback with community stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Close, respectful and productive relations</li> <li>Timely and meaningful response to public and community requests and complaints</li> <li>Support of government priorities and objectives.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborative relationships with key stakeholders</li> <li>On-going work to support government priorities and objectives</li> </ul>	<ul style="list-style-type: none"> <li>Worked closely with airport authorities on innovative solutions including CT, FBS, verified traveller and gender-neutral software.</li> <li>Active engagement with industry associations to discuss challenges.</li> <li>Enhanced engagement with Transport Canada at all levels.</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder consultations and communications</li> </ul>
<p><b>ASSOCIATED INITIATIVES:</b> Support Government of Canada priorities and objectives, Work collaboratively with airport authorities to evaluate and standardize approaches to queue offerings, Continue to work with US TSA counterparts in order to establish mutual recognition of screening procedures, especially for verified travellers</p>					

***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.

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Nada Semaan  
President and Chief Executive Officer  
Canadian Air Transport Security Authority

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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 2024/25 – 2028/29 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 2026/27 – 2028/29 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.

In my opinion, the Corporate Plan and budgets are sufficient to support decision-making, except for funding as noted in number 4 above.

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

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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
(Figures are in thousands)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>ASSETS</b>							
<b>Current assets</b>							
Cash	\$ 13,785	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Trade and other receivables	129,477	164,311	188,881	189,329	86,061	86,061	86,061
Inventories	11,419	12,786	11,238	10,603	9,800	9,513	8,389
Prepays	7,834	8,062	4,184	5,645	5,799	5,958	6,136
Derivative financial assets	22	24	-	-	-	-	-
	<b>\$ 162,537</b>	<b>\$ 195,183</b>	<b>\$ 214,303</b>	<b>\$ 215,577</b>	<b>\$ 111,660</b>	<b>\$ 111,532</b>	<b>\$ 110,586</b>
<b>Non-current assets</b>							
Property and equipment and intangible assets							
EDS	\$ 359,358	\$ 410,194	\$ 444,175	\$ 481,498	\$ 514,817	\$ 543,008	\$ 565,192
Non-EDS	20,729	24,664	36,582	38,783	35,971	31,764	27,802
	<b>\$ 380,087</b>	<b>\$ 434,858</b>	<b>\$ 480,757</b>	<b>\$ 520,281</b>	<b>\$ 550,788</b>	<b>\$ 574,772</b>	<b>\$ 592,994</b>
Right-of-use assets	\$ 13,581	\$ 16,588	\$ 11,869	\$ 10,173	\$ 8,475	\$ 9,482	\$ 7,769
Employee benefits asset	52,104	61,281	59,182	56,278	53,373	50,468	47,564
	<b>\$ 608,309</b>	<b>\$ 707,910</b>	<b>\$ 766,111</b>	<b>\$ 802,309</b>	<b>\$ 724,296</b>	<b>\$ 746,254</b>	<b>\$ 758,913</b>
<b>LIABILITIES AND EQUITY</b>							
<b>Current liabilities</b>							
Trade and other payables	\$ 141,890	\$ 174,652	\$ 199,222	\$ 199,670	\$ 96,402	\$ 96,402	\$ 96,402
Holdbacks	1,818	-	-	-	-	-	-
Lease liabilities	1,777	3,070	1,662	1,822	1,853	1,935	1,829
Deferred government funding related to operating expenses	19,253	20,848	15,422	16,248	15,599	15,471	14,525
	<b>\$ 164,738</b>	<b>\$ 198,570</b>	<b>\$ 216,306</b>	<b>\$ 217,740</b>	<b>\$ 113,854</b>	<b>\$ 113,808</b>	<b>\$ 112,756</b>
<b>Non-current liabilities</b>							
Lease liabilities	\$ 12,708	\$ 15,729	\$ 12,173	\$ 10,390	\$ 8,574	\$ 9,417	\$ 7,671
Deferred government funding related to capital expenditures	379,180	434,053	480,038	519,648	550,241	574,311	592,614
Employee benefits liability	16,544	15,506	16,485	17,464	18,442	19,421	20,400
Derivative financial liabilities	10	-	-	-	-	-	-
	<b>\$ 408,442</b>	<b>\$ 465,288</b>	<b>\$ 508,696</b>	<b>\$ 547,502</b>	<b>\$ 577,257</b>	<b>\$ 603,149</b>	<b>\$ 620,685</b>
<b>Equity</b>							
Accumulated surplus	\$ 35,129	\$ 44,052	\$ 41,109	\$ 37,067	\$ 33,185	\$ 29,297	\$ 25,472
	<b>\$ 608,309</b>	<b>\$ 707,910</b>	<b>\$ 766,111</b>	<b>\$ 802,309</b>	<b>\$ 724,296</b>	<b>\$ 746,254</b>	<b>\$ 758,913</b>

## Statement of Comprehensive Income (Loss) and Equity

Statement of Comprehensive Income and Equity	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Expenses</b>							
Pre-Board Screening	\$ 543,038	\$ 603,572	\$ 717,011	\$ 697,950	\$ 271,690	\$ 275,705	\$ 280,553
Hold Baggage Screening	151,511	166,913	179,705	182,670	107,514	109,154	110,525
Non-Passenger Screening	143,081	155,350	194,245	216,005	76,231	76,097	76,066
Restricted Area Identity Card Program	4,595	4,651	4,740	4,731	4,854	4,888	4,962
Corporate services	52,629	51,964	58,540	57,055	59,042	59,505	59,778
<b>Total expenses</b>	<b>\$ 894,854</b>	<b>\$ 982,450</b>	<b>\$ 1,154,241</b>	<b>\$ 1,158,411</b>	<b>\$ 519,331</b>	<b>\$ 525,349</b>	<b>\$ 531,884</b>
<b>Other expenses (income)</b>							
Impairment of property and equipment	\$ (390)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Foreign exchange loss (gain)	(971)	(20)	-	-	-	-	-
Finance costs	271	506	643	519	451	441	428
Write-off of property and equipment and intangible assets	38	-	-	-	-	-	-
Gain on disposal of property and equipment	3	-	-	-	-	-	-
Net (gain) loss on fair value of derivative financial instruments	28	(12)	24	-	-	-	-
Gain on leases cancellation	-	-	(250)	-	-	-	-
<b>Total other expenses (income)</b>	<b>\$ (1,021)</b>	<b>\$ 474</b>	<b>\$ 417</b>	<b>\$ 519</b>	<b>\$ 451</b>	<b>\$ 441</b>	<b>\$ 428</b>
<b>Revenue</b>							
Finance income	\$ 2,354	\$ 1,483	\$ -	\$ -	\$ -	\$ -	\$ -
Screening services - other	70	-	-	-	-	-	-
Other income	32	14	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 2,456</b>	<b>\$ 1,497</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Financial performance before government funding</b>	<b>\$ 891,377</b>	<b>\$ 981,427</b>	<b>\$ 1,154,658</b>	<b>\$ 1,158,930</b>	<b>\$ 519,782</b>	<b>\$ 525,790</b>	<b>\$ 532,312</b>
<b>Government funding</b>							
Parliamentary appropriations for operating expenses	\$ 848,001	\$ 936,878	\$ 1,100,800	\$ 1,097,998	\$ 452,493	\$ 451,972	\$ 452,790
Parliamentary appropriations for lease payments	3,435	2,122	3,713	2,177	2,272	2,295	2,364
Amortization of deferred government funding related to capital expenditures	40,415	42,007	47,202	54,713	61,135	67,635	73,333
<b>Total government funding</b>	<b>\$ 891,851</b>	<b>\$ 981,007</b>	<b>\$ 1,151,715</b>	<b>\$ 1,154,888</b>	<b>\$ 515,900</b>	<b>\$ 521,902</b>	<b>\$ 528,487</b>
<b>Financial performance</b>	<b>\$ 474</b>	<b>\$ (420)</b>	<b>\$ (2,943)</b>	<b>\$ (4,042)</b>	<b>\$ (3,882)</b>	<b>\$ (3,888)</b>	<b>\$ (3,825)</b>
<b>Other comprehensive income</b>							
Item that will not be reclassified to financial performance							
Remeasurement of defined benefit plans	\$ (3,119)	\$ 9,343	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total comprehensive income</b>	<b>\$ (2,645)</b>	<b>\$ 8,923</b>	<b>\$ (2,943)</b>	<b>\$ (4,042)</b>	<b>\$ (3,882)</b>	<b>\$ (3,888)</b>	<b>\$ (3,825)</b>
<b>Equity</b>							
Accumulated surplus, beginning of year	\$ 37,774	\$ 35,129	\$ 44,052	\$ 41,109	\$ 37,067	\$ 33,185	\$ 29,297
Total comprehensive income	(2,645)	8,923	(2,943)	(4,042)	(3,882)	(3,888)	(3,825)
<b>Accumulated surplus, end of year</b>	<b>\$ 35,129</b>	<b>\$ 44,052</b>	<b>\$ 41,109</b>	<b>\$ 37,067</b>	<b>\$ 33,185</b>	<b>\$ 29,297</b>	<b>\$ 25,472</b>

## Statement of Cash Flows

Statement of Cash Flows	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Cash flows provided by (used in)</b>							
<b>Operating activities</b>							
Financial performance	\$ 474	\$ (420)	\$ (2,943)	\$ (4,042)	\$ (3,882)	\$ (3,888)	\$ (3,825)
Items not involving cash							
Depreciation and amortization	44,294	45,021	50,363	56,530	62,955	69,493	75,211
Write-off of property and equipment and intangible assets	38	-	-	-	-	-	-
Change in fair value of financial instruments at fair value through profit and loss	28	(12)	24	-	-	-	-
Other non-cash transactions	23	-	-	-	-	-	-
Gain on disposal of property and equipment	3	-	-	-	-	-	-
Amortization of deferred government funding related to capital expenditures	(40,415)	(42,007)	(47,202)	(54,713)	(61,135)	(67,635)	(73,333)
Change in net employee benefits asset/liability	(836)	(872)	3,078	3,883	3,883	3,884	3,883
Impairment of property and equipment	(390)	-	-	-	-	-	-
Gain on leases cancellation	-	-	(250)	-	-	-	-
Net change in working capital balances	3,371	(2,071)	-	-	-	-	-
	\$ 6,590	\$ (361)	\$ 3,070	\$ 1,658	\$ 1,821	\$ 1,854	\$ 1,936
<b>Investing activities</b>							
Parliamentary appropriations received for capital funding	\$ 12,500	\$ 96,880	\$ 93,187	\$ 94,323	\$ 91,728	\$ 91,705	\$ 91,636
Purchase of property and equipment and intangible assets:							
EDS	(7,308)	(89,208)	(75,224)	(83,562)	(85,044)	(85,624)	(84,597)
Non-EDS	(2,408)	(9,474)	(17,963)	(10,761)	(6,684)	(6,081)	(7,039)
	\$ 2,784	\$ (1,802)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Financing activities</b>							
Lease principal payments	\$ (3,170)	\$ (1,622)	\$ (3,070)	\$ (1,658)	\$ (1,821)	\$ (1,854)	\$ (1,936)
	\$ (3,170)	\$ (1,622)	\$ (3,070)	\$ (1,658)	\$ (1,821)	\$ (1,854)	\$ (1,936)
<b>Decrease in cash</b>	\$ 6,204	\$ (3,785)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Cash, beginning of year</b>	\$ 7,581	\$ 13,785	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
<b>Cash, end of year</b>	\$ 13,785	\$ 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 to Operating Appropriations Used	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Financial performance before government funding</b>	\$ 891,377	\$ 981,427	\$ 1,154,658	\$ 1,158,930	\$ 519,782	\$ 525,790	\$ 532,312
<b>Non-cash expenses</b>							
Depreciation and amortization	\$ (44,294)	\$ (45,021)	\$ (50,363)	\$ (56,530)	\$ (62,955)	\$ (69,493)	\$ (75,211)
Impairment of property and equipment	390	-	-	-	-	-	-
Non-cash loss on foreign exchange recognized in financial performance	26	88	-	-	-	-	-
Write-off of property and equipment and intangible assets	(38)	-	-	-	-	-	-
Non-cash finance costs related to leases	(265)	(500)	(643)	(519)	(451)	(441)	(428)
Employee benefits expense	836	872	(3,078)	(3,883)	(3,883)	(3,884)	(3,883)
Gain on disposal of property and equipment	(3)	-	-	-	-	-	-
Change in fair value of financial instruments at fair value through profit and loss	(28)	12	(24)	-	-	-	-
Gain on leases cancellation	-	-	250	-	-	-	-
<b>Parliamentary appropriations for operating expenses</b>	\$ 848,001	\$ 936,878	\$ 1,100,800	\$ 1,097,998	\$ 452,493	\$ 451,972	\$ 452,790
<b>Other items affecting funding</b>							
Net change in prepaids and inventories	\$ 1,012	\$ 1,595	\$ (5,426)	\$ 826	\$ (649)	\$ (128)	\$ (946)
<b>Total operating appropriations used</b>	\$ 849,013	\$ 938,473	\$ 1,095,374	\$ 1,098,824	\$ 451,844	\$ 451,844	\$ 451,844

## Operating and Capital Plans

The five-year operating and capital budgets reflect CATSA's approved funding levels with the budget for 2026/27 and beyond reverting to CATSA's A-Base funding. CATSA continues to support Transport Canada in the development of an operationally effective long-term funding strategy. Incremental funding will be required in order to allow the organization to maintain current operations. The narrative that follows reflects the strategic plans CATSA has developed, subject to available funding.

### Operating

Operating Plan by Major Expenditure Category	Actual	Forecast	Budget	Plan	Plan	Plan	Plan	Plan
<i>(Figures are in thousands)</i>	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>OPERATING EXPENDITURES</b>								
Screening Services and Other Related Costs	713,568	785,728	814,966	936,640	937,768	289,844	289,844	289,844
Equipment Operating and Maintenance	42,097	52,960	50,455	56,780	55,339	56,000	56,000	56,000
Program Support and Corporate Services	95,753	101,249	103,055	101,954	105,717	106,000	106,000	106,000
<b>SUBTOTAL</b>	<b>\$ 851,418</b>	<b>\$ 939,937</b>	<b>\$ 968,476</b>	<b>\$1,095,374</b>	<b>\$1,098,824</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>
Revenue and Other Income	(2,405)	(1,464)	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 849,013</b>	<b>\$ 938,473</b>	<b>\$ 968,476</b>	<b>\$1,095,374</b>	<b>\$1,098,824</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>	<b>\$ 451,844</b>

### 2023/24 Financial Results

Net operating expenditures are estimated to be \$938.5 million, which is \$30.0 million lower than the Corporate Plan budget of \$968.5 million. The major factor contributing to the variance is lower spending due to a revised view of spending for the implementation of changes to non-passenger screening. These savings are partially offset by a ramp-up of screening officers to ensure successful summer operations, support improved wait time service levels and prepare for changes to non-passenger screening.

### 2024/25 – 2028/29 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 ongoing implementation of changes to non-passenger screening, and screening contractor billing rate increases.

Equipment Operating and Maintenance spending includes the costs to support CATSA's EDS and Non-EDS equipment. Funding requirements in this area increase over the planning period due primarily to new deployments of more advanced technology, in addition to higher maintenance support costs owing to the terms of CATSA's maintenance service provider contract. In addition, deployments of new and more advanced technology will require training for CATSA's maintenance service provider.

Program Support and Corporate Services includes salaries and benefits to support CATSA's workforce. Over the five-year planning period, funding requirements increase due to inflationary increases, as well as other support costs for various corporate initiatives including IT modernization and cybersecurity. CATSA's indeterminate workforce increases over the planning period to support key priorities and initiatives.

## Capital

Capital Plan by Major Initiative	Actual	Forecast	Budget	Plan	Plan	Plan	Plan	Plan
(Figures are in thousands)	2022/23	2023/24	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>CAPITAL EXPENDITURES</b>								
<b>Explosives Detection Systems (EDS)</b>								
PBS	\$ 4,596	\$ 37,478	\$ 45,269	\$ 40,513	\$ 64,590	\$ 61,679	\$ 56,990	\$ 68,488
HBS	6,012	44,625	39,681	34,711	18,972	23,365	28,634	16,109
NPS	-	5,303	5,303	-	-	-	-	-
<b>Total EDS</b>	<b>\$ 10,608</b>	<b>\$ 87,406</b>	<b>\$ 90,253</b>	<b>\$ 75,224</b>	<b>\$ 83,562</b>	<b>\$ 85,044</b>	<b>\$ 85,624</b>	<b>\$ 84,597</b>
<b>Non-EDS</b>								
PBS	\$ 2,276	\$ 4,462	\$ 10,548	\$ 9,442	\$ 2,281	\$ 2,749	\$ 2,769	\$ 2,637
HBS	96	467	100	743	589	136	143	157
NPS	28	106	223	309	90	82	82	85
RAIC	370	3,040	2,263	778	597	532	518	525
Corporate Services	3,073	3,521	2,649	10,404	9,381	5,457	4,864	5,999
<b>Total Non-EDS</b>	<b>\$ 5,843</b>	<b>\$ 11,596</b>	<b>\$ 15,783</b>	<b>\$ 21,676</b>	<b>\$ 12,938</b>	<b>\$ 8,956</b>	<b>\$ 8,376</b>	<b>\$ 9,403</b>
<b>TOTAL</b>	<b>\$ 16,451</b>	<b>\$ 99,002</b>	<b>\$ 106,036</b>	<b>\$ 96,900</b>	<b>\$ 96,500</b>	<b>\$ 94,000</b>	<b>\$ 94,000</b>	<b>\$ 94,000</b>

## 2023/24 Financial Results

Capital expenditures are estimated to be \$99.0 million, which is \$7.0 million lower than the Corporate Plan budget of \$106.0M. The lower spending is primarily related to capital project delays prompted by revised airport schedules and supply chain issues experienced by CATSA's vendors. As a result of these delays, CATSA may seek Finance Canada approval for a capital re-profile from 2023/24 to 2024/25. The potential re-profile has not been reflected in the capital budget for 2024/25.

Key priorities in 2023/24 capital spending include the continuation of two major EDS lifecycle management programs which will continue into future planning periods. These programs will upgrade all existing full body scanners to the latest technology at PBS checkpoints, and replace existing oversized HBS X-ray units with CT technology. In addition, CATSA began the deployment of Ultra Violet sanitization equipment to CATSA Plus lines at major airports, and replaced the mobile readers for the RAIC program, which had reached the end of their useful life.

## 2024/25 – 2028/29 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. Over the 2024/25 - 2028/29 period, the Capital Plan for PBS includes the replacement of existing PBS X-ray equipment with CT technology starting in 2024/25, the deployment of additional PBS screening lines to accommodate a 95/15 wait time service level, as well as the replacement of existing full body scanners. In HBS, the replacement of the existing HBS oversize X-Ray units with CT continues, while the later years of the plan include funding to begin replacing high-speed CT units, which are nearing the end of their useful life.

As part of the lifecycle management plan, CATSA will explore options for new technologies with the aim of optimizing screening operations as well as ensuring alignment with its international partners. In each deployment scenario, work will be coordinated with airport authorities in order to minimize disruption to screening operations.

CATSA's capital plan also provides for the lifecycle management of non-EDS equipment and systems including IT network infrastructure, CCTV cameras and the replacement of the Learning Management System. The budget also consists of annual lease payments.

As capital project delays may arise, CATSA will work with airport authorities and vendors in an effort to accommodate revised project plans. As a result, CATSA 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 the organization to make 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. An overview of CATSA's ERM Profile can be found below.

CATSA recognizes the principle of risk-reward, and manages its risks knowing that:

- The complete elimination of risk is not possible;
- Risk aversion is not the same as risk management; and
- Acceptance of risk can lead to positive outcomes for the organization.

CATSA's overall risk attitude can be described as 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 dependant on public funds to deliver a security mandate, CATSA's environment is highly dynamic, and influenced by two key stakeholders, namely Transport Canada and the Government of Canada more broadly. From a risk management perspective, the unique nature of CATSA's environment requires flexibility and discretion in the application of risk attitude.

CATSA's Risk Profile (as of October 2023)

Mandated Services Risk	
<b>Risk</b>	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 civil aviation system.	
<b>Risk mitigation</b>	CATSA monitors the effectiveness of operational programs on a continuous basis through the use of testing, oversight programs and performance measurement. The organization also ensures that it remains apprised of Transport Canada regulations, and any aviation security equivalency requirements stemming from national and international counterparts.
Capacity Risk	
<b>Risk</b>	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.	
<b>Risk mitigation</b>	CATSA works closely with Transport Canada and Central Agencies to ensure that the organization receives adequate funding throughout the planning period. CATSA also conducts ongoing financial risk management and forecasting activities, in addition to its budgeting processes and requests for supplemental funding as required.
<b>Risk</b>	CATSA staff capacity
There is a risk that CATSA's current staff capacity, in certain areas, may be inadequate to sustain workloads and to support a healthy work environment resulting in employee dissatisfaction and a decrease in corporate performance over time.	
<b>Risk mitigation</b>	CATSA monitors employee satisfaction through regular touchpoint surveys and closely monitors vacancy levels, attrition, and turnover rates. The organization is focused on ongoing staffing actions for the additional eighty-four FTEs over three years, as well as the implementation of its human resources strategic plan.
Service Delivery Through Third Party Risk	
<b>Risk</b>	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. Labour disruptions may result in longer wait times, increased passenger complaints and harm to CATSA's reputation.	



Service Delivery Through Third Party Risk	
<b>Risk</b>	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, 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.	
<b>Risk mitigation</b>	CATSA conducts continuous monitoring of labour market conditions in all of its regions in order to identify potential labour disruption events. The organization also has contractual terms and conditions that provide it with recourse should a contractor or service provider become unable to provide the agreed-upon services. CATSA also monitors and addresses any impacts to its supply chain, both in light of its recent transition to KPrime for the maintenance of most screening equipment, and the transition to new screening services contracts.
Stakeholder Relations Risk	
<b>Risk</b>	Reputational risk
There is a risk that CATSA may encounter events that the organization is not able to effectively manage, which may cause damage to its reputation with travellers and/or its stakeholders, resulting in loss of public trust in CATSA and/or confidence in air transportation security.	
<b>Risk mitigation</b>	CATSA's website provides the public with important information related to its operations, wait time service levels and performance. The organization also conducts regular passenger surveys and develops external communications strategies to respond to various issues that may impact stakeholders. These mechanisms help the organization to ensure that it maintains public trust and confidence as it conducts its mandated activities.
Human Resources Risk	
<b>Risk</b>	Employee Recruitment and Retention
Due to labour market conditions for talent or due to CATSA's overall corporate human resources strategies, there is a risk that CATSA may experience challenges in recruiting and/or retaining key and/or specialized talent resulting in a potential loss of corporate memory and/or decrease in overall corporate performance.	
<b>Risk mitigation</b>	CATSA monitors and reports on attrition rates on a quarterly basis. In addition, the organization has implemented a flexible workplace model in order to meet the changing needs of the post-pandemic workforce. CATSA will continue to strive to attract, recruit and retain the best talent.

IT Risk	
<b>Risk</b>	Cyber Attacks on IT Infrastructure
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 compromise organizationally sensitive or secret information resulting in a loss of public confidence and potential damage to CATSA's reputation.	
<b>Risk mitigation</b>	CATSA strengthens its cyber security defences with the ongoing development of the Security Incident and Event Management program along with the implementation of additional cyber controls.

## 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.

Additionally, a number of federal legislative, regulatory and policy frameworks establish the foundation that CATSA uses to develop its standard operating procedures and related training programs to guide screening officers in the performance of their duties. Other legislation and Treasury Board of Canada directives address financial accountability, official languages, impact assessments, privacy, access to information, and multiculturalism.

Other legislative and regulatory instruments directly applicable to CATSA's mandate include:

- *Security Screening Services Commercialization Act*;
- *Canadian Aviation Security Regulations, 2012*; and
- *Screening Security Measures*.

CATSA works closely with the Government of Canada to fulfil its mandate in compliance with all of the legislative and regulatory instruments above, through the application of a robust oversight and reporting program. The organization is also subject to the requirements of a number of legislative and regulatory instruments that apply outside of the scope of its mandate. For example, CATSA adheres to, and is compliant with the requirements of:

- *The Financial Administration Act (FAA), Part X*;
- *The Crown Corporation General Regulations, 1995*;
- *The Crown Corporation Corporate Plan, Budget and Summaries Regulations*;
- *The Treasury Board of Canada Directives*;
- *The Canada Transportation Act*; and
- *The Transportation Information Regulations*.

CATSA is accountable to provide security screening services to a diverse population of passengers and non-passengers, and as such, the organization reports on its compliance with the following pieces of legislation, the details of which are highlighted throughout this corporate plan:

- The *Official Languages Act*;
- The *Access to Information Act* and the *Privacy Act*;
- The *Accessible Canada Act* and associated regulations; and
- The *Employment Equity Act* and associated regulations.

Government of Canada Directives

### ***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 and replaces Order in Council P.C. 2014-1382 of December 2014. 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 new Directive on Proactive Publication under the *Access to Information Act*. CATSA is committed to open and accountable governance, actively providing travel, hospitality, conference and event expenditures through proactive disclosure in compliance with the directive. Additionally, pursuant to the directive, CATSA's proactive disclosure publications will also include all reports tabled in Parliament, published on the Treasury Board of Canada Secretariat Open Government Portal. CATSA has amended proactive disclosure publication procedures to ensure all tabled reports will be published to the Open Government Portal and accessible to the public.

### *Employment Equity Act*

CATSA takes appropriate measures pursuant to the *Employment Equity Act*.

The objective of the organization's Employment Equity Plan is to achieve a well-balanced workforce that reflects Canada's diversity and fosters a positive and supportive working environment. CATSA respects wide-ranging social and cultural values while striving 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 focuses on various initiatives, 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.

CATSA will continue to prioritize the implementation of the Employment Equity Plan to introduce and sustain positive practices to increase the representation of the four designated groups, while also encompassing the broader principles of diversity and inclusion.

### *Official Languages Act*

Under Part IV of the *Official Languages Act*, CATSA is required to provide 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. The demand for services in the minority language is measured, and the list of airports requiring minority language service is updated following the decennial census of the population.

In an effort towards continuous improvement, CATSA surveys passengers across the country on a quarterly basis to verify if they were served in their preferred language. Survey results, along with compliance measurement reports and complaints, are analyzed and used to improve front-line performance.

CATSA remains committed to its official languages obligations, including those that relate to its workforce. The organization works closely with its internal Advisory Committee on Official Languages, as well as the Office of the Commissioner of Official Languages and the Treasury Board Secretariat Official Languages Centre of Excellence, to make further progress on official languages goals.

## *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 introduced new training requirements for all employees, covering privacy essentials including the collection and use of personal information and implementing privacy protection measures.

## 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.

## Bill C-52: The *Air Transportation Accountability Act*

CATSA is staying abreast of the progress of Bill C-52, which would enact the *Air Transportation Accountability Act*, further increasing accountability within the civil aviation ecosystem, promoting better data sharing aimed at enhancing operations for the benefit of passengers, and enhancing communication for passengers.

## APPENDIX H: Government of Canada Priorities and Directions

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 the Minister of Transport, and the letter of expectations from the Minister of Transport to the Chairperson of CATSA's Board of Directors (see Appendix A).

### Improved Service Delivery

CATSA strives to improve its mandated delivery of security screening services through meeting or exceeding its security effectiveness target, striving for an improved wait time service level, exploring new technologies, advanced analytics and artificial intelligence, implementing life-cycle management plans and collaborating with partners to improve the passenger journey.

### 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. Furthermore, new e-modules on screening religious headwear and articles of faith, as well as training on unconscious bias, has been developed and will be deployed to screening personnel during the planning period. Additionally, a gender-neutral algorithm for full body scanners will be fully deployed by the end of 2024/25. This algorithm introduces better technology and more respectful processes that acknowledge the diversity of 2SLGBTQI+ community.

Additionally, CATSA supports the Government of Canada's objective to build a workforce that reflects the diversity of Canada's population. In addition to the efforts contained in CATSA's Employment Equity Plan described in Appendix H, the organization's Code of Ethics, Conduct and Conflict of Interest, is designed to foster and reinforce a safe, respectful and welcoming work environment for all.

CATSA continuously increases employee awareness by working with the DIN to identify potential barriers to employment equity, provide employees with career management sessions and toolkits, and introduce a variety of diversity and inclusion initiatives and training sessions.

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*.

## Indigenous Relations and Reconciliation

CATSA is fully committed to reconciliation with Indigenous peoples. The organization's actions in the sphere of civil aviation security have consisted of striving towards a workforce that is representative of Indigenous populations and ensuring that sacred and spiritual items are treated respectfully during the screening process.

In 2023, CATSA collaborated with Indigenous leaders to develop the course material for the Indigenous Cultural Awareness learning program provided to screening contractors, screening officers and CATSA staff. The goal of the training is to enhance the service offered to Indigenous travellers and incorporate diverse Indigenous backgrounds, experiences, cultural values and traditions into CATSA's operations.

CATSA continues to work with screening contractors to underscore the importance of the procedures for screening sacred and spiritual items. These procedures outline best practices for screening items with sensitivity and respect.

## Gender-based Analysis Plus

CATSA enables the implementation of 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 Action Plan. The action plan has been successful in championing new initiatives, strengthening current processes and identifying gaps. CATSA has implemented successful initiatives including integrating GBA Plus principles into the project review process.

CATSA implements ongoing GBA Plus training. As an example, employees in leadership and decision-making positions are participating in the "Introduction to GBA Plus" online module provided by the Government of Canada. The goal is to provide decision-makers with additional insight on how diverse groups experience CATSA's programs, policies and services.

Additionally, CATSA will be conducting a review of the Customer Service Commitment to Passengers with GBA Plus principles at the forefront. This work and any resulting adjustments reflect the importance of respectful, sensitive and barrier-free interactions with passengers.

Lastly, the organization's DIN 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 accessible lens.



As part of CATSA's commitment to accessibility and in line with direction from the Government of Canada, the organization published its first Accessibility Plan on December 31, 2022. To uphold the commitments and action items highlighted in the plan, CATSA has maintained a cross-branch working group that meets regularly to monitor progress and measure success. The organization continues to progress towards the *Accessible Canada Act* commitment to a barrier-free Canada by 2040.

In December 2023, CATSA published the Accessibility Plan Progress Report, which provides an update to Canadians on action plan items in accordance with regulations. The organization initiated a consultation and feedback process for the progress report, providing advocacy organizations, screening officers, and CATSA employees an opportunity to provide their input into the accessible future of CATSA and its operations. 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 industrialization 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 continues to incorporate 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, GBA Plus Action Plan, and Employment Equity Plan highlight the organization's strong foundation of sustainability and equity.

## Climate Change and Green Government

CATSA is undertaking preparatory work to adopt the Task Force on Climate-related Financial Disclosures (TCFD) as an element of corporate reporting by 2024. As part of these preparations, the Board of Directors approved a Climate Disclosure Policy in 2022/23, and CATSA performed a qualitative climate-related risk and opportunity assessment. This assessment concluded that while CATSA's climate physical and transition risks were limited, that monitoring climate impacts on airport operations and equipment was warranted. During 2023/24, CATSA finalized its greenhouse gas emissions inventory, conducted a climate scenario analysis and developed a climate strategy and initial targets. Ultimately, the organization will report the results of these new requirements in its 2025 Annual Report.