



PACIFIC PILOTAGE AUTHORITY

Corporate Plan Summary (2026 – 2030)



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Executive Summary

The Pacific Pilotage Authority (PPA) provides pilotage services on the west coast of Canada, as mandated under the *Pilotage Act*.

With our CEO completing his first year in the role, the Authority is well positioned to continue to move forward with its *Strategic Plan for 2024 to 2029*. Activities to advance our strategic objectives are underway and we have a clear roadmap for the next several years. Operationally we continue to provide reliable pilotage services whilst maintaining the safety of pilots, staff and the marine environment. Financially, we have rebuilt our reserves and are investing in opportunities that will deliver efficiencies and improvements in service.

The Authority is currently focused on several immediate fronts:

Strategic Objectives:

1. National Consistency and Collaboration
2. Pilotage NextGen
3. Workforce of the Future
4. Operational and Service Excellence

National-Consistency-and Collaboration

Consistency - Changes to the *Pilotage Act* have signaled the need for more consistency in pilotage between Canada's four pilotage authorities. We are actively involved in aligning governance, reporting, communications and training whilst respecting regional delivery models.

Opportunities for collaboration – Building on established relationships within Canada's four pilotage authorities and the federal government, the PPA continues to pursue collaboration on shared issues, such as adopting a common incident reporting methodology and coordinating software and equipment acquisitions.

Pilotage NextGen

Procurement of new pilot launch –We have initiated the process to replace the *Pacific Chinook*, which services ships at Triple Island near Prince Rupert. A request for proposals has been posted in Q3 2025, selection expected in Q4.

Technology and cybersecurity – The Authority is working with the Vancouver Fraser Port Authority to integrate systems and reduce duplication of data and effort by the shipping industry. We continue to update cybersecurity protocols and provide staff with training to mitigate threats.

Workforce of the Future

Pilot recruitment and training – Facing an industry-wide shortage of marine personnel, the Authority is collaborating with industry partners and the Canadian Marine Careers Foundation (CMCF) to build interest in maritime careers. Recent efforts include updated pilotage career guidance, refreshed photo and video content, increased career fair participation, and providing scholarships for Nautical Studies and Bridge Watch Rating students at the British Columbia Institute of Technology (BCIT).

Pilotage service contract renewal – Our current service agreement with BC Coast Pilots Ltd. (BCCP), our largest single operating expense, expires at the end of 2025. We have begun renewal

negotiations to mitigate any potential for service disruption and are confident of securing a renewed contract.

Operational and Service Excellence

Helicopter operations – We completed the first year of helicopter operations for pilot transfers to and from tankers departing from Trans Mountain’s expanded Westridge Terminal. Over 1,400 safe and efficient transfers were completed. This has enhanced marine safety by allowing pilots to stay onboard longer and avoiding disembarkation manoeuvres. We are exploring service expansion to the North Coast operations to support the new LNG Canada (LNGC) operations launched in June 2025.

Waivers – In response to an interim order (IO) under the *Pilotage Act* in 2024, the sea time requirements for waivers have been amended to require area-specific experience. We have updated internal processes and introduced audits to ensure compliance.

Financial Outlook

While inflation is easing and interest rates are falling, new tariffs from the U.S. and reciprocal measures from other countries have created investment uncertainty and weakened consumer confidence and spending. Global negotiations between countries may offer a resolution.

Economic factors and climate change may affect vessel traffic. Extreme weather can impact supply chains and harvests. However, traffic is increasing with the expanded Trans Mountain pipeline and LNG Canada’s new terminal. A May 2025 [report](#) by Clear Seas highlights several energy and infrastructure projects in development, suggesting steady growth in assignments over the next five years.

We anticipate a \$1.3 million surplus in 2026 and modest surpluses in future years. Planned capital expenditures of \$35 million in 2026 are primarily for a right-of-use helicopter services contract supporting North Coast operations. If discussions with LNG Canada are successful, helicopter transfers could begin in 2026.

We also plan to replace one of our Prince Rupert launches with a more fuel-efficient and environmentally friendly vessel. Estimated construction costs of \$15 million would largely fall in 2026/27 and be funded through a combination of bank financing, reserves and service charges. A review of launch service charges will follow completion of the RFP process. Remaining capital expenditures, including launch engine overhauls and hull refurbishments, will be funded through operating cash flow or cash balances on hand.

Conclusion

The Authority remains committed to delivering safe, efficient, and cost-effective pilotage services on Canada’s west coast. Our success depends on strong relationships with the federal government, the pilots we work with, and the industry we serve - 24 hours a day, 365 days a year.

1. Overview

Background

The Pacific Pilotage Authority (PPA) is a Crown corporation listed in Schedule III, Part 1 of the *Financial Administration Act*. The PPA reports to the Parliament of Canada through the Minister of Transport. The Authority is responsible for Canadian federal interests in pilotage and is headquartered in Vancouver, British Columbia.

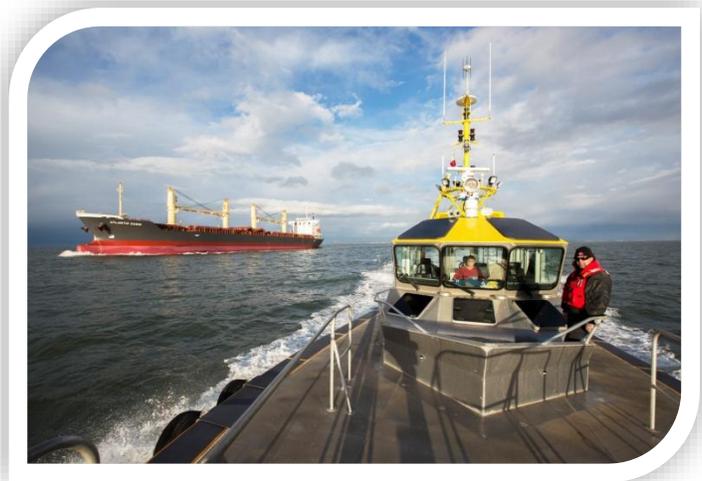
The Authority's responsibilities and relationships are varied and reflect the unique nature of the west coast of Canada. Our area of jurisdiction encompasses the entire British Columbia coast, extending approximately two nautical miles from every major point of land. This jurisdiction includes the Fraser River and stretches from Alaska in the north to Washington State in the south. With some approximately 15,000 kilometres of coastline, it is one of the largest pilotage areas in the world.

Mandate

The Authority's mandate, enabled under the *Pilotage Act*, is to establish, operate, maintain and administer in the interests of safety of navigation, an efficient pilotage service.

Public policy role

The Authority's role is to facilitate Canada's international trade by providing a safe and efficient pilotage service on the west coast of Canada.



Vision statement

To lead a world-class marine pilotage service on the west coast of Canada.

Mission statement

The PPA is dedicated to providing safe, efficient, and cost-effective marine pilotage. We will do this by working in partnership with the pilots, the shipping industry and the communities in which we operate, to protect the environment and advance the interests of Canada and its people.

Activities and operations

The Authority is one of four federally regulated pilotage authorities in Canada. The other three (Atlantic, Laurentian and Great Lakes) operate in central and eastern Canada.

We administer the largest area of compulsory pilotage waters in Canada providing coastwide service in all areas of British Columbia including the ports of Vancouver, Nanaimo, Victoria, Port Alberni, Prince Rupert, Kitimat and Stewart.



When a vessel intends to enter compulsory pilotage waters on the British Columbia coast, it will initiate an order for a pilot at a specified time, date, and boarding station. A pilot who is contracted to the PPA will carry out this assignment. Pilots board vessels from a dock, pilot launch or helicopter and disembark in one of the same ways when the vessel leaves pilotage waters.

The Authority's head office, which includes our central pilot dispatch office, is in Vancouver, British Columbia. A coordination centre in Victoria provides additional dispatch support. The PPA operates employee-crewed pilot launches at three permanent boarding stations to transport pilots to and from ships. The stations are located at Victoria, Prince Rupert and Steveston. The Authority also contracts launch operations from third parties at smaller, less active locations at Pine Island, at the northern tip of Vancouver Island, and Snake Island in the Nanaimo area.

Please refer to the Authority's 2024 Annual Report for further corporate information.

<https://www.ppa.gc.ca/annual-reports>

2. Operating environment

Internal environment

To fulfil its defined objectives and achieve its mandate, the following is a brief list of the key internal factors that influence the Authority's operations as well as some of the strengths used to support success:

- **Human Resources overview**

The following table summarizes current staffing levels (full time equivalents are provided for full-time and part-time staff).

Function	Employees	Full Time Equivalents
Executive Management	5	5
Management	9	9
Fraser River Employee Pilots	15	13.5
Administration & Accounting	6	5
Dispatch	13	13
Launch	28	28
Administration & Accounting - casual	4	-
Dispatch – casual	8	-
Launch – casual	37	-
Total	125	73.5
Contract pilots (BCCP)	n/a	135

The PPA does not anticipate significant changes to staffing in 2026 through 2030.

Except for the Executive Management and Management groups, the Authority has collective agreements in place covering the employee groups indicated above, as follows:

- the Canadian Merchant Service Guild, representing all employee pilots, expires January 31, 2027;
- the Canadian Merchant Service Guild, representing all launch masters and engineers, expires March 31, 2028;
- the International Longshore & Warehouse Union, Local 520, representing all deckhands, dispatchers and administrative staff, expires March 31, 2027.

We also contract the British Columbia Coast Pilots Ltd. (BCCP) for coastwide pilotage services with a workforce of approximately 135 contract pilots. The present agreement with the BCCP expires on December 31, 2025, and the PPA is currently preparing to negotiate a new agreement in advance of the 2025 expiry date.

- **Pilot transportation for energy projects**

West Coast shipping volumes are expected to continue to grow over the next five years, and beyond, with the addition of several new energy-related projects on the BC Coast. This follows the successful opening of the Trans Mountain (TM) pipeline expansion project in

May 2024 and the new LNGC terminal in June 2025. These recent projects require two pilots on the bridge in several areas along the route and, due to the length of the transit, sometimes a third pilot to allow for mid-transit pilot exchanges.

To mitigate the projects' impacts to workforce efficiency, the PPA negotiated a contract with a helicopter service provider in early 2024 to transport pilots to/from outbound tankers departing from Trans Mountain's Westridge terminal in Burnaby, BC. Helicopter hoisting operations began for tankers outbound from Westridge Terminal in May 2024 and are now providing service to on average 25 tankers per month. The Authority is also working with LNG Canada on a proposal for similar pilot transfers to mitigate potential delays caused by poor weather and high seas, which would make transfers by sea unsafe.

- **Pilot recruitment and training**

The supply of new apprentice pilots is limited due to a small labour pool and competition from other marine service organizations. This shortage poses a risk to the PPA's ability to meet demand from several new energy-related projects planned for the BC Coast without compromising safety. Once hired as a marine pilot, it takes six years to reach a level of proficiency required to pilot all classes of ship. Unrestricted pilots are essential for the size of vessels associated with the cargoes at the scale of these projects. To mitigate this risk, the Authority runs a familiarization program for potential apprentice applicants and is expanding its simulator capacity for pilot training. Additionally, the PPA has launched annual funding for scholarships in marine training programs to support new entrants in the marine sector.

- **Strong operations team**

The PPA has a highly effective management team in place with a strong understanding of business operations. The Authority has recently added depth to this group with new hires in safety management, community engagement and human resources.

- **Systems and technology**

We are committed to investing in technology to ensure the safety and efficiency of our operations, including:

- In-house Pilotage Simulator for Training and Research (PSTAR) facility: The Authority has invested in an advanced in-house simulator, in partnership with BCCP, which is being extensively used for:
 1. Pilot training
 2. Proof of concept for new projects
 3. Navigational risk assessments

The simulator's capabilities have facilitated the training of pilots for operations at Trans Mountain's expanded Westridge Terminal and most recently the new LNG Canada terminal in Kitimat.

- Portable Pilotage Units (PPUs): We continue to invest in PPUs, which are highly accurate portable navigation devices used to assist pilots in making timely and informed decisions with reference to navigational safety. PPUs are completely

independent of a ship's navigation system and have become an industry standard. The Authority has undertaken a process over the past couple of years to renew the PPU's in use and expects to complete this process by the end of 2025.

- Pilot Dispatch and Accounting Management System (PDAMS): The system was implemented in 2023 to provide additional data collection and a modernised platform from which to meet potential new requirements, such as integration with other third-party systems within the supply chain. An online application module for pilotage waivers was also added in 2024. Additional functionality during the next phase of implementation in 2025 will include the digitization of pilot sea time records and training logs for submission to Transport Canada.

We are also actively engaged in a pilot project to integrate PDAMS with the Vancouver Fraser Port Authority's (VFPA) Central Scheduling System (CSS), the software component that underpins the VFPA's Active Vessel Traffic Management (AVTM). This initiative aims to reduce duplication of effort for shipping masters and agents by enabling shared access to information on vessels arriving and departing. The initial scope of the pilot project is limited to tankers calling at the Westridge terminal. Following proof of concept and initial trials, it will be expanded sequentially to additional vessels and terminals within the VFPA's jurisdiction and beyond. The overall goal is to provide a potential platform for the International Maritime Organizations (IMO) Maritime Single Window initiative.

- In 2024, we reached an initial agreement with MarineLabs for more accurate information on environmental conditions using cameras installed at key locations in the compulsory pilotage area. Building on its successful outcomes, we have extended and expanded the agreement in 2025. Additional cameras have been installed near Kitimat to support the LNGC terminal and at the Annacis Island Auto Terminal, on the Fraser River, near Vancouver.

The PPA is a mature organization with well-developed policies and procedures to address recurring and new challenges. The Authority is also ISO 9001:2015 and ISM Code compliant and certified.

External environment

Under the *Pilotage Act*, the PPA operates as a regulated monopoly. Although there is no direct competition, indirect competition exists from competing ports south of the border. For this reason, we regularly conduct cost comparisons between west coast ports in Canada and the US. These ports mainly handle trade with Asia. The Port of Vancouver, Canada's largest port by all measures, ships a diverse mix of products, ensuring resilience during downturns in specific sectors.

The following is a brief listing of the key external issues and considerations for the PPA:

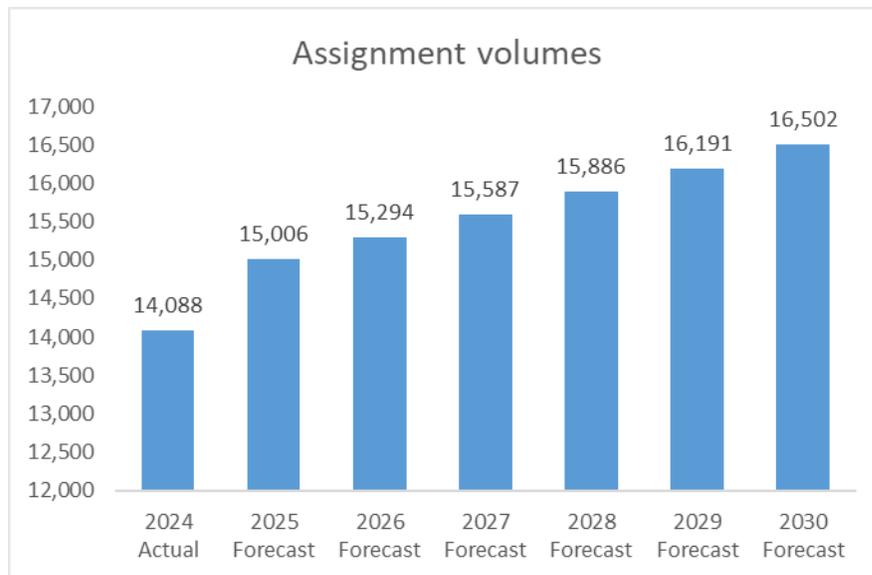
- **Global trade uncertainty**

Although inflation and interest rates have decreased over the past year, business confidence and particularly global trade has been shaken by the US administration's efforts to impose higher tariffs. This has also resulted in reciprocal tariffs from other countries.

Uncertainty about the scope and duration of new tariffs make it difficult for businesses to plan investments and for consumers to continue spending with confidence, both of which stimulate economic growth. As a result, except for growth related to new energy projects, we expect limited growth in marine facilitated international trade on the Canadian west coast over the next few years.

- **Traffic trends**

Traffic volumes are forecast to be higher in 2025 compared to 2024, in part due to a full year of activity from the expanded Trans Mountain pipeline, compared to only seven months in 2024. As LNGC’s new terminal started operations mid-year 2025, that will also provide increased tanker traffic in the second half of 2025 and future years. Additional growth beyond 2025 is expected from other energy projects in various stages of development on the BC Coast, including the Cedar, Ksi Lisims and Woodfibre LNG projects and the Ridley Island Energy Export Facility for Liquid Propane Gas in Prince Rupert.



- **Impact of trade barriers or disruption in trade**

The imposition of any international trade barriers and tariffs on imports/exports (particularly with China and the U.S.), labour disruption, or inefficiencies in the supply chain in western Canada could have a significant effect on shipping volumes in western Canada as users and corporations adjust their trade to more cost effective or more reliable locations.

- **Increasing size of vessels with delayed increase in supporting infrastructure**

Vessel sizes continue to grow on the west coast of Canada. We have noted that investment into terminal growth and related infrastructure is slow in keeping pace with the growth in ship sizes. The result is an increasing risk of incidents. In addition to advocating for navigational safety at terminals, the Authority mitigates this risk through pilot training and the use of supporting technology and additional tugs to prevent incidents.

- **Marine Conservation**

We have been an active participant in the Enhancing Cetacean Habitat and Observation (ECHO) Program, led by the Vancouver Fraser Port Authority (VFPA) since its inception in 2014. The program has instituted voluntary vessel slowdowns through Haro Strait and Boundary Pass, along with other restrictions, during the summer months when the Southern Resident Killer Whales (SRKW) are typically present in the Salish Sea. The Authority administers a reimbursement program to cover additional pilotage costs to shipowners from the slowdown with funding provided by Transport Canada. The reimbursement program will continue through the 2025 season.

With international commitments to protect 30% of Canada's oceans by 2030, the Government of Canada continues to establish marine protected areas (MPAs) on the West Coast. New federally established MPAs have minimum protection standards regarding discharges from vessels that may affect navigation routes. In addition, several BC coastal First Nations have declared Indigenous Protected and Conserved Areas (IPCAs) under Indigenous laws. Marine IPCAs bring other considerations around respecting the rights and interests of Indigenous Nations with respect to shipping. The Authority continues to track potential restrictions impacting vessel navigation these areas.

- **Shift from fossil fuels to renewable energy**

With commitments by governments to reduce consumption of fossil fuels to mitigate the impact of climate change, demand for fossil fuels such as crude oil and coal will eventually be impacted and shipping volumes for these products may see declines in the future. With assignments well diversified across several product sectors, the Authority is a strong position to adapt to these potential shifts.

Alignment with Government priorities and direction

Please refer to Appendix 9 for a more detailed discussion on the Authority's alignment with Government priorities and direction.

- **Directives under Section 89 of the *Financial Administration Act* (FAA)**

The PPA is fully compliant with the directive issued under Section 89 of the FAA with respect to travel, hospitality, and conference expenses.

- **Pilotage Act modernization**

Amendments to the *Pilotage Act* were introduced in 2024 to strengthen long-term delivery of safe, efficient and environmentally responsible marine pilotage services in Canada. As part of its implementation, the *General Pilotage Regulations* were updated in 2022, consolidating the previously separate regional regulations, including those for the Pacific. We continue to work with Transport Canada to implement operational changes required to comply with the updated regulations, while also supporting the department's efforts to modernize the regulatory framework through the proposed *Canadian Marine Pilotage Regulations*.

- **Auditor General Special Examination**

The Office of the Auditor General completed a regularly scheduled Special Examination of the Authority in 2023-24. The results were published in August 2024. A significant deficiency was noted with respect to pilotage waivers along with recommendations for improvement in a few other areas.

The Authority has taken action to address the deficiency and recommendations, including:

- Requiring operators to demonstrate that their officers meet all Certificate of Competency requirements under the *Canada Shipping Act, 2001* without exception.
- Providing expert advice and input into the development of Transport Canada’s Interim Order Respecting Waivers of Compulsory Pilotage Granted by the Pacific Pilotage Authority, issued on 4 November 2024. The [Interim Order Respecting Waivers](#) replaces the sea time experience requirements in the current regulations with requirements more aligned with the specialised knowledge and navigation experience mariners need to safely operate in BC’s waterways .

Actions to address the remaining recommendations were completed by May 2025. These include enhancements to Board oversight, risk management, adherence to required pilot training, and vessel safety inspections. The full 2024 Special Examination report, along with the Authority’s action plan to address each recommendation, is available at:

<https://www.ppa.gc.ca/other-reports>.

Other reviews and audits

The following reviews and audits were recently conducted:

- ISO 9001:2015 and ISM Code certification issued in December 2024. This was the ninth consecutive year with no significant deficiencies identified.
- The Authority continues to mitigate the risk of disruption from a cybersecurity incident and continues to strengthen policies and procedures following cybersecurity audits in 2023 and 2025, and simulation exercises in 2022 and 2024.
- Our dispatch and accounting management system, PDAMS, was the focus of recent audits with respect to cyber security and to financial integrity. Work to implement recommendations from those audits is ongoing.

3. Strategic Objectives, Activities, Risks and Expected Results

The Authority embarked on a process to establish a new set of strategic objectives for the period from 2024-2029. After several months of discussion and consultation with internal and external stakeholders, the Authority's senior management developed a new set of strategic objectives, which were approved by the Board, as follows:

- Work with Transport Canada, other Pilotage Authorities and key partners towards **“National Consistency and Collaboration”** that is aligned with Transport Canada's objectives, as set out in the *Pilotage Act*, for a coast-to-coast-to-coast pilotage program that respects regional models and expertise.
- Establish a future vision for **“Pilotage NextGen”** that leverages technologies both for the Pilotage Authority and the piloting community taking into consideration input from key partners.
- Define, implement and embrace a new model for human capital as the **“Workforce of the Future”** for the Authority and pilotage on Canada's West Coast.
- Commit to **continuous improvement** and enhancement of the Authority's services to our customers, whilst remaining financially responsible and sustainable.

Planned key activities and expected results from the Authority's Strategic Plan for 2024-2029 are as follows:

Strategic Objective

Work with Transport Canada, other Pilotage Authorities and key partners towards achieving alignment with Transport Canada’s objectives as set out in the *Pilotage Act* for a coast-to-coast-to-coast pilotage program, while respecting regional models and expertise.

The following risks are mitigated by planned activities:

- PPA will not be able to provide sufficient input and exert influence prior to the review of the *Pilotage Act* in 2029, or will be unable to implement and comply with any resulting regulatory changes.

Planned Activities	Expected results	Performance measures	Recent results
<p>Conduct regular meetings with Chairs and CEOs of all four pilotage authorities and be an active member of the National Pilotage Advisory Committee (NPAC)</p> <p><i>(On-going)</i></p>	<p>Harmonization of regionally relevant and applicable pilotage services across the pilotage authorities</p>	<p>Meetings take place as scheduled and action items are executed.</p>	<p>Prepared and shared Marine Pilotage Incident Response Plan.</p> <p>Worked with TC to realign Pilotage Act Administration Fee allocation.</p> <p>Established collaborative efforts on pilot launch routing and fuel consumption optimization.</p> <p>Established collaborative efforts on common approach to climate and ESG reporting.</p>
<p>Work with Transport Canada to review and renew compulsory areas in support of the new Trans Mountain and LNG Canada projects</p> <p><i>(On-going)</i></p>	<p>Compulsory pilotage areas that support safe and efficient transit of vessels on the West Coast</p>	<p>Interim Orders (IO) are in place as needed.</p>	<p>IO renewed for extension of compulsory pilotage zone for outbound crude oil tankers.</p> <p>IO Respecting Waivers of Compulsory Pilotage published.</p> <p>IO for LNG Carriers published for Area 4 (North Coast)</p>

Planned Activities	Expected results	Performance measures	Recent results
<p>Work with Canadian Marine Pilots Association (CMPA) to strengthen relationship with pilotage authorities</p> <p><i>(On-going)</i></p>	<p>Stronger partnership between piloting community and pilotage authorities in support of world-class national pilotage system</p>	<p>Terms of reference are developed for the biannual meetings between PAs and the CMPA supported by a framework that clearly articulates the relationship goals and objectives.</p>	<p>PPA Chair and CEO met with CMPA leadership.</p> <p>PPA shared common messages around critical role of pilotage in the efficient movement of marine commerce and in the safety of the environment.</p>
<p>Work with Transport Canada, other pilotage authorities and the piloting community on the development of the Quality and Safety Management System (QSMS) regulations</p> <p><i>(On-going)</i></p>	<p>Successful implementation and adoption of new QSMS regulations</p>	<p>Development of a QSMS that integrates the existing ISM/ISO system.</p>	<p>New Integrated Safety Systems Manager hired and onboarded in 2024.</p> <p>In preparation for the coming into force of the new regulations, the PPA has prepared and commenced a comprehensive implementation plan.</p>

Strategic Objective
<p>Establish a future vision for – Pilotage NextGen – that leverages technologies both for the Pilotage Authority and the piloting community taking into consideration input from key partners (e.g., Transport Canada, PAs, pilots, First Nations, other government departments (OGDs), Industry, Partners & Coastal Communities).</p> <p>The following risks are mitigated by planned activities:</p> <ul style="list-style-type: none"> – Failure of IT and telecommunication assets to be accurate and complete, and reliably accessible to authorized parties when needed by the business. – Inability to source and train sufficient qualified pilot candidates.

Planned Activities	Expected results	Performance measures	Recent results
Engage with key partners to advance smart port initiatives (e.g. Active Vessel Traffic Management and IMO's Maritime Single Window initiative) <i>(On-going)</i>	Integration of the Authority's systems with port systems to improve efficiency.	By 2026 PDAMS is integrated with VFPA AVTM and plans are in place to continue to integrate with other port jurisdictions.	Meetings have been held with industry and VFPA to advance integration. A contractor has been identified by VFPA to move forward.
Leverage the simulator joint venture, PSTAR, in support of major marine projects on the West Coast <i>(On-going)</i>	Development of a business model for the simulator that ensures financial self-sufficiency of the joint venture at a minimum	PSTAR is run as a self-funded business in accordance with the business plan.	Training has been held for Trans Mountain and LNG Canada terminals and simulations for several projects on the West Coast have been completed with several more scheduled.
Construct new pilot launch to upgrade aging fleet <i>(New)</i>	Pilot launch built within budget and on schedule	Regular reporting of actual costs to budget and monitoring of project milestones to meet schedule	Request for proposals posted on Canada Buys website in August 2025

Strategic Objective
<p>Define, implement and embrace a new model for human capital - Workforce of the Future - for the Authority and Pilotage on Canada's West Coast.</p> <p>The following risks are mitigated by planned activities:</p> <ul style="list-style-type: none"> - Inability to source and train sufficient qualified pilot candidates - Inability to source and train sufficient qualified candidates to operate and maintain PPA's launches - BCCP fails to meet its service agreement requirements

<i>Planned Activities</i>	<i>Expected results</i>	<i>Performance measures</i>	<i>Recent results</i>
Identify and document leading human capital practices relevant to marine pilotage <i>(On-going)</i>	Understanding of leading practices and creation of potential initiatives for development and implementation	Leading practices are documented and reviewed within the PPA	Revamped our employee professional development program to include funding for employees pursuing more advanced marine certifications based on industry research. Participated in advisory group for the Canadian Seafarers Pathway Study, a national study that analyzed workforce challenges and future workforce demands.
Identify new/different approaches to address systemic barriers in hiring and testing of knowledge, skills and abilities (e.g. hiring of women, indigenous peoples) <i>(On-going)</i>	Enhance the Authority's ability to meet Equity, Diversity and Inclusion goals	Enrollment of diverse candidates in the scholarship and mentorship program; recruitment materials encourage applicants from historically under-represented groups	Recently awarded four BCIT Nautical Sciences students with scholarships of \$2500 each. PPA is working with Transport Canada to develop a program to help candidates gain sea time for maritime certifications through pilot boat work experience.
Recruit students from various disciplines to complete a work term with the Authority <i>(On-going)</i>	Cost-effective support for managers with significant projects and development of future talent for the Authority	Recruitment and onboarding procedure established with procedures for students	BCIT data analytics students recently completed a practicum project analyzing fuel consumption and maintenance costs on our pilot launches.
Develop Prince Rupert workforce strategy <i>(New)</i>	Prince Rupert workforce model sufficient to meet increase in operational demands	New workforce model is developed and successfully implemented	Commencing in 2026

Strategic Objective

Operational and Service Excellence – Commit to continuous improvement and enhancement of PPA’s services to our customers while remaining financially responsible and sustainable with consideration of pilots, First Nations, OGDs, Industry, Partners, and Coastal Communities.

The following risks are mitigated by planned activities:

- Unable to cover committed obligations and overhead because of a decrease in assignment volumes
- Inadequate response to a disaster or emergency
- An objection to the PPA's service charges is lodged with the Canadian Transportation Agency
- Incidents involving vessels that have been granted pilotage waivers or vessels operating without a valid pilotage waiver

<i>Planned Activities</i>	<i>Expected results</i>	<i>Performance measures</i>	<i>Recent results</i>
<p>Conduct transportation review internally to optimize pilot transportation to/from assignments <i>(On-going)</i></p>	<p>Reduced transportation costs, pilot travel time, and/or pilot fatigue</p>	<p>Recommendations on transportation optimization and reduction in travel time for pilots with a goal to reduce pilot transportation fatigue and yield efficiencies.</p>	<p>Seasonal air charter to Pine Island has been utilized on a trial basis for pilot transportation to Prince Rupert instead of scheduled commercial flights. Results being analyzed to determine whether to continue a charter to Prince Rupert on a regular basis.</p>
<p>Implement helicopter program in the South (Trans Mountain) and the North (LNG Canada) <i>(On-going)</i></p>	<p>Safe and financially sustainable operation to transport pilots via helicopter to/from tankers departing Trans Mountain and LNG Canada terminals</p>	<p>A contract is in place for 7 years for the South with an option to extend by 3 years</p>	<p>Successfully completed first year of helicopter service on the South Coast with over 1,400 hoists, and expansion from daytime only to 24-hour operations.</p>

<i>Planned Activities</i>	<i>Expected results</i>	<i>Performance measures</i>	<i>Recent results</i>
<p>Complete 2025 Enhancements to the recently implemented Pilot Dispatch and Management System (“PDAMS”), including digitalization of pilot data</p> <p><i>(On-going)</i></p>	<p>Tracking of pilot training and currency in new module within PDAMS</p>	<p>Cost-benefit analysis completed. New module is in service, and all pilots have access to their training portfolios.</p>	<p>Contract signed with software development company to create pilot training module and development work to commence in Q3 2025.</p>
<p>Investigate costs and benefits of implementing a Human Resources Information System (“HRIS”)</p> <p><i>(New)</i></p>	<p>Recommendation for new HRIS, integrated with existing payroll system</p>	<p>Report supporting the Management recommendation</p>	<p>Scheduled to commence in 2026.</p>

Key Performance Indicators

Performance of the Authority is regularly reviewed by the Board of Directors. Key performance indicators are incorporated as part of this review and results for the current year-to-date (to June 2025) and for next year (2026) are as follows:

Safety		2025 (Actual)	2026 (Goal)
1.	Incidents on vessels under pilotage	1 (99.9% incident free)	99.9% incident free
2.	Incidents on pilot launches	1 (99.9% incident free)	99.9% incident free
3.	Pollution incidents on pilot launches	0	0
Reliability			
4.	Number of delays (hours) caused by pilots	1 (99.9% delay free)	99.9% delay free
5.	Number of delays (hours) caused by dispatch errors	0 (100% delay free)	99.9% delay free
6.	Number of delays (hours) caused by launches	1 (99.9% delay free)	99.9% delay free
7.	Total number of delays (total hours delayed)	2 (99.9% delay free)	99.9% delay free
Efficiency: Pilots			
8.	Complaints regarding pilot service level (no. of complaints/number of assignments)	0.1%	0%
9.	Callbacks as percentage of assignments	1.9%	≤ 2.5%
10.	Annual assignments per pilot		
	a) Coastal	129	> 111
	b) Fraser River	118	> 113
11.	Annual utilization of pilots – terminal delays (hours delayed at terminal/total hours on assignment)	2%	≤ 5%
12.	Annual utilization of pilots – cancellations (number of cancellations/number of assignments)	9%	< 8%
Efficiency: General			
13.	Maintain an average of 3 working days to acknowledge all complaints	3 days	≤ 3 days
14.	Invoice disputes related to disputed assignment details (number of disputes/number of invoices issued)	0.3 %	≤ 1%
Financial			
15.	Average revenue/cost per assignment		
	a) Revenue	\$9,956	\$10,720
	b) Cost	\$9,617	\$10,638
	c) Income	\$ 339	\$ 82
16.	Maintain adequate reserves (cash and investments)	\$21M	\$18M
17.	Accounts receivable - % of invoices under 30 days	98%	95%
18.	Working capital ratio – current assets/current liabilities	1.3	1.0

4. Financial overview

In accordance with our mandate, the Authority is required to be financially self-sufficient. We provide our services within a commercial framework through a combination of cost management and fees that are fair and reasonable, without the benefit of government appropriations.

Results for 2025 to date show an increase in assignments driven largely by a full year of tanker activity at Trans Mountain's expanded Westridge terminal. In contrast, 2024 saw only eight months of operations, beginning at the end of May. The effect of ever-changing tariffs on assignments in the first half of 2025 has been difficult to assess but has likely shifted some traffic volume to earlier in the year to avoid tariff increases. If that is the case and we see decreases in the second half of 2025, they will be partially mitigated by the opening of LNG Canada's new terminal in Kitimat and the related LNG tanker traffic. We are also watching forecasts for this year's grain harvest to determine the potential impact on grain shipments for the remainder of the year and the first half of next year.

The outlook for 2026 is cautiously optimistic as we should benefit from additional assignments from the new energy projects on the BC coast. We are optimistic that the uncertainty created by ever-changing tariffs on US imports and the adverse ripple effect on global trade will have eased and businesses will start to adjust to the outcome of any tariff negotiations.

The financial outlook for the planning period of 2026-2030 is informed by the following key factors and assumptions:

- **Traffic assignment volumes** – Volumes for 2025 are slightly up over 2024 largely due to a rebound in container traffic and additional tankers from Trans Mountain's expanded terminal. Current estimates for the 2025 grain harvest are slightly lower than 2024, but not enough to outweigh the positive effect of additional assignments from energy projects. We have assumed an increase in assignments in 2026 over 2025 of 2% and annually thereafter as several planned new energy projects are forecast to become operational.
- **BCCP contract negotiations** – Our current contract with BCCP expires on December 31, 2025, and we have begun negotiations in Q4 with a view to concluding a new contract before the current one expires. We have assumed annual increases in pilotage costs in a new contract to be equal to changes in the Consumer Price Index for Vancouver.
- **Inflation** – Inflation is an important variable in our forecasts as most of the Authority's costs are governed by contracts or collective agreements which include increases linked to changes in the Consumer Price Index for Vancouver. We have assumed the annual inflation rate will end 2025 at 2.0%, which will be the basis for increases in some contracts and collective agreements in 2026, and remain at 2.0% for 2026-2030.
- **Changes to service charges** – To maintain financial sustainability, we have assumed that we will be able to increase our service charges in line with any increases in our operating costs. As noted, most of our costs will increase directly with changes in inflation and any inflationary increase in costs has been mirrored in forecast service charge increases.
- **Helicopter contract (North)** – The helicopter contract in support of Trans Mountain's expanded terminal has been successfully in operation for over a year and we hope to introduce a similar service with a second helicopter on the North Coast to support LNG Canada's operations in Kitimat to mitigate the potential for weather-related delays in transporting pilots to/from tankers and enhance pilot safety. Currently we are transporting

pilots using our pilot launch to/from the LNG tankers as the terminal in Kitimat became operational in June 2025. We are optimistic and have assumed that a helicopter contract for the North Coast could start in October 2026. As there is a significant fixed cost element to the helicopter contract, its financial success is dependent on the number of tankers calling at the terminal. The projected cost of the helicopter service has been assumed in the plan to be fully recoverable from tankers using LNG Canada’s terminal.

A summary of the forecast surplus/deficit for 2026-2030 is provided in the table below:

STATEMENT OF COMPREHENSIVE INCOME							
(in thousands of dollars)	Actual	Forecast	Plan				
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Total revenue	137,492	153,275	163,950	174,521	181,228	188,113	195,020
Total expenses	134,069	149,692	162,688	173,827	180,140	187,140	193,579
Comprehensive income	3,423	3,583	1,262	694	1,088	973	1,441

The Authority’s capital budget for 2026 includes the following significant items:

- **Helicopter leases** – the contracts for helicopter services are treated as leases for accounting purposes under International Financial Reporting Standards (IFRS) 16 and therefore corresponding “right-of-use” assets are recorded. The contract for the service to support LNG has been estimated at \$24 million in 2026, based on a minimum annual commitment of approximately \$4 million in the first year of operation (24 hours per day) of an expected seven-year term, with annual cost escalation thereafter in line with inflation.
- **New pilot launch** – the project to scope, tender and build a replacement for an existing pilot launch in Prince Rupert has started in 2025. The projected cost is estimated in this plan to be \$15 million. Most of the costs are expected to be incurred in 2026 and 2027.
- **Pilot launch engine and hull refurbishment** – the engines in the *Pacific Chinook* are due to be completely refurbished in 2026. At the same time as the vessel is out of service, the Chinook’s hull will be sandblasted, any leaks fixed and then the hull painted. The planned cost for the engines and the hull is approximately \$2 million. The work is expected to start and be completed in 2026. This will extend the vessel’s expected useful life by another ten to fifteen years.

The Authority’s projected financial liquidity at fiscal year-end during 2026-2030 with respect to cash, investments, bank debt and lease liabilities is summarized as follows:

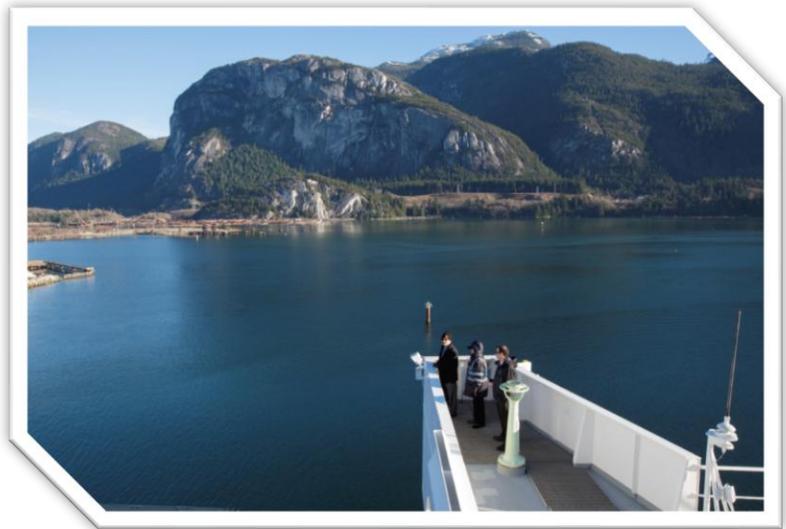
CASH, INVESTMENTS AND LOANS SUMMARY							
(in thousands of dollars)	Actual	Forecast	Plan				
Statement balance as at	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Cash	13,348	15,427	11,988	12,598	15,149	12,969	14,410
Investments							
Current portion	1,279	2,293	2,593	2,893	3,193	3,493	3,793
Non-current portion	2,556	2,293	2,593	2,893	3,193	3,493	3,793
Long-term loans							
Due within one year	(313)	(328)	(337)	(1,578)	(1,664)	(1,755)	(1,851)
Due after one year	(4,185)	(3,350)	(5,534)	(11,821)	(10,157)	(8,401)	(6,550)
Lease liabilities							
Due within one year	(2,995)	(3,067)	(6,139)	(6,406)	(6,963)	(7,543)	(6,458)
Due after one year	(20,757)	(17,799)	(35,046)	(28,640)	(21,677)	(14,134)	(7,676)

The Authority's investment balance is planned to increase by \$0.6 million annually and together with cash balances is forecast to create a combined balance by 2030 of approximately \$22 million to meet current liabilities, capital commitments and contingencies should there be an unforeseen disruption of operating cashflows.

Lease liabilities, although significant, are expected to be funded from operations. Office lease payments are the equivalent of rent and are already factored into our operating budget. Helicopter lease payments are expected to be fully recovered from the tanker industry or terminal operator.

5. Appendices

1. Ministerial Direction / Mandate Letter
2. Corporate Governance Structure
3. Planned Results
4. Chief Financial Officer Attestation
5. Financial Annex
6. Borrowing Plan
7. Risk and Risk Responses
8. Compliance with Legislative and Policy Requirements
9. Government Priorities and Direction



Appendix 1 - Ministerial Direction

The Pacific Pilotage Authority is presently operating in accordance with the guidance expressed in the following letter from the former Minister of Transport, last received in September 2022.

September 6, 2022

Lorraine Cunningham
Chair of the Board of Directors
Pacific Pilotage Authority
lcunningham@ppa.gc.ca

Dear Lorraine Cunningham:

As you know, following the 2021 general election, I had the honour of being reappointed as the Minister of Transport. My priorities have been outlined in the mandate letter the Prime Minister shared with me in December 2021, and today I write to you to set out my expectations as to how the Pacific Pilotage Authority (PPA) will help advance these priorities.

As the Minister accountable to Parliament for the PPA, I am committed to continuing our productive relationship to ensure that Canada's transportation system is safe, secure, efficient, and environmentally responsible. I recognise that the pandemic mitigation measures such as restrictions on cruise ships in Canadian ports dramatically reduced PPA's operations, and thus revenue. I appreciate PPA's efforts to pivot operations and continue to operate safely during this unprecedented time.

My priority upon my reappointment as the Minister of Transport was to enforce vaccination requirements across the federally regulated transportation sector. Thank you for the commitment you have demonstrated in developing and implementing your corporation's vaccination policy. Together, we mitigated the full impact of infection and severity of illness for travellers and workers in the transportation sector, and increased vaccine uptake, providing broader societal protection. As the COVID situation unfolds, we continue to adjust our measures accordingly, as we did in June of this year. I appreciate the corporation's ongoing collaboration as our response to COVID-19 continues to evolve as we learn more about this virus.

Ensuring goods and people can move efficiently throughout our country with robust and reliable supply chains and transportation systems is another key priority further reiterated in Budget 2022. The PPA is an important link in Canada's supply chain, and I trust that the corporation will strive to reduce and prevent bottlenecks in Canada's transportation network. I encourage you to work with my officials to ensure the PPA continues to be prepared to proactively mitigate and respond to emerging incidents and hazards, including cyber security threats.

Fighting climate change is a cornerstone of the government's plan to rebuild the economy, create middle-class jobs, and ensure Canadian industry remains competitive. The *Canadian Net-Zero Emissions Accountability Act* has legislated Canada's efforts to achieve net-zero greenhouse gas emissions by the year 2050. I expect the PPA to seek opportunities to advance measures that

support Canada's transition to net-zero, including accelerating the transition to zero-emission vehicles and considering targets related to this cause throughout your operations.

As part of the government's strategy to combat climate change, Budget 2021 announced that Canada's Crown corporations would demonstrate climate leadership by adopting the *Task Force on Climate-related Financial Disclosures* standards, or more rigorous and acceptable standards. I encourage the PPA to start reporting its climate-related financial risks by 2024.

Another pillar of the government's plan is to continue to address the profound systemic inequities and disparities that remain present in the core fabric of our society. I expect that the PPA will join us as we walk faster and farther along the road to reconciliation, particularly through meaningful partnership and collaboration with local Indigenous communities. This should include, but not be limited to, consulting Indigenous communities where appropriate and incorporating Indigenous perspectives into organizational operations and planning processes.

Diversity and equity within the PPA's workforce will improve its ability to deliver on all its objectives and I expect that as the PPA embarks on any hiring, it implements outreach and recruitment strategies that uphold the principles of equity, diversity, and inclusion. I trust that the PPA will also continue to ensure that it is doing its part, per the *Accessible Canada Act*, to help make the transportation system more accessible for persons with disabilities.

I also remain committed to open, transparent, and merit-based selection processes to attract qualified candidates for governance and leadership positions in the Transport portfolio. Candidates should also reflect Canada's diversity in terms of linguistic, regional and employment equity groups (women, Indigenous peoples, persons with disabilities and members of visible minorities), as well as members of ethnic and cultural groups. As Chairperson, you will be invited to participate in these processes for your organization, which will inform my ultimate appointment recommendations to the Governor in Council.

I expect that your short-, medium-, and long-term objectives as they relate to the government's priorities in this letter are clearly presented in your upcoming corporate plans and progress to achieving those objectives is reported in your subsequent annual reports. I also ask for your support in ensuring that, to the extent that it is within the PPA's control, future corporate plans are prepared sufficiently in advance, with the best information available at the time, to enable timely review and approval.

It is critical that the performance objectives of the corporation, Board and CEO flow within a consistent storyline. I ask that the measures you develop to assess your CEO's performance conform to best practices concerning the development of specific, measurable objectives, based on the observable behaviours in areas where your CEO can exercise sufficient influence to achieve the desired outcomes. The rationale included for the overall rating of your CEO should clearly identify why your Board is providing the rating and which performance objectives were weighed most heavily when arriving at the determination.

As always, the legal, fiduciary, and ethical obligations of public office holders remain. All appointees should abide by the principles found in the Prime Minister's statement on Open and Accountable Government. All boards should ensure ongoing compliance, both for their

organization and for themselves, with relevant legislation, Treasury Board policies, Governor in Council and ministerial directives.

It is an honour to serve Canadians as Minister of Transport and a privilege to be able to work with key partners such as the PPA.

Sincerely,

A handwritten signature in black ink, appearing to read "Omar Alghabra", written in a cursive style.

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

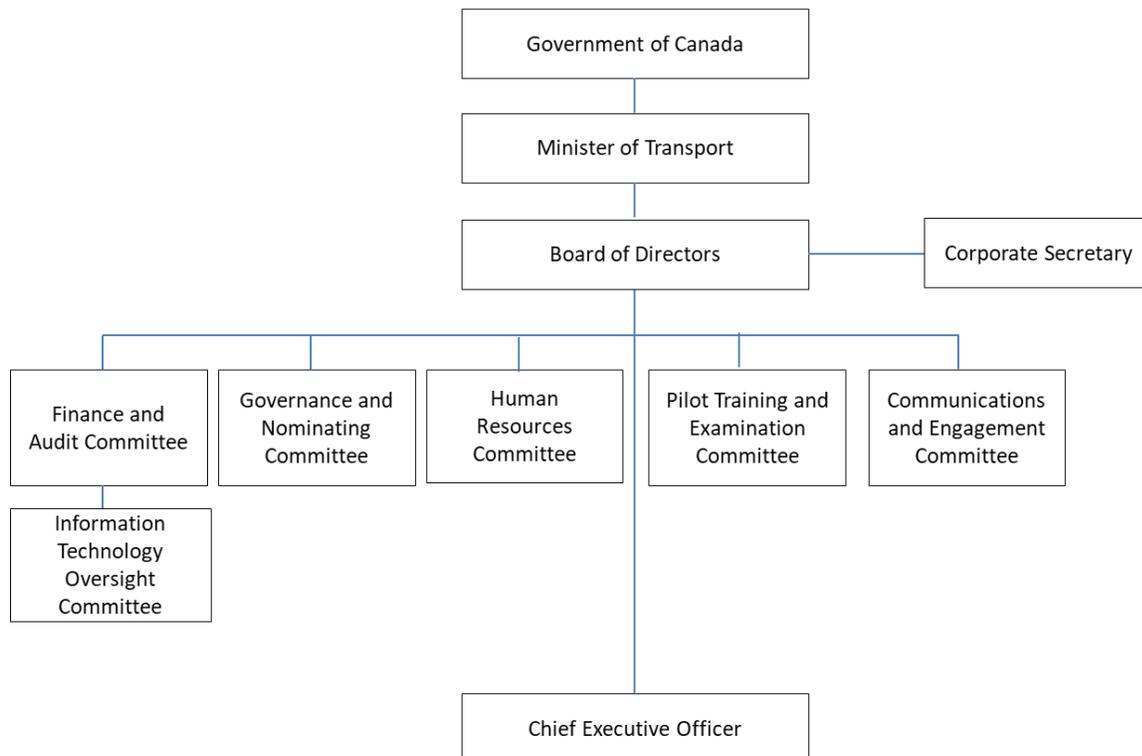
Appendix 2 - Corporate Governance Structure

The Authority complies with the Treasury Board guidelines on corporate governance practices (guidelines on Board responsibilities, public policy objectives, communications, Board and management relations, Board independence, the position of the Chief Executive Officer (“CEO”), renewal of the Board, education of directors, compensation, and the responsibility for corporate governance). The Board has developed a skills framework to assess the skills of Directors that are currently on the Board as well as those skills that are required for the future. The Board assesses its performance as well as the performance of committees and individual Board members annually.

The Authority’s Board of Directors has representation from Vancouver, Vancouver Island and northern BC, with backgrounds in marine services, accounting, education, indigenous governance and technology.

The Board has constituted several committees to focus on the major areas of the Authority. These committees are chaired by a Board member, have terms of reference and mandates and report directly to the Board on a regular basis. We have a strong and committed governance body which provides effective oversight. Board members are very engaged and have attended virtually all Board and committee meetings during 2024 and 2025 to date.

Pacific Pilotage Authority Governance chart



Committees

1. **Finance and Audit Committee (FAC)** - this committee is chaired by a Board member and includes at least three additional Board members. It meets six times per year, with additional meetings as needed. Members are expected to be financially literate. Its mandate includes oversight of financial matters, financial reporting, external audit, internal audit, compliance with the *Financial Administration Act* and the Authority's enterprise risk management framework.
2. **Governance and Nominating Committee (GNC)** – this committee consists of three Board members and is chaired by the Board Vice-Chair. It meets as needed, as determined by the Chair. It ensures good corporate governance practices are followed and identifies suitable candidates for Board appointments according to merit-based selection criteria.
3. **Human Resources Committee (HRC)** – this committee comprises three Board members, as well as the CEO and the Chief Human Resources Officer, who are non-voting members. The committee meets as needed, as determined by the Chair. The HRC oversees the Chief Executive Officer's (CEO) Performance Management Program (PMP) and compensation, as well as executive development planning. It also ensures that the management of human resources aligns with best practices and complies with relevant legislation and regulations.
4. **Pilot Training and Examination Committee (PTEC)** – this committee meets four times per year and additionally, as required, to conduct pilot examinations. Its mandate is to conduct pilot examinations and review ongoing training programs for pilots. It is chaired by a Board member and includes members of the Authority's management and representatives of both pilot groups. A Committee of Examiners is established for the purpose of conducting pilot examinations.
5. **Communications and Engagement Committee (CEC)** – this committee is chaired by a Board member and includes three other Board members, as well as the CEO and Director of Communications and Engagement. It meets four times per year and oversees strengthening of the Authority's communications with external audiences and relationship building with Indigenous and coastal communities and key stakeholders.
6. **Information Technology Oversight Committee (ITOC)** – this sub-committee is chaired by a Board member and comprises two additional Board members and members of the Authority's management team. It meets four times per year and as required. The committee oversees the identification and mitigation of risks, including IT project and system risks and cybersecurity risks, arising from the implementation and use of information technology. It also oversees the development of a five-year IT plan/strategy and annual IT action plans.

The Authority also meets quarterly with BCCP through a Strategic Partnership Committee, which was formed to enable collaboration in providing value to all stakeholders and continuous improvement, whilst maintaining fiscal and environmental sustainability and providing confidence in the services provided jointly.

Directors

The following individuals currently hold the position of directors on the Board of the Authority:

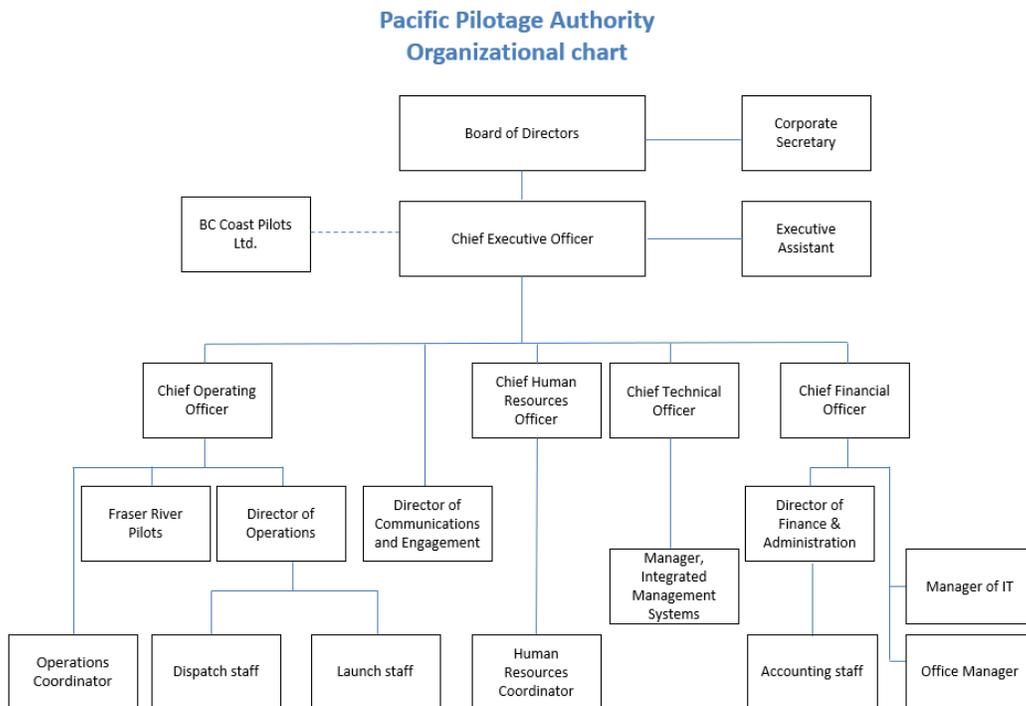
Name	Location	Appointment	Term	Expiry
Lorraine Cunningham (Chair)	Vancouver	November 8, 2024	5 years	Nov 8, 2029
Katherine Bright	Vancouver	April 21, 2023	4 years	April 20, 2027
Captain Allan Ranger	Vancouver Island	April 21, 2023	3 years	April 20, 2026
Billie V. Raptis	Vancouver	April 21, 2023	3 years	April 20, 2026
Guangbin Yan	Vancouver	April 21, 2023	4 years	April 20, 2027
Joely Viveiros	Vancouver	April 28, 2023	3 years	April 27, 2026
Marilyn Slett	Bella Bella	June 22, 2023	4 years	June 21, 2027

Total Board expenses for fiscal 2024 amounted to \$263,000 (including compensation, travel and training).

The Authority:

- has an ongoing identification process through the Governance and Nominating Committee to reach out to potential candidates that are interested and fit the Authority’s skills matrix;
- has a very robust new Board member orientation program to assist new Board members become familiar with the organization as quickly as possible;
- ensures that the Board members are rotated through committee positions to maximize exposure and ensure that the oversight knowledge is more widely shared.

The Authority’s organization chart below illustrates its reporting structure.



Senior Executives

The following individuals currently hold key senior executive positions within the Authority:

Name	Position
John Wilson	Chief Executive Officer
Brian Young	Chief Operating Officer
Paulo Ekkebus	Chief Technical Officer
Stuart Mackenzie	Chief Financial Officer
Danielle Lewis	Chief Human Resources Officer

Total Senior Executive compensation for fiscal 2024 amounted to \$1,522,000.

Annual Public Meeting

The Authority held its Annual Public Meeting for 2025 in person on June 24, 2025.

Appendix 3 – Planned Results

The following provides an overview of the Authority’s key outcomes for the planning period and the Chief Executive Officer’s results commitment.

Objective: Work with Transport Canada, other Pilotage Authorities and key partners towards National Consistency and Collaboration that is aligned with Transport Canada’s objectives, as set out in the *Pilotage Act* for a coast-to-coast-to-coast Pilotage Program, while respecting regional models and expertise

Expected Results	Performance Measures
Development and implementation of a national pilotage incident response plan by PPA taking an active role in developing, executing and leading multi-lateral national pilotage meetings. (<i>Short-term</i>)	Completion and distribution of a national incident response protocol. Support the planning and execution of regular communications, including in person meeting for pilotage authorities’ Chairs and CEO’s; shape conversation on pilotage; gather and execute action items; communicate back to PPA’s Management team and Board of Directors.
The Authority’s Compulsory Pilotage Areas are adequate to support the safe and efficient transit of vessels on the West Coast of Canada (<i>Short-term</i>)	Interim Orders are in place as needed.
A revised and comprehensive Pilotage Risk Management Methodology that considers all existing risk mitigation strategies to improve navigation (e.g. pilotage, additional navigational aids, size of ships, weather, etc.) (<i>Medium Term</i>)	The revised methodology encompasses all risk mitigation strategies.
A stronger partnership between PAs and the piloting community (CMPA) and others including industry and ports to support the full implementation of the <i>Pilotage Act</i> review including consistency and collaboration nationally (<i>Medium Term</i>)	Terms or Reference are developed for annual meetings between Pilotage Authorities, the CMPA, and others and supported by a framework that clearly articulates the relationship goals and objectives.
The Authority complies with TC’s matrix of Administration of Pilotage by Functions and supports the development of regulations that provide a common look and feel to the pilotage system in Canada (<i>Medium Term</i>)	1) Capabilities to comply with the Administration of Pilotage by Functions matrix are in place at the Authority; 2) The Authority supports regulations that have a common look and feel.
The Authority works with Transport Canada to support a regulatory change (either by amended regulation, interim order or other instrument) to address waiver sea time requirements (<i>Medium Term</i>)	The PPA is responsible for work to support Transport Canada’s accountabilities and authorities under the <i>General Pilotage Regulations</i> particularly in addressing sea time (vs geographic knowledge) in assessing applications for pilotage waivers.
A dedicated resource will assist the Authority in the development of a program that integrates ISM/ISO and QSMS regulations that is aligned with the Authority’s existing Quality Culture and the Quality system employed by the BCCP and FRP (<i>Medium Term</i>)	1) Hiring a dedicated resource for the position of Manager, Integrated Management Systems; 2) new manager hired and onboarded. Compliance with QSMS regulations once they are issued.

Objective: Establish a future vision that leverages technologies both for the Pilotage Authority and the piloting community, taking into consideration input from key partners (e.g., Transport Canada, PAs, pilots, First Nations, OGDs, Industry, Partners & Coastal Communities)

Expected Results	Performance Measures
PPA's needs and objectives are considered and reflected in VFPA's development and implementation of its new AVTM system (<i>Short term</i>)	PPA is invited to and attends meetings hosted by VFPA on AVTM and PPA's input is reflected in the system as implemented.
Integration of the Authority's systems with port systems to improve efficiency (<i>Medium term</i>)	By 2026 PDAMS is integrated with VFPA AVTM.
Pilot launch built within budget and on schedule (<i>Medium term</i>)	Regular reporting of actual costs to budget and monitoring of project milestones to meet schedule
A business model for the simulator (PSTAR) that ensures financial self-sufficiency of the joint venture at a minimum (<i>Medium term</i>)	PSTAR is run as a self-funded business in accordance with the business plan.
Information and knowledge gathered on Maritime Autonomous Surface Ships (MASS), as it relates to pilotage (<i>Medium term</i>)	Relevant information gathered and organized.

Objective: Define, implement, and embrace a new model for human capital for the Authority and Pilotage on Canada's West Coast

Expected Results	Performance Measures
Cost-effective support from students for managers with significant projects and development of future talent for the Authority (<i>Short term</i>)	Recruitment and onboarding procedure established with procedures for students
Document describing requirements for career pathway from mariner to marine pilot (<i>Short term</i>)	Document available on PPA website and number of downloads/page visits monitored for uptake.
Collective Bargaining Framework to assist with future labour negotiations (<i>Short term</i>)	Negotiated agreements successfully completed before expiry of existing agreements.
Meet Equity, Diversity and Inclusion goals (<i>Medium term</i>)	Enrollment of diverse candidates in the scholarship and mentorship program; recruitment materials encourage applicants from historically under-represented groups
Prioritized list of new HR processes, technologies, and practices (<i>Medium term</i>)	Recommendation shortlist developed and reviewed with PPA executive
Successful collaboration with Canadian Maritime Careers Foundation Workforce committee to address marine workforce shortages. (<i>Medium term</i>)	Participation in CMCF initiatives and promotional events.
No gender-based compensation inequities (<i>Medium term</i>)	Publication and ongoing implementation of pay equity plan.

Expected Results	Performance Measures
Prince Rupert workforce model sufficient to meet increase in operational demands <i>(Medium term)</i>	New workforce model is developed and successfully implemented

Objective: Commit to continuous improvement and enhancement of PPA’s services to our customers while remaining financially responsible and sustainable with consideration of pilots, First Nations, OGDs, Industry, Partners, and Coastal Communities

Expected Results	Performance Measures
Realtime access to waiver lists for vessels and officers <i>(Short term)</i>	All relevant stakeholders have access to waiver information
Safe and financially sustainable operation to transport pilots via helicopter to/from tankers calling at LNG Canada terminal <i>(Short term)</i>	A contract for helicopter services is in place for 7 years with an option to extend by 3 years with Talon
Alignment of pilotage authorities on a national model for a Quality and Safety Management System (QSMS) supported by regulations <i>(Medium term)</i>	The Authority takes a leadership role in TC quarterly meetings to develop a collective vision for QSMS regulations.
Reduced transportation costs, pilot travel time, and/or pilot fatigue <i>(Medium term)</i>	An internal review that will provide recommendations on transportation optimization and reduce travel time for pilots with a goal to reduce pilot transportation fatigue and yield efficiencies.
Tracking of pilot training and currency in new module within PDAMS <i>(Medium term)</i>	Cost benefit analysis completed. New module is in service, and all pilots can access their training records.
Recommendation for new Human Resources Information System (“HRIS”), integrated with existing payroll system <i>(Medium term)</i>	Report supporting the Management recommendation
Maintain the Pacific Pilotage Authority’s relationship with the Canadian Marine Pilots Association (CMPA); promote and encourage a similar commitment from the other Canadian pilotage authorities re: CMPA. Establish and maintain joint committees between the PPA and the BCCP for continuous improvement and advancement of common interests. <i>(Medium term)</i>	Conduct semi-annual meetings with the CMPA to review items for common interest in support of the PPA’s mandate under the Pilotage Act. Conduct quarterly strategic meetings with the BCCP with agendas and detailed record of discussions. Establish and maintain a comprehensive list of common action items.

Chief Executive Officer Results Commitment

I, John Wilson, as Chief Executive Officer of the Pacific Pilotage Authority, am accountable to the Board of Directors of the Pacific Pilotage Authority for the implementation of the results described in this Corporate Plan and outlined in this Appendix. I verify that this commitment is supported by the balanced use of all available and relevant performance measurement and evaluation information.

John Wilson, Chief Executive Officer

October 27 2025

Date

Appendix 4 - Chief Financial Officer Attestation

In my capacity as Chief Financial Officer of the Pacific Pilotage Authority, I have reviewed the Corporate Plan and budget and the supporting information that I consider 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 has been identified and is sufficient to address the financial requirements for the expected duration of the Corporate Plan,
5. The Corporate Plan and budget are compliant with relevant financial management legislation and policies, and the proper financial management authorities are in place (or are being sought as described in the Corporate Plan),
6. Key financial controls are in place to support the implementation of proposed activities and ongoing operation of the Crown corporation.

In my opinion, the financial information contained in this Corporate Plan and budget is sufficient overall to support decision making.



Stuart Mackenzie, Chief Financial Officer

October 27, 2025

Date

Appendix 5 - Financial Annex

The financial statements in this appendix reflect accounting under International Financial Reporting Standards (IFRS), which are used in preparing the Authority's Annual Report.

STATEMENT OF FINANCIAL POSITION							
(in thousands of dollars)	Actual	Forecast	Plan				
Statement balance as at	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Assets							
Current							
Cash and cash equivalents	13,348	15,427	11,988	12,598	15,149	12,969	14,410
Trade accounts receivable	6,743	6,995	7,717	8,215	8,530	8,854	9,179
Other receivables	1,351	1,138	1,256	1,337	1,388	1,441	1,494
Prepaid expenses	353	501	553	589	612	635	658
Investments	1,279	2,293	2,593	2,893	3,193	3,493	3,793
	23,074	26,354	24,107	25,632	28,872	27,392	29,534
Non-current							
Long-term investments	2,556	2,293	2,593	2,893	3,193	3,493	3,793
Other receivables	105	261	288	307	319	331	343
Property and equipment							
Buildings & floats	1,168	1,168	1,668	2,418	2,418	2,418	2,418
Pilot boats	23,003	25,753	35,256	45,205	45,405	46,755	47,755
Equipment	6,516	7,416	7,796	8,151	8,506	12,861	14,216
Leasehold improvements	1,691	1,691	1,691	2,191	2,191	2,191	2,191
Right-of-use assets	25,458	25,457	49,722	49,722	49,722	49,722	49,722
	57,836	61,485	96,133	107,687	108,242	113,947	116,302
Accumulated depreciation	16,977	23,072	30,447	40,726	50,964	62,179	73,871
Total property and equipment	40,859	38,413	65,686	66,961	57,278	51,768	42,431
Intangibles	919	908	815	847	843	571	299
	67,513	68,229	93,489	96,640	90,505	83,555	76,400
Liabilities							
Current							
Accounts payable and accrued liabilities	16,478	17,225	18,640 [▼]	19,677 [▼]	20,410 [▼]	21,094 [▼]	21,775
Other employee benefits	6	70	77	80	83	85	87
Lease Liabilities	2,995	3,067	6,139	6,406	6,963	7,543	6,458
Bank Debt	313	328	337	1,578	1,664	1,755	1,851
	19,792	20,690	25,193	27,741	29,120	30,477	30,171
Non-current							
Lease Liabilities	20,757	17,799	35,046	28,640	21,677	14,134	7,676
Bank Debt	4,185	3,350	5,534	11,821	10,157	8,401	6,550
Other employee benefits	602	630	694	722	747	766	785
	25,544	21,779	41,274	41,183	32,581	23,301	15,011
	45,336	42,469	66,467	68,924	61,701	53,779	45,182
Equity							
Retained earnings	22,177	25,760	27,022	27,716	28,804	29,777	31,218
	67,513	68,229	93,489	96,640	90,505	83,556	76,400

STATEMENT OF COMPREHENSIVE INCOME							
(in thousands of dollars)	Actual	Forecast	Plan				
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Revenue							
Pilotage charges							
Coastal Pilotage	95,950	105,919	114,045	119,433	123,954	128,646	133,516
River Pilotage	5,149	5,227	5,382	5,546	5,701	5,858	6,020
Travel revenue	12,107	13,788	14,388	14,956	15,510	16,084	16,680
Launch/helicopter revenue	19,935	23,972	24,851	29,104	30,387	31,650	32,724
Surcharge revenue	2,711	2,930	3,891	4,043	4,193	4,348	4,509
Other revenues							
Other income	1,640	1,438	1,393	1,439	1,483	1,527	1,571
Total revenue	137,492	153,275	163,950	174,521	181,228	188,113	195,020
Expenses							
Contract pilots' fees	84,804	94,990	103,306	107,438	111,736	116,206	120,856
Salaries and benefits	18,185	19,529	20,378	21,199	21,944	22,504	23,051
Pilots' transportation	13,699	14,976	15,634	16,726	17,987	18,923	19,667
Pilots' training	3,238	2,700	2,804	3,249	2,895	2,871	2,923
Depreciation	4,161	6,189	7,566	10,497	10,492	11,488	11,963
Fuel	2,670	2,468	2,566	2,788	2,899	3,013	3,133
Repairs and maintenance	1,876	3,096	3,249	3,379	3,514	3,653	3,797
Transport Canada administration fee	966	1,172	1,236	1,285	1,336	1,389	1,444
Interest	921	1,255	1,600	2,697	2,536	2,055	1,562
Professional and special services	1,562	1,443	1,475	1,531	1,591	1,654	1,720
Other expenses	1,987	1,874	2,874	3,038	3,210	3,384	3,463
Total expenses	134,069	149,692	162,688	173,827	180,140	187,140	193,579
Comprehensive income	3,423	3,583	1,262	694	1,088	973	1,441

STATEMENT OF CHANGES IN EQUITY							
(in thousands of dollars)	Actual	Forecast	Plan				
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Retained earnings, beginning of year	18,754	22,177	25,760	27,022	27,716	28,804	29,777
Comprehensive income (loss) for the year	3,423	3,583	1,262	694	1,088	973	1,441
Retained earnings, end of year	22,177	25,760	27,022	27,716	28,804	29,777	31,218

STATEMENT OF CASH FLOWS							
(In thousands of dollars)	Actual	Forecast	Plan				
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Cash flows from operating activities							
Cash receipts from customers	134,967	151,585	161,835	172,584	179,429	186,262	193,124
Cash paid to employees	(18,549)	(18,606)	(19,999)	(20,894)	(21,667)	(22,296)	(22,848)
Cash paid to suppliers and others	(110,445)	(124,102)	(133,832)	(141,504)	(147,306)	(152,740)	(158,154)
Other income received	544	1,438	1,393	1,439	1,483	1,527	1,571
Net cash provided by operations	6,517	10,315	9,397	11,626	11,939	12,753	13,694
Cash flows from investing activities							
Purchases of investments	(640)	(751)	(600)	(600)	(600)	(600)	(600)
Acquisition of property and equipment	(3,880)	(3,649)	(10,383)	(11,554)	(555)	(5,705)	(2,355)
Acquisition of intangible assets	(35)	(130)	(100)	(250)	(250)	-	-
Net cash used in investing activities	(4,555)	(4,530)	(11,083)	(12,404)	(1,405)	(6,305)	(2,955)
Cash flows from financing activities							
Proceeds from borrowings	-	-	2,521	7,865	-	-	-
Repayment of borrowings	(307)	(820)	(328)	(337)	(1,578)	(1,665)	(1,755)
Repayment of lease liabilities	(1,316)	(2,886)	(3,946)	(6,139)	(6,406)	(6,963)	(7,543)
Cash provided by (used in) financing activities	(1,623)	(3,706)	(1,753)	1,389	(7,984)	(8,628)	(9,298)
Net increase (decrease) in cash and cash equivalents	339	2,079	(3,439)	611	2,550	(2,180)	1,441
Cash and cash equivalents, beginning of period	13,009	13,348	15,427	11,988	12,598	15,149	12,969
Cash and cash equivalents, end of period	13,348	15,427	11,988	12,598	15,149	12,969	14,410

Operating Budget

The following table identifies the major activities that generate revenues and incur expenses for the Authority:

OPERATING SEGMENT ANALYSIS							
(in thousands of dollars)	Actual	Forecast			Plan		
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Coastal Pilotage	95,950	105,919	114,045	119,433	123,954	128,646	133,516
Coastal Contract	84,804	94,990	103,306	107,438	111,736	116,206	120,856
Coastal Margin (note 1 below)	11,146	10,929	10,739	11,995	12,218	12,440	12,660
River Pilotage	5,149	5,227	5,382	5,546	5,701	5,858	6,020
River Wages & Benefits	4,665	5,099	5,316	5,488	5,716	5,739	5,868
River Margin	484	128	66	58	(15)	119	152
Launch/helicopter Revenue (note 2)	19,935	23,972	24,851	29,104	30,387	31,650	32,724
Launch/helicopter Expenses (note 2)	15,674	17,723	18,780	20,109	21,116	22,093	22,878
Launch/Helicopter Margin	4,261	6,249	6,071	8,995	9,271	9,557	9,846
Travel Revenue (note 3)	12,107	13,788	14,388	14,956	15,510	16,084	16,680
Travel Expenses (note 3)	10,264	10,733	10,902	11,344	12,104	12,584	13,082
Travel Margin	1,843	3,055	3,486	3,612	3,406	3,500	3,598
Other Revenue							
Surcharges (note 4)	2,711	2,930	3,891	4,043	4,193	4,348	4,509
Other Income	1,640	1,438	1,393	1,439	1,483	1,527	1,571
	4,351	4,368	5,284	5,482	5,676	5,875	6,080
Other Expenses							
Salaries & Benefits - office & admin	6,458	6,975	7,308	7,649	7,926	8,215	8,379
Training (note 6)	3,238	2,700	2,804	3,249	2,895	2,871	2,923
Depreciation (note 5)	4,161	6,189	7,566	10,497	10,492	11,488	11,963
Transport Canada administration fee	966	1,172	1,236	1,285	1,336	1,389	1,444
Interest (note 7)	921	1,255	1,600	2,697	2,536	2,055	1,562
All Other Costs (note 8)	2,919	2,856	3,870	4,071	4,283	4,500	4,624
	18,663	21,147	24,384	29,448	29,468	30,518	30,895
NET INCOME	3,422	3,583	1,262	694	1,088	973	1,441

Significant items or fluctuations from year-to-year in the table above include:

1. The increase in coastal pilotage revenue and coastal contract expenses in 2025 is due to an increase in pilotage service charges, partially offset by a small decrease in assignments from a weaker grain harvest. Service charge rate increases in future years are assumed to be aligned closely with increases in the CPI for Vancouver, which has been assumed to be 2% at the end of 2025, and remaining at 2% in 2026-29. Increases in assignments have been assumed of 7% in 2025 with a full year of tankers from Trans Mountain and the start of LNG Canada's operations, and 2% annually thereafter.
2. The increase in launch/helicopter revenue and expenses in 2025 is also due to an increase in rates, and a full year of helicopter operations transferring pilots to/from tankers departing Trans Mountain's expanded Westridge terminal. In 2026, we have assumed the start of helicopter operations for pilot transfers in support of the LNG Canada terminal in Kitimat. The increased margins do not reflect the additional costs for helicopter operations related to depreciation of the leased asset and financing costs, which are included in other expenses.
3. For travel operations, revenue is forecast to increase in 2025 from an increase in rates and an increase in assignments. Costs are also forecast to increase with the increase in assignments and inflation.
4. The increase in surcharge revenue reflects a new surcharge required to offset a new cost related to the provision of electronic charts required by the pilots to navigate safely. Canadian Hydrographic Services has outsourced the distribution of charts to a third party and as a result we expect to incur additional costs of approximately \$0.8 million annually. We plan to recover these costs with a new surcharge payable by industry.
5. Depreciation increases significantly in 2025 with a full year of depreciation for the right-of-use asset created from accounting for the helicopter contract in the south (Trans Mountain). 2026 includes a partial year's depreciation with the assumed start of a second helicopter contract for the north (LNG Canada), and a full year's charge from 2027 onwards.
6. The decrease in training in 2025 compared to the prior year is due to the initial cost of helicopter training for the pilots when helicopter operations started in 2024. There will continue to be some recurring helicopter training annually for pilots, but on a smaller scale than the initial training.
7. The increase in interest costs in 2025 and 2026/27 reflect the accounting treatment of the helicopter contracts as leases to be capitalized with a related interest cost, which has been assumed to be at a rate of 6% per annum. Based on start dates, 2025 is the first full year for the southern contract, and 2026 is a partial year and 2027 a full year for the northern contract. The interest rate on the bank financing for the new pilot launch assumed to start in 2026 is 6%.
8. The significant increase in other costs in 2026 is due to the new additional cost for electronic charts discussed above in note 4.
9. Salaries are assumed to increase in line with increases in CPI for the prior year, which is assumed to be 2.0% for 2025 (i.e. applies to salary increases in 2026).

In comparing the forecast above for 2025 to the corresponding year in the Corporate Plan for 2025-2029, the key variances are that revenue and expenses are forecast to be \$13 million and \$10 million more, respectively, than planned. The increases in both revenue and expenses are largely due to estimates for assignments being 9% higher than expected due to a combination of a surge in shipping traffic ahead of tariffs, a stronger grain harvest, and better than expected tanker activity at Trans Mountain's Westridge terminal.

Capital Budget

A summary of our capital budget by asset category for 2026-2030 is as follows:

CAPITAL INVESTMENTS							
(in thousands of dollars)	Actual	Forecast	Plan				
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Building and floats	38	-	500	750	-	-	-
Pilot boats, engines and generators	263	2,750	9,503	9,949	200	1,350	1,000
Equipment	3,616	900	380	355	355	4,355	1,355
Leasehold improvements	3	-	-	500	-	-	-
Right-of-use assets	22,710	-	24,265	-	-	-	-
Intangibles	35	130	100	250	250	-	-
Total	26,665	3,780	34,748	11,804	805	5,705	2,355

Included in the above summary for 2026-2030 are:

- Buildings – renovation of our dispatch and launch station in Victoria
- Pilot boats, engines and generators – a new launch planned to be built in 2026/2027 for use at the launch station in Prince Rupert and estimated to cost \$15 million (subject to an RFP process), engine and hull refurbishments are planned for two launches, plus other upgrades and refurbishments to other launches
- Equipment – this includes expansion of our simulator capabilities and the cyclical replacement of existing portable pilotage units (PPUs) in 2029/30 plus new units for apprentices
- Leasehold improvements – this includes possible renovations to existing office space to create additional workspace for any new hires to support growth from new energy projects
- Right-of-use assets – this category includes the assets corresponding to the leases for helicopters, specifically the second helicopter contract in 2026
- Intangibles – further development of PDAMS

Expanding heli-hoisting operations in the north will increase our functional capacity. This will be funded through cost recoveries from industry or the terminal operators. All the remaining capital expenditure is intended to maintain our capacity by replacing or refurbishing end-of-life assets and, with the exception of bank financing for the new launch, will be funded from operating cashflow or existing cash reserves.

Sensitivity of Corporate Plan Projections

The fundamental assumption in the Authority's Corporate Plan is the number of pilotage assignments each year. This number is largely a measure of Canadian export and import business through western Canadian ports and is influenced by many external factors outside the control of the Authority. Some of these factors are:

- Number of cruises and volumes of containers, auto, grain, forest products, coal and other bulk commodities
- Foreign exchange rates
- West Coast port competition for shipping traffic
- General economic conditions in Asia and North America, and prevailing trade agreements
- Objection to increases in pilotage service charges
- Receivership or bankruptcy applications by any carriers and/or agencies

Appendix 6 - Borrowing Plan

The Authority's borrowing limit, pursuant to section 36 of the *Pilotage Act* and as set by the Governor General in Council (PC Number: 2020-1123, dated 2020-12-18), is \$18.9 million and the Authority is currently within that limit.

New borrowing is expected in 2026 for a bank credit facility to partially fund the construction of a new launch to replace a pilot launch in Prince Rupert. Construction is expected to start at the end of 2025 following a Request for Proposals process and would be completed by the end of 2027. Once construction is completed, the funds drawn under the credit facility would be converted to a term loan repayable over 15 years. The estimated cost of the new launch is \$15 million of which \$5 million is expected to be funded from the Authority's cash balances and \$10 million from new bank debt, plus interest accrued during the construction phase. This borrowing was approved as part of the Corporate Plan submitted for 2025-2029.

The existing bank loan drawn in 2022 is being repaid in accordance with existing terms.

The lease liability previously approved for 2023 for the helicopter contract in the south to support the TM project started in May 2024, when operations commenced at the expanded TM Westridge terminal.

The lease liability previously approved for 2024 for the helicopter contract in the north to support the LNG project has been delayed and is now forecast to be effective in Q4 of 2026.

The following table shows the Authority's projected borrowings for the plan years:

BORROWING PLAN							
(in thousands of dollars)	Actual	Forecast	Plan				
Statement balance as at	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
Long-term loans							
Due within one year	313	328	337	1,578	1,664	1,755	1,851
Due after one year	4,185	3,350	5,534	11,821	10,157	8,401	6,550
Lease liabilities requiring approval (TM/LNG)							
Due within one year	2,751	2,770	5,532	6,074	6,646	7,250	6,147
Due after one year	18,534	15,967	33,528	27,455	20,809	13,559	7,412
Operating line of credit	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Total	29,283	25,915	48,431	50,427	42,776	34,465	25,460

Therefore, assuming re-approval is not required for borrowing that is already in place and for borrowing that has previously been approved in prior Corporate Plans but not yet drawn (i.e. long-term borrowing of \$10 million for new launch, helicopter contract in support of LNG, and a line of credit of \$3.5 million), the Authority is not requesting new additional borrowing at this time.

It should be noted that lease liabilities, including those requiring Minister of Finance approval, are not required to be included in the calculation of the Authority's borrowing limit pursuant to the *Pilotage Act*.

Continuity of bank loans and new lease liabilities requiring approval from the Minister of Finance is as follows:

CONTINUITY OF BORROWINGS							
(In thousands of dollars)	Actual	Forecast	Plan				
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Bank Loans							
Opening balance	4,805	4,498	3,678	5,871	13,399	11,821	10,156
Repayment	(307)	(820)	(328)	(337)	(1,578)	(1,665)	(1,755)
New	-	-	2,521	7,865	-	-	-
Closing balance	4,498	3,678	5,871	13,399	11,821	10,156	8,401
Lease liabilities requiring approval							
Opening balance	-	21,285	18,737	39,060	33,528	27,455	20,809
Helicopter (TM)	22,382	-	-	-	-	-	-
New - Helicopter (LNG) - pre-approved	-	-	23,691	-	-	-	-
Repayment	(1,097)	(2,548)	(3,368)	(5,532)	(6,074)	(6,646)	(7,250)
Closing balance	21,285	18,737	39,060	33,528	27,455	20,809	13,559

A summary of existing leases and upcoming leases is as follows:

LEASE LIABILITIES BY ASSET CLASS							
(In thousands of dollars)	Actual	Forecast	Plan				
For the year ended December 31	2024	2025	2026	2027	2028	2029	2030
Existing leases:							
Office							
Vancouver office (to Feb 2033)	2,138	1,880	1,649	1,404	1,144	868	575
Victoria office (to Aug 2029)	328	250	183	113	41	-	-
Equipment							
Helicopter (TM project to 2031)	21,285	18,737	15,967	12,961	9,703	6,179	2,370
Vehicle	1	-	-	-	-	-	-
New leases:							
Equipment							
Helicopter (LNG project to 2033) - pre-approved	-	-	23,093	20,568	17,751	14,630	11,189
Air charter (Pine Island to Sep 2027)	-	-	292	-	-	-	-
Total	23,752	20,866	41,185	35,046	28,640	21,677	14,134

In addition to the fixed commitment of approximately \$8 million annually for the helicopter services leases to support TM and LNG, there will be approximately \$3 million annually in variable operating costs. As they are variable and dependent on usage, they would not be required to be recorded as part of the lease commitment.

Operating Line of Credit

Although the Authority expects to maintain sufficient liquidity to fund operations during the planning period, there can be fluctuations within a month between high and low points for cash of up to \$5 million. Accordingly, the Authority may request to borrow, on a day-to-day basis from its bank, sums of money to manage its cash flow. The Authority views the availability of an operating line of credit as a 'best business practice' and wishes to continue this facility. These borrowings would be charged at market rates levied by a Canadian bank and repaid prior to December 31.

Currently, the Authority has an operating line of credit facility up to \$3.5 million provided by its bank. The Authority does not expect to draw on this facility in 2026.

Investment Policy

The Authority requests the Minister of Finance's continued approval for the Authority to invest any monies not immediately required for the purposes of the Authority in any of:

1. bonds or other obligations of or guaranteed by His Majesty the King in right of Canada or any province, or any municipality in Canada;
2. fixed-income instruments with a credit rating of at least BBB- by Standard & Poor's or Fitch Ratings, or Baa3 by Moody's;
3. funds with diversified holdings that fall within the scope of items 1 and 2 above, including exchange-traded funds but excluding leveraged funds; and
4. guaranteed investment certificates that are eligible for Canada Deposit Insurance Corporation insurance.

Appendix 7 - Risk and Risk Responses

Under the Authority's risk management policy, the Authority is committed to:

- behaving as a responsible corporate citizen; protecting employees, visitors, customers, and their property, as well as the community and the broader environment from unnecessary injury, loss or damage.
- encouraging the British Columbia Coast Pilots (BCCP) in particular, as well as other third parties that the Authority relies upon, to adopt sound risk management practices for their own organizations.
- achieving its business objectives by seeking opportunities to improve the business and optimize risk management; and
- finding the right balance between the cost of control and the benefits that control would bring.

The Authority has adopted the following methodology to assess a risk's profile:

Risk Impact Ranking Methodology

	Indigenous		Financial	Operational				Strategic	
	Cultural	Disruption of Community		Human	Property	Vessel(s)	Environmental	Disruption of Business	Reputation
Most severe (5)	Incident causes long term harm for more than one month to traditional food sources, cultural or ceremonial practices	Community projects, programs, businesses or employment disrupted for more than one month	Above \$10 million cash impact on the Authority	Multiple deaths and multiple people with serious long- term injury requiring Intensive care.	Incident results in damage to infrastructure such that it becomes inoperable for greater than one month or results in financial loss exceeding \$50 million	Incident results in sinking of vessel or in the vessel sustaining sufficient damage to result in it being a constructive total loss	Incident causes sustained long term harm to environment (i.e. damage lasts greater than six months)	Operational cessation or major operational issues (e.g. delays) lasting more than one month	Sustained front page adverse national and international media coverage. Adverse social media commentary sustained for greater than one month.
Severe (4)	Incident causes medium-term harm for up to one month to traditional food sources, cultural or ceremonial practices	Community projects, programs, businesses, or employment disrupted for up to one month	Impact on the Authority between \$5 and \$10 million	Single death and multiple people with serious long- term injury requiring Intensive care	Incident results in damage to infrastructure such that it becomes inoperable for up to one month or results in financial loss of \$25 - \$50 million.	Incident results in vessel sustaining damage significant enough to require towing to dry dock with loss of operations for more than one month	Incident causes sustained medium term harm to environment (i.e. damage lasts more than one month)	Operational cessation or major operational issues (e.g. delays) lasting up to one month	Front page adverse national media coverage and intermittent international coverage Adverse social media commentary sustained for greater than two weeks.

	Indigenous			Operational				Strategic	
	Cultural	Disruption of Community	Financial	Human	Property	Vessel(s)	Environmental	Disruption of Business	Reputation
Less severe (3)	Incident causes medium-term harm for up to three weeks to traditional food sources, cultural or ceremonial practices	Community projects, programs, businesses or employment disrupted for up to three weeks	\$1million-\$5million cash impact	Some people with serious long-term injury and multiple minor injuries	Incident results in damage to infrastructure such that it becomes inoperable for up to one month or results in financial loss of \$10 - \$25 million.	Incident results in vessel grounding or sustaining damage significant enough to require towing to dry dock with loss of operations of not more than 1 month	Incident causes medium term harm to environment (i.e. damage lasts up to One month)	Operational cessation or major operational issues (e.g. delays) lasting up to two weeks	Intermittent adverse national media coverage Adverse social media commentary sustained for greater up to two weeks.
Moderate (2)	Incident causes short-term harm for up to two weeks to traditional food sources, cultural or ceremonial practices	Community projects, programs, businesses or employment disrupted for up to two weeks	Between \$500,000 to \$1million cash impact	One person with serious long-term injury or illness contracted through work Some minor injuries Multiple PPA staff with minor illness contracted through work. Significant effect on stress levels / morale of multiple PPA staff.	Incident results in damage to infrastructure such that it becomes inoperable for up to one week or results in financial impact of \$500,000 - \$10 million	Incident results in vessel sustaining damage significant enough to result in loss of operations for not more than two weeks	Incident causes short term harm to environment (i.e. damage lasts no greater than one week)	Operational issues (e.g. delays) lasting up to one week but no cessation of business	Sustained front page adverse local media coverage Board and Ottawa receive complaints from industry associations and major clients Adverse social media commentary sustained for greater up to a week.
Minor (1)	Incident causes short term harm for up to one week to traditional food sources, cultural or ceremonial practices	Community projects, programs, businesses or employment disrupted for up to one week	Up to \$500,000 cash impact	Single or multiple minor injuries requiring on site First Aid and/or off-site treatment Significant effect on morale of a PPA staff member.	Damage to facilities cause operations to cease for up to 72 hours or a financial impact up to \$500,000	Incident results in vessel sustaining minor damage with no effect or damage resulting in a loss of operations of no more than 72 hours	Incident causes minimal or intermittent harm to environment over a period of time (i.e. damage lasts no greater than a day)	Operational issues (e.g. delays) lasting up to 72 hours	Intermittent adverse local media coverage Complaints received from industry and/or clients Some adverse social media commentary but not sustained

Risk Likelihood Ranking Criteria

Likelihood	Risks that are ongoing	Risks that are one-time
Frequent (5)	We expect that the risk will occur many times a month. The risk is happening.	We fully expect the risk to occur. The risk is already occurring (i.e. it is an issue).
Probable (4)	We expect that the risk will occur at least once a year.	We expect the risk will most probably occur.
Occasional (3)	We expect that the risk will occur once in 3 years.	We expect that the risk may occur at some time and we think it more likely than not.
Improbable (2)	We expect that the risk will occur once in 10 years.	We expect that the risk may occur at some time and we think it less likely than not.
Remote (1)	We expect that the risk will occur once in 50 years.	We expect that the risk may occur only in exceptional circumstances but that it is highly doubtful that it will.

Risk Ranking Key

A risk's ranking is a combination of its impact and likelihood, as illustrated on the heat map below:

		Impact				
		Minor	Moderate	Less Severe	Severe	Most Severe
Likelihood	Frequent					
	Probable					
	Occasional					
	Improbable					
	Remote					

Very High (score 15-25)	<ul style="list-style-type: none"> Exposure to this level of risk would normally be immediately reduced unless strategic imperatives dictate otherwise Demonstrably improving the risk control is required and at least one senior management team member should manage that process The CEO must be informed of progress and take an active role in the management of this risk exposure
High (score 10-14)	<ul style="list-style-type: none"> Exposure to this level of risk should be reduced as soon as practicable Improving the risk control is recommended and the relevant management should manage that process Relevant senior management must be informed of progress
Medium (score 5-9)	<ul style="list-style-type: none"> Unnecessary exposure to this level of risk should be reduced if practicable Improving the risk control is recommended if practicable and the relevant management should manage that process Control and responsibility must be specified

Low (score 1-4)	<ul style="list-style-type: none"> • Exposure to this level of risk is acceptable without additional risk treatments and be subject to periodic review to ensure the risk does not increase • Improving the risk control is not required • Can be managed by routine controls and procedures
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At present, the five highest rated key risks identified for the Authority are:

Risk	Likelihood	Impact	Causes	Consequences	Mitigating controls
Inability to source and train sufficient qualified pilot candidates (Ranking score 15 – Very High)	Frequent	Less severe	<ul style="list-style-type: none"> • Shortfalls in human resources within the maritime sector • Regulatory changes • Wait time between examination and hiring 	<ul style="list-style-type: none"> • Inability to provide timely and efficient pilotage services • Stress and fatigue of existing staff • Reputation as service provider impacted 	<ul style="list-style-type: none"> • Actively promote piloting as a career • Participation in regulatory changes • More frequent exams
Compromise of the confidentiality, integrity or availability of information (Ranking score 9 - Medium)	Occasional	Less severe	<ul style="list-style-type: none"> • Cybersecurity attack • Aging technology infrastructure • Failure of security systems 	<ul style="list-style-type: none"> • Increased costs • Damage to reputation • Delays in operations including pilot dispatch 	<ul style="list-style-type: none"> • Enhanced security protocols • Incident response plan • Back-up systems • Tabletop/ simulation exercises
Key members of the Authority's management team depart without a robust succession plan or knowledge retention in place (Ranking score 9 – Medium)	Occasional	Less severe	<ul style="list-style-type: none"> • Small size of management team • Increasing number of management team approaching retirement age • Significant amount of institutional knowledge required 	<ul style="list-style-type: none"> • Disruption to operations from management turnover • Risk to reputation if service levels impacted • Strain on remaining staff may lead to burnout 	<ul style="list-style-type: none"> • Active oversight on management team succession planning and knowledge sharing by HR Committee • Professional development plan for management team • Management compensation review to ensure competitive with market

Risk	Likelihood	Impact	Causes	Consequences	Mitigating controls
Unable to cover committed obligations and overhead because of a decrease in assignment volumes (Ranking score 9 - Medium)	Occasional	Less severe	<ul style="list-style-type: none"> • Global economic events impacting business confidence • Trade disputes resulting in tariffs or other barriers • Initiatives to address climate change that impact demand for fossil fuels 	<ul style="list-style-type: none"> • Loss of revenue • Inability to be financially self-sufficient 	<ul style="list-style-type: none"> • Diversified mix of products • Existing variable cost structure • Maintain cash reserves
Inadequate response to a disaster or emergency (Ranking score 8 - Medium)	Improbable	Severe	<ul style="list-style-type: none"> • Natural disasters are unpredictable • Poor communications • Equipment failures 	<ul style="list-style-type: none"> • Vessel delays • Impact of emergency may be exacerbated 	<ul style="list-style-type: none"> • Emergency response plans in place • Operations can be administered virtually

Appendix 8 - Compliance with Legislative and Policy Requirements

Below is a list of the legislative and policy directives with which the Authority currently complies.

Access to Information Act

As part of a commitment to clear and transparent governance, the Authority voluntarily reports, through its website, annual summaries of all requests related to the *Access to Information Act* received for itself and its subsidiaries. To date in 2024, two formal requests have been processed by the Authority.

Accessible Canada Act

In 2023, the Authority published a multi-year accessibility plan to proactively identify, remove, and prevent barriers in the following priority areas: employment, the built environment, information and communication technologies, communication, procurement, and the design and delivery of programs and services. The plan was developed by a working group of employees who self-identified as persons with a disability and is a direct reflection of the input, views and suggestions that were provided across the organization. A progress report was published on December 31, 2024. The Authority is in the final year of plan implementation, and a new accessibility plan will be published by December 31, 2025.

Official Languages Act

The Authority has assigned a member of its management team to monitor and promote the use of official languages within the organization. The Authority ensures that all its external and public communications as well as its services to the public are available bilingually by request. Annually the Authority reports its findings related to languages to the Treasury Board Secretariat's Official Languages Centre of Excellence.

Directive on Travel, Hospitality, Conference and Event Expenditures

As part of a commitment to good governance and as directed under Section 89 of the *Financial Administration Act*, the Authority has established a policy governing the reimbursement of reasonable expenses required for the purposes of business travel, hospitality, conferences and events in accordance with Government of Canada direction.

This policy includes processes for preparation and approval of expenses for reimbursement. The Authority's compliance with this policy is audited annually by the Office of the Auditor General for transactions coming to their notice. The Authority reports, through its website, annual aggregate corporate expenses related to travel and business development activities as well as the travel and hospitality expenses for the Board and senior management.

Expenses are reported by month and are reflected in the period during which they were reimbursed. These disclosures include business expenses related to business travel, hospitality, conferences, and event expenses for activities directly related to the delivery of the Authority's core mandate or legal requirements, engagement with its key stakeholders, internal governance, and training.

Pay Equity Act

In 2024, the Authority completed the process required under the Act to identify and redress any systemic gender-based discrimination in compensation practices experienced by employees who occupy predominantly female job classes. A Pay Equity Committee of employees was formed and reviewed job classes and compensation. The committee identified five female job classes that required pay equity adjustments. These adjustments were made effective in September 2024, and the annual report was submitted on June 19, 2025. This process will be completed every five years.

Trade agreements and procurement

The Authority is not directly involved with any activities related to trade agreements. A stable and collaborative pro-trade economic environment directly benefits the Authority's business activities.

The Authority is committed to procuring goods and services based on best overall value. Purchasing is conducted with due regard for equal opportunity, trade agreements, social and environmental considerations, internal policies and relevant legislation, including the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and the *Accessible Canada Act*. Procurement must support the Authority's mandate as set out in the *Pilotage Act*.

Purchases of goods and services over \$500,000 are advertised on the Government Electronic Tendering Service, (GETS), Canadabuy.ca. Purchases below \$500,000 are subject to best value evaluation. Best value includes but is not limited to price, fit for purpose, lifespan, maintenance and disposal. It is the Authority's policy to solicit offers for contracts with a value greater than \$30,000 except for authorized non-competitive purchases.

The Authority has also reviewed the recent report by the Office of the Auditor General on contracting of professional services and the recommendation to identify conflicts of interest in the procurement process. As part of its commitment to transparency, the Authority has a conflict-of-interest declaration process in place for employees, which would extend to procurement activities.

Other

Additionally, the Authority supports and complies with legislation that affects various facets of its operations, including:

- *Auditor General Act, R.S.C. 1985, c. A-17*
- *Canada Labour Code, R.S.C. 1985, c L-2*
- *Canada Shipping Act, 2001*
- *Canada Transportation Act, S.C. 1996, c 10*
- *Canadian Environmental Assessment Act, 2012, S.C. 2012, c 19, s 52*
- *Canadian Environmental Protection Act, 1999, S.C. 1999, c 33*
- *Canadian Human Rights Act, 1985*
- *Commercial Arbitration Act, R.S.C. 1985, c 17 (2nd Supp.)*
- *Conflict of Interest Act, 2006*
- *Customs Act, R.S.C. 1985, c 1 (2nd Supp.)*
- *Employment Equity Act, 1995*
- *Fighting Against Forced Labour and Child Labour in Supply Chains Act, S.C. 2023, c 9*

- *Financial Administration Act*, R.S.C. 1985, c F-11
- *Health of Animals Act*, S.C. 1990, c 31
- *Lobbying Act*, R.S.C. 1985, c 44 (4th Supp.)
- *Pay Equity Act*, 2018
- *Pilotage Act*, R.S.C. 1985, C. P-14
- *Privacy Act*, 1985
- *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c 1
- *Public Servants Disclosure Protection Act*, S.C. 2005, c 46

Appendix 9 - Government Priorities and Direction

Alignment with Government Priorities

The federal government's priorities, as articulated in the 2025 Speech from the Throne and the Prime Minister's mandate letter to his ministers, are focused on affordability and fiscal sustainability, restoring economic competitiveness, enhancing national security, reconciliation with Indigenous Peoples, and accelerating major nation-building projects. As a federal Crown corporation responsible for safe and efficient marine pilotage along the west coast of Canada, the Authority continues to align its operational and strategic activities with these national objectives.

Economic Competitiveness and National Projects

The Authority plays a vital role in advancing the Government of Canada's commitment to economic growth and nation-building through its ongoing support of major infrastructure projects and its role in safeguarding supply chains. Pilotage services are adapting to meet the demands of significant new export facilities, such as the LNG Canada terminal and the expanded Trans Mountain pipeline, with helicopter-supported pilot boarding services being deployed to enhance safety and efficiency in key coastal areas. The Authority is also participating in government-led initiatives to modernize infrastructure approvals and support "one project, one review" efficiencies, in collaboration with other agencies and First Nations where appropriate.

The Authority further supports interprovincial collaboration and internal trade objectives by working with its counterparts across Canada to harmonize elements of the National Pilotage System while maintaining respect for regionally distinct service models. The transition and ongoing improvements to the new Pilot Dispatch and Accounting Management System and planned system integrations with port and federal partners contribute to a more responsive and integrated marine transportation network.

Affordability, Efficiency, and Fiscal Responsibility

While required by legislation to be financially self-sustaining, the Authority remains committed to prudent financial management and transparency, in line with government efforts to return to balanced budgets and control public spending. Despite increasing operational demands, the Authority continues to limit the growth of discretionary expenditures such as travel and professional services, leveraging virtual meetings and digital platforms wherever possible. Financial self-sufficiency remains a core principle, and cost-recovery measures have been carefully structured to minimize impacts on stakeholders while ensuring the long-term sustainability of operations.

Reconciliation with Indigenous Peoples

Reconciliation and Indigenous self-determination remain central to the federal government's vision for a more united Canada. The Authority continues to build respectful, collaborative relationships with coastal First Nations throughout its area of operations. Two Indigenous directors serve on the Board, helping to guide governance and strategic planning. Engagement efforts include participation in federal initiatives that foster dialogue and collaboration, as well as bilateral relationships with individual Nations to strengthen mutual understanding of marine pilotage and related career pathways.

In the past year, the Authority delivered training for management and Board members on Indigenous worldviews and cultural safety and launched scholarships to support Indigenous students pursuing marine careers.

Climate Resilience and Greening Government

The Authority supports the Government of Canada's climate goals through sustainable operations and alignment with the Greening Government Strategy. In 2024, the Authority achieved BMO's Climate Smart Certification and completed its second carbon footprint audit, with reduction targets now under development. The authority is also participating alongside marine industry stakeholders for the second year in the Port of Prince Rupert's pilot project to promote the use of renewable diesel leading to 30% reduction in carbon intensity from 2018 levels by 2030.

Sustainability considerations are embedded across the Authority's capital planning, including engine refurbishments for pilot vessels, emissions standards for new launches, and reduced commuting through hybrid work arrangements. Office leases are held in a LEED-certified building, and remote engagement is prioritized where feasible. Our Annual Report now includes a description of risks we face associated with climate change and results of on-going measurement of our carbon emissions.

Open Government and Transparency

Consistent with the federal emphasis on modernizing service delivery and transparent governance, the Authority maintains open lines of communication with stakeholders, partners, and the public. Reports are published in a timely manner on the Authority's website and the Open Government portal in accordance with the Directive on Proactive Publication. Monthly industry association meetings, quarterly customer engagements, an annual public meeting, and regular updates to clients reinforce the Authority's commitment to accountability and service excellence.

Diversity, Equity, and Safe Workplaces

The Authority contributes to national efforts to build inclusive and respectful workplaces, including employment equity and gender diversity initiatives. Women represent a majority of the Authority's Board of Directors and over half of the management team. The Authority continues to explore new approaches to recruitment, including efforts to improve representation of women and Indigenous Peoples in pilotage and launch crew positions. Policies are in place to maintain respectful work environments, supported by regular surveys, third-party guidance, and mechanisms for anonymous reporting. Accessibility improvements and commitments to safe, civil workplaces are also in place.

Cybersecurity and Digital Modernization

As government operations increasingly rely on digital tools, the Authority is enhancing its cybersecurity resilience in line with federal priorities. The Authority utilizes the Canadian Centre for Cyber Security's threat-sharing platform and regularly reviews its protocols, conducts tabletop exercises, and ensures staff are trained on current risks. A phased modernization of digital platforms is underway, including upgrades to the Authority's pilot dispatch and training systems, and exploration of future opportunities in AI, smart port integration, and autonomous vessel planning.