

Great Lakes Pilotage Authority



Corporate Plan 2025 to 2029

*Approved by the GLPA Board
October 8, 2024*

Canada

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1. Executive summary

The Great Lakes Pilotage Authority (GLPA) establishes, operates, maintains and administers an efficient and cost-effective pilotage service within designated Canadian waters. Under the *Pilotage Act*, the GLPA is responsible for ensuring the safety of pilotage services and vessels transiting within its jurisdiction and must do so on a financially self-sufficient basis.

Safety is the GLPA's prime concern, and it guides the safeguarding of marine personnel, the environment and the public, as well as navigation itself. The GLPA has established an exceptional safety record while nurturing relationships and maintaining open communication with stakeholders, customers and the maritime community.

Strategic priorities

Over the planning period the GLPA will work with our stakeholders to address several strategic issues.

The GLPA will assist Transport Canada with the development of a national pilot certification systems and to implement a common data base to reduce duplication and bring efficiencies in the handling of documentation required to administer the GLPA's present certification program.

The GLPA's will collaborate closely with the St Lawrence Seaway Management Corporation (SLSMC) in the development of their Vessel Information System. This system will utilize AI to bring efficiencies to traffic management.

The GLPA will work with the marine industry to promote seafaring careers to meet critical shortages within the industry and to help in addressing the risk of insufficient Pilot numbers to meet future requirements.

The GLPA will, with the U.S. Coast Guard, be reviewing and updating the Memorandum of Understanding that outlines how pilotage on the Great Lakes is shared and administered across the boarder.

Over the planning period the GLPA does not foresee any borrowing requirements. A move to larger office facilities, the purchase of new portage pilotage units and the updating of the GLPA's technology abilities are the key capital projects within the plan.

2. Overview

2.1 Corporate mandate

The GLPA was established in February 1972 pursuant to the *Pilotage Act* with a mandate to establish, operate, maintain and administer (in the interests of navigation safety) an efficient and cost-effective pilotage service within designated Canadian waters. The *Pilotage Act* also provides that pilotage charges must be fair and reasonable, and that these—together with any revenue from other sources—shall permit the GLPA to be financially self-sufficient. Maritime shipping through the Great Lakes/St. Lawrence Seaway system is vital to Canada's connections to international markets and its prosperity. North American farmers, steel producers, construction firms, food manufacturers, and power generators—and Canadian households—depend on the 160 million metric tons of raw materials and finished goods that are delivered by ships every year through the Great Lakes region.

The GLPA is a non-agent Crown corporation listed in Schedule III, Part I of the *Financial Administration Act*. The Authority has not received federal appropriations since 1995 and is not eligible for future appropriations. It is exempt from income taxes.

2.2 Public policy role

The delivery of pilotage services in compulsory pilotage areas supports both the economic and environmental goals of the federal government. Safe and reliable pilotage services ensure the movement of goods and people while yielding economic benefits for Canada. The services also contribute to fulfilling environmental goals through the safe transportation of commodities and hazardous materials. While taking into consideration diversity and inclusion, as well as aligning with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, these services uphold broader ethical and social responsibilities, fostering a sustainable and equitable maritime industry.

2.3 Vision and Mission

The GLPA's vision and mission, as approved by the GLPA Board of Directors (the Board), define the framework for its strategic direction.

Mission

The GLPA strives to proactively deliver quality marine pilotage services by collaborating with its stakeholders, leveraging technology and recruiting proficient pilots and staff.

Vision

The GLPA aims to be a leader in marine pilotage services that ensure the safe, efficient, sustainable and reliable movement of goods through the Great Lakes region.

Values

Service excellence: We are committed to being an agile organization that delivers safe, high-quality services to our stakeholders.

Solutions-focused: We are collaborative and transparent in addressing opportunities and challenges to create value for our stakeholders.

Care for people: We are an organization that is diverse, inclusive and creates opportunities for the professional growth of our people.

Care for the environment: We are an organization that values and strives to be environmentally responsible.

2.4 Main activities and principal programs

In the interest of safety, the GLPA's main activity is to operate a marine pilotage service for all foreign and domestic ships that are subject to compulsory pilotage in all Canadian waters in the provinces of Ontario, Manitoba and Quebec (south of the northern entrance to the St. Lambert Lock). Pilotage services are provided mainly to ocean-going ships, which are also referred to as foreign vessels. These have historically represented 80% to 85% of GLPA assignments, with the remaining 15% to 20% attributed to Canadian tankers and non-ocean-going ships.

The St. Lawrence Seaway Management Corporation (St. Lawrence Seaway), whose service covers the waterway from Montreal to the middle of Lake Erie, from mid-March to the end of December (the period also known as the navigation season). This organization is responsible for operating and maintaining the Seaway—such as its locks, channels, bridges and related facilities—to ensure safe and efficient passage of vessels navigating the Seaway system.

During the Seaway's navigation season, the GLPA provides pilotage services primarily to ocean-going vessels because the crews of these vessels are unfamiliar with the waters of the Great Lakes. Outside of this season, domestic vessels continue to navigate the Great Lakes west of the Welland Canal. GLPA pilots mainly provide service to tankers because most other domestic vessels operating during this period are serviced by certificate holders.

In 2011, the *Great Lakes Pilotage Regulations* were amended, requiring all Canadian officers who intend to perform pilotage duties in the Great Lakes region to hold a valid pilotage certificate issued by the GLPA. Officers abiding by this requirement are known as certificate holders.

In June 2021, through amendments to the *Pilotage Act*, the Government of Canada began introducing changes to how pilotage certificates are issued, suspended and cancelled. Working with Transport Canada, the GLPA has maintained the pilotage certification system with roughly 250 certificate holders. This ensured that Canadian vessels, subject to compulsory pilotage, continued to be under the conduct of valid certificate holders—even when external pilot services were not requested—as per the *General Pilotage Regulations*.

In June 2022, to align with new administrative authority under the *Pilotage Act*, the 4 regional pilotage regulations were consolidated under the *General Pilotage Regulations*. As such, the *Great Lakes Pilotage Regulations* were repealed, and all provisions are now under Division 3 of the *General Pilotage Regulations*.

2.5 More information

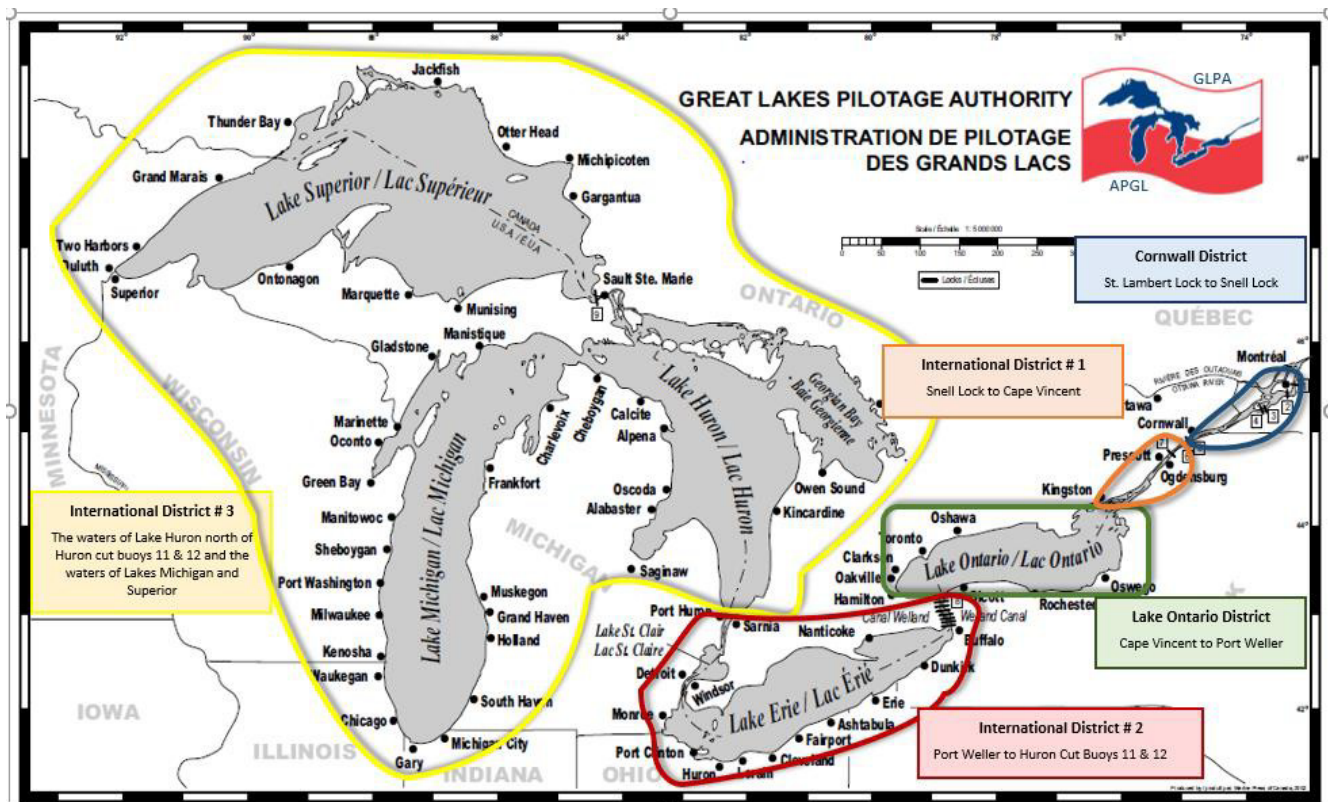
Additional corporate information about the GLPA is available on the Authority's website at:

<https://www.glpa-apgl.com/reports-and-documents/financial-reports/>.

3. Operating environment

The GLPA has 5 compulsory pilotage areas (referred to as districts) within the Great Lakes region and a sixth within the limits of the Port of Churchill, Manitoba. The following map shows the 5 districts within the Great Lakes region.

- Cornwall District
- International District No. 1
- International District No. 2
- International District No. 3
- Lake Ontario District



Given that pilotage services in the Great Lakes region are shared between Canada and the United States, and that the GLPA operates within the confines of the St. Lawrence Seaway, the GLPA collaborates and coordinates with other organizations to provide reliable, effective, and efficient pilotage services to its customers. These organizations include:

- the St. Lawrence Seaway Management Corporation and the United States St. Lawrence Seaway Development Corporation, which operate lock facilities and maintain traffic

- control systems within the region
- the Canadian Coast Guard, which provides navigation aids
- the United States Coast Guard, which oversees United States pilotage matters in international waters

Because Canada shares much of the St. Lawrence Seaway and Great Lakes region with the United States, ships that travel through these waters may cross the international boundary many times in a single voyage. The *General Pilotage Regulations* state that, where Canadian waters are contiguous with waters of the United States, a ship subject to compulsory pilotage may use a United States marine pilot.

Refer to Appendix K for additional information on the GLPA's operating environment, including its relationship with United States pilotage associations in the delivery of pilotage services in the Great Lakes region.

3.1 Internal environment

Organizational structure, pilots and management succession

The GLPA's current workforce is shown in the following table.

Bargaining unit	Expiry date of collective agreement	Number of employees per district	Number of employees
Pilots			
Cornwall District: Corporation des Pilotes du Fleuve et de la Voie Maritime du Saint-Laurent	March 31, 2027	<ul style="list-style-type: none"> • 22 full-time pilots • 2 apprentice pilots 	<ul style="list-style-type: none"> • 66 full-time pilots • 7 apprentice pilots • 5 part-time pilots
International District 1: Corporation of the Upper St. Lawrence Pilots	March 31, 2027	<ul style="list-style-type: none"> • 10 full-time pilots • 1 apprentice pilot 	
Lake Ontario District: The Pilots' Corporation, Lake Ontario and Harbours	March 31, 2027	<ul style="list-style-type: none"> • 6 full-time pilots • 1 apprentice pilot 	
International Districts 2 and 3: Corporation of Professional Great Lakes Pilots	March 31, 2027	<ul style="list-style-type: none"> • 28 full-time pilots • 4 apprentice pilots 	
Dispatchers and office staff			
PSAC	June 30, 2024	Not applicable	<ul style="list-style-type: none"> • 8 full-time dispatchers • 2 part-time dispatchers • 4 full-time office staff • 3 professional staff
Office staff			
Non-unionized employees	Not applicable		<ul style="list-style-type: none"> • 3 executives • 9 employees
TOTAL			107 employees

As of September 2024, all 4 collective agreements with the pilot groups had been ratified. Two of these agreements—for Districts 2 and 3 and for Cornwall—were ratified in 2023, and the remaining 2—for Lake Ontario and District 1—were ratified in 2024. The new collective agreements cover the period from April 1, 2022, to March 31, 2027.

In 2023, the GLPA collaborated with tax advisors to review whether various allowances paid to pilots should be considered as taxable benefits. Previously, these had not been taxed.

Following the advisors' review, it was determined that these allowances are indeed taxable under both Canadian and Quebec tax regulations. Consequently, the GLPA revised its procedures in 2023 to ensure these allowances are taxed. To compensate pilots for the associated tax implications, the GLPA paid and provisioned \$4.2 million, which was drawn from its accumulated reserve. As a result, the accumulated reserve has been significantly reduced.

The collective agreement for dispatchers and office staff, who are represented by PSAC, expired in June 2024. The GLPA aims to begin negotiations with this group at the beginning of 2025.

Regarding executive leadership, the GLPA has a search underway for a CEO. In the interim, the Chairperson of the Board is fulfilling the CEO's responsibilities.

The GLPA carefully balances cost containment efforts with reasonable and competitive compensation to attract and retain skilled employees, particularly marine pilots. Pilot succession continues to be a challenge for the GLPA. Like other stakeholders in the maritime industry, the GLPA is facing workforce shortages due to an aging workforce, a scarcity of resources and a growing demand for its services. Over the last 10 years, the GLPA has experienced a high level of pilot retirements, and similar levels are anticipated during the planning period.

From 2016 to 2024, 29 pilots retired, and the GLPA recruited 54 apprentice pilots. Over the planning period, 23 more pilots are expected to retire, representing approximately 30% of the GLPA pilot workforce (refer to Appendix L).

There is a clear need to increase pilot numbers to service traffic demands effectively and reduce delays. The GLPA plans to recruit and license a significant number of apprentice pilots over the planning period.

In 2019, as the operational environment of the GLPA became more complex due to regulatory changes and enhanced reporting requirements through government initiatives, the GLPA undertook an organizational optimization exercise focused on office staff. An independent consulting firm reviewed the GLPA's existing organizational structure and concluded that the structure, combined with its limited resources, could hinder the Authority's ability to fulfill its mandate and achieve both current and future strategic and operational objectives. In response, the GLPA adopted a phased recruitment approach, integrating 5 full-time equivalent positions into its structure between 2020 and 2024. The organization plans to recruit and onboard an additional 3 positions in 2025: an operations clerk, a business analyst and a project manager. Recruitment has begun, with 1 new hire set to start in 2024. The GLPA intends to fill the remaining 2 positions in the first quarter of 2025. With the additions, the organization will be better positioned to deliver on its mandate and objectives.

Other than retirements, the GLPA has a low turnover rate as measured against industry standards.

Financial self-sufficiency

At the end of fiscal year 2023, the GLPA reported an accumulated surplus of \$94,293 after drawing \$4.2 million from its reserve for provisions and payments related to taxable benefits.

The GLPA's primary financial objective is to consistently generate an adequate annual surplus to

maintain a reasonable reserve. This reserve would support continued operations during unpredictable situations and/or significant reductions in traffic. To achieve this, the GLPA will continue to develop annual pilotage charges that cover operational expenditures while managing pilotage costs.

The GLPA continues to invest in pilot and apprentice pilot training programs, adapting to evolving business needs and requirements. It remains committed to upholding a high standard of service, targeting 99.9% incident-free assignments.

Pilot numbers and capacity

To ensure financial self-sufficiency and minimize delays, the GLPA carefully balances the forecast demand for pilotage services with the availability of sufficient number of trained, qualified and licensed pilots are available.

Ships enter and leave the system with no set schedules. Therefore, the GLPA must provide a complement of pilots ready to manage these uneven traffic flows in the compulsory pilotage waters of the Great Lakes region. The requirement for financial self-sufficiency prevents the GLPA from bolstering its permanent piloting staff to cover sudden and temporary surges in traffic.

The GLPA projects a 7.7% increase in assignments in 2024 compared to 2023, with the number of assignments expected to remain constant throughout the planning period. The GLPA will continue to hire pilots to replace those planning to retire and to increase the overall number of pilots, ensuring an adequate workforce is available to service the traffic.

Number of apprentice pilots hired:

2021: 5
2022: 5
2023: 5
2024: 4

The GLPA estimates that it will need to hire 26 apprentice pilots over the planning period. Refer to Appendix L for more information on the proposed pilot head count.

Technology

Over the planning period, the GLPA will continue to seek out technologies to enhance its capabilities. Began in 2024 and continuing forward, the Information Technology (IT) Specialist will be developing an Information Security Management System (ISMS) aligned with the ISO 27001 standard to bring all the Authority's systems into compliance with Government of Canada policy and industry data security, privacy, and governance recommendations.

The ISMS will also incorporate alignment with the **National Institute of Standards and Technology (NIST)** cybersecurity framework to ensure robust risk management practices harmonizing interfaces with US activities. Furthermore, the GLPA is committed to compliance with the **Personal Information Protection and Electronic Documents Act (PIPEDA)**, ensuring the safeguarding of personal data and adherence to privacy requirements across its operations.

The IT Specialist is also working with IT-security leaders to update cybersecurity measures, including the detection, prevention, and mitigation of cybersecurity threats.

3.2 External business environment

The GLPA's main traffic source originates from the movement of bulk commodities, such as grain, oil, steel and general cargo. The Canadian economy is navigating a volatile landscape. While inflation has shown signs of moderating and interest rates have dropped, the risk of continued economic uncertainty remains significant. The situation is compounded by geopolitical instability, particularly in Europe and the Middle East. Additionally, fluctuating energy prices and supply chain disruptions may create challenges for the logistics sector. In the face of these complexities, traffic in the Great Lakes region remains difficult to predict. The GLPA will continue to monitor economic and business trends closely and adjust its practices to navigate these uncertainties effectively.

This section discusses the business and environmental factors that affect the GLPA's work.

Economy and traffic

The Great Lakes region is vast, containing some 250,000 km² of navigable waters. Marine traffic consists mainly of ships carrying grains, iron ore, oil and gas, dry bulk goods, liquid bulk goods, and general cargo. There are also passenger cruises. The GLPA's ability to forecast traffic accurately is highly dependent upon the feedback it receives from stakeholders.

Container contracts with many Canadian and American ports are not negotiated far enough in advance to allow the GLPA to forecast traffic needs into future years. The efficient management of pilot resources in the Great Lakes region is, in part, a function of receiving reliable, timely and accurate information from stakeholders. The GLPA is seeking greater collaboration with its customers and stakeholders to gain better data to reduce delays and contain costs.

The budgeted traffic level dictates pilot staffing and appropriate pilotage charges—both of which are highly critical elements if the GLPA is to be financially self-sufficient, given that pilot compensation is primarily fixed. As shown in the chart below, there have been significant deviations from planned assignments in the last 10 years.

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actual pilot assignments*	8,823	9,315	8,179	9,061	9,928	8,798	7,636	7,020	7,166	7,462
Planned pilot assignments*	9,616	9,616	9,105	8,084	8,076	7,700	7,067	6,700	6,531	6,100
Deviation from plan	8.2%	3.1%	10.2%	12.1%	22.9%	14.3%	8.1%	4.8%	9.7%	22.3%

* Number of assignments during the navigation season (excludes winter work assignments)

As of July 2024, a 6% increase in assignments was observed compared to 2023. While assignments for domestic vessels decreased by 10%, those for foreign vessels increased by 11%. As of July 2024,

the distribution of assignments by vessel type was as follows:

- bulk carriers: 42%
- oil/tankers: 32%
- general cargo: 19%
- passenger cruises: 4%
- other: 3%

The GLPA expects this trend to hold steady for the remainder of 2024 and anticipates finishing the year with 9,500 assignments completed (excluding winter work). This represents an overall increase of 7.7% compared to the previous year. The GLPA also expects assignment numbers for 2025 to be similar, projecting 9,500 assignments for the year.

Memorandum of Understanding with the United States Coast Guard

In 2013, a memorandum of understanding was signed by the U.S. Coast Guard and the GLPA. The memorandum outlines where and how coordinated pilotage services are to be provided by these 2 parties within the Great Lakes area. It also defines agreed-upon rules for dispatching pilots and pilot boat services, as well as areas where pilotage service will be provided by each party and how these are to be shared. Accounting principles for delivered pilotage services in the various districts are also contained in the document.

The GLPA is presently working with the U.S. Coast Guard to update and modernize the memorandum to ensure the marine industry in the Great Lakes region continues to receive safe and efficient pilotage services.

Relationships with industry stakeholders

The GLPA prioritizes and values its relationships with customers and industry stakeholders. The organization's commitment to understanding and addressing their needs is reflected in its consistent interactions with them. The 2024 customer satisfaction survey indicated that, while overall satisfaction remains favourable, there has been a slight decline compared to when the last survey was conducted. In response to the identified concerns, the GLPA has formulated action plans in consultation with its customers and is working toward implementing them.

To foster open dialogue and nurture relationships, the GLPA has instituted annual customer relations meetings. Notably, before finalizing pilotage charges, the organization uses these meetings to seek customer feedback. Recognizing the importance of continual feedback, the GLPA will conduct another customer satisfaction survey in 2025. This will provide an additional opportunity for the organization to gauge its performance and identify further areas for improvement. The GLPA plans to carry out surveys regularly to stay aligned with the evolving needs and expectations of its stakeholders.

The GLPA is using technology to improve its services to its industry stakeholders. In 2024, the organization rolled out an agent portal within its dispatching system. The portal allows shipping agents access to the GLPA's dispatch team in real time. This permits agents to enter vessel prospects online, which automatically updates the dispatch system. Agents also have real-time access to their vessel positions as seen by the Authority's dispatch team.

Pilotage Act reform

Amendments to the *Pilotage Act* received Royal Assent in June 2019. The provisions of the amended act came into force in 4 phases:

- a restructuring of the *Pilotage Act* and the introduction of labour and governance provisions (Order in Council #1, dated August 2019)
- oversight and enforcement (Order in Council #2, dated March 2020)
- pilotage charges (Order in Council #3, dated June 2020)
- regulation and operations (Order in Council #4, dated June 2021)

The GLPA continues to collaborate with Transport Canada and the other pilotage authorities during its transition to the amended *Pilotage Act* to ensure a smooth experience for everyone concerned. The GLPA has provided feedback to the department on all proposals and is committed to working with departmental officials to ensure a smooth experience for everyone involved. The GLPA will stay abreast of these changes, assess their impact on the organization, and respond appropriately. This will involve making internal adjustments and/or working with Transport Canada to minimize impacts and maximize identified opportunities

On June 9, 2022, the 4 existing regional marine pilotage regulations were consolidated under the *General Pilotage Regulations* with administrative amendments to align the Minister's authority under the amended *Pilotage Act*. As such, the *Great Lakes Pilotage Regulations* were repealed, and all provisions are now under Division 3 of the *General Pilotage Regulations*.

The GLPA, along with stakeholders and customers, is working with Transport Canada to develop a national certification program. The GLPA's successful certification program has contributed to maintaining very high safety standards within the Great Lakes region.

- Transport Canada will require pilotage authorities to have a quality management system in place within their organizations and as Transport Canada finalizes the new requirements for the development of a quality management system, the GLPA is working to meet the projected timeline for implementation.

The GLPA has hired a quality manager who, in collaboration with Transport Canada, will oversee the development and management of this system. The final parameters of the program are expected to be released in 2025.

Climate challenges

The changing climate has led to more frequent and severe environmental conditions, such as high winds, extreme ice conditions and fluctuating water levels. These events create significant operational challenges as the GLPA works to provide safe, efficient and cost-effective pilotage services. For example, extreme ice conditions can lead to the decommissioning of the boats used to transport pilots to their assignments. Pilots are then required to embark or disembark further down the river, where conditions are safer. This reduces pilot availability and increases costs.

Managing water levels presents another challenge. In the spring, if melting ice is combined with high precipitation volumes, there may be higher-than-normal levels. In other years, weather conditions can lead to reduced water levels. To keep levels near expectations, the Canada–United States bilateral governing body (the International Joint Commission) monitors levels and imposes increased or decreased water outflow in the St. Lawrence River. This can force a slowdown of all vessels, leading to longer trip times, reduced pilot availability, and higher pilotage costs. To help prevent these outcomes, the GLPA and its pilots provide valuable expertise to the St. Lawrence Seaway and the International Joint Commission

in their monitoring of the water levels.

The GLPA is committed to working with its industry partners and stakeholders to identify and implement practices and policies that will meet the climate change goals set out by the government. As an integral component of Highway H₂O (the major water-based trade route that connects the interior of North America to global markets via the Great Lakes and St. Lawrence Seaway), the GLPA is assisting the St. Lawrence Seaway with the development of its Vessel information System. This work will lead to better predictions of vessel transit requirements and satisfy the ultimate goal by identifying areas where environmental impacts could be reduced.

The GLPA will also work with Transport Canada in developing a Canadian framework for green shipping corridors. (A green shipping corridor is a maritime route where ships and ports collaborate to reduce greenhouse gas emissions by using cleaner fuels, technologies and practices aimed at promoting sustainable and environmentally friendly shipping.)

As the marine industry works to meet the challenges of the climate crisis, the GLPA is actively reviewing other avenues where its expertise can be of assistance.

Technology

The GLPA's foreign customers continue to increase their use of the Draft Information System, which provides mariners with better information about under-keel clearances to ensure safe transit along the St. Lawrence Seaway. GLPA pilots were closely involved in the trials that allowed the adoption of this technology by customers.

Through the planning period, the GLPA will continue to work with stakeholders and customers to seek and develop technology-driven approaches to coordinating pilotage services. The organization is dedicated to continuously improving the efficiency and efficacy of its operations.

3.3 Compliance with federal directives and alignment with government priorities

The GLPA complies with all federal directives by following both the spirit and intent of government priorities. The GLPA supports open and transparent governance by consulting regularly with stakeholders and using its website to proactively disclose information to the public.

The efficient and safe transport of marine vessels through the Great Lakes delivers economic growth and prosperity for all Canadians. The industries dependent on these transports create jobs, increase economic opportunities and expand markets for Canadian companies. The GLPA contributes to the safe and efficient movement of goods and people for Canadians, while protecting the environment from harm. Pilotage plays a key role in ensuring that there are no ship-source environmental disasters in Canadian waters. The GLPA's pilotage services benefit Canadians by protecting marine ecosystems, a vibrant tourism industry, and the local infrastructure.

Please refer to Appendix I for further information on compliance with federal legislation and to Appendix J for additional information on the GLPA's alignment with government priorities.

Federal Office of the Auditor General special examinations, reviews and other audits

In a 2018 special examination report, the Office of the Auditor General of Canada noted significant

deficiencies related to the GLPA's Board oversight and appointments as well as its process for monitoring the transit of Canadian ships. The report contained 10 recommendations. The Board and management have addressed all but 1: the need to conduct a review of compulsory pilotage areas. Given that the responsibility for establishing compulsory pilotage areas has been transferred from the GLPA to the Minister of Transport (per s. 52(f) of the *Pilotage Act*), the review has been deferred.

The Office of the Auditor General of Canada also conducts an annual audit of the GLPA's financial statements. It verifies that they fairly reflect the organization's operating results and position and ensures that transactions have been carried out according to International Financial Reporting Standards and Part X (Crown Corporations) of the *Financial Administration Act*. The GLPA received an unqualified opinion, and its 2023 audited financial statements are available online.

In compliance with the *Financial Administration Act*, the GLPA conducts periodic internal audits to strengthen its accountability, risk management strategies, resource stewardship and good governance. As part of its 2023 assessment, the GLPA refreshed its multi-year, risk-based audit plan. With the refresh completed, the GLPA will audit its risk management program in 2024.

Environmental, social and governance footprint

Over the planning period, the GLPA will continue assessing its environmental, social and governance (ESG) footprint to meet government priorities and industry standards. The organization has already taken several steps to address this goal. Its environmental footprint has been reviewed. All contracted work involves suppliers who meet ESG standards. The GLPA works to align internal policies and practices with government directives and priorities as they are published.

The organization is committed to investing in solutions that lower its carbon footprint; developing a healthy, safe, inclusive and caring workplace; and integrating ESG considerations into all strategy and governance processes.

The GLPA will submit its Task Force on Climate-related Financial Disclosures (TCFD) Report by the end of 2024.

4. Objectives, activities, risks, expected results and performance indicators

4.1 Corporate strategic objectives

The GLPA's corporate strategic objectives for the 5-year planning period are:

- to establish, operate, maintain and administer, in the interests of safe navigation, an efficient pilotage service in its area of responsibility
- to provide such services within a commercially oriented framework that aims for financial self-sufficiency and cost containment
- to contribute to the federal government's environmental, social and economic policies as they apply to the marine industry in the Great Lakes region

4.2 Objectives and activities

According to its strategic plan, the GLPA has identified 4 primary objectives and corresponding activities to direct the organization during the current planning phase.

Be an employer and partner of choice

The GLPA is focused on creating a people- and customer-focused organization that is both an employer and partner of choice within the marine sector. To achieve this, it will continue to build partnerships with training institutions and industry stakeholders to attract new talent. Through this effort, it will build a more enduring pipeline of talent for essential roles, including pilots, dispatchers and other key administrative and leadership personnel.

The GLPA strives for an engaged workforce and a positive organizational culture. It intends to reach this goal through more regular and deliberate staff and pilot engagement communications. Further, to ensure it can reliably deliver on its strategic and operational priorities, the GLPA will also build its capacity to ensure talent and succession planning is in place.

During the planning period, the GLPA will also:

- implement a plan to manage future-state information systems and reduce ever-increasing cybersecurity risks
- explore the repatriation of the dispatching functions in International District 3 from the United States pilot association
- recruit additional staff (including for key, senior management roles) as part of its optimization initiative
- continue to develop succession plans for senior management
- continue to partner with the pilot unions to address operational issues

Having conducted the 2020 employee engagement survey and implemented action plans to address identified gaps, the GLPA is set to carry out another round of employee engagement surveys in 2024 to further assess progress and continue to foster a positive work environment.

Deliver safe, reliable and innovative service

The GLPA aims to be proactive and agile in delivering safe, reliable and effective marine pilotage services. The GLPA will continue working with stakeholders to minimize avoidable delays to pilotage services. This includes maintaining its strong marine-safety record, which includes a 99.9% incident-free rate. This will also involve working with United States counterparts to harmonize practices and deliver a more seamless service to stakeholders. Over the planning period, the GLPA is also committed to working with other pilotage authorities and Transport Canada to ensure the sector can transition seamlessly into the new regulatory and certification environment.

During the planning period, the GLPA will also:

- recruit and train an appropriate number of apprentice pilots
- revise and update the pilot quality assurance program and the apprentice pilot training program to reflect business requirements and current trends

- conduct an annual employee survey and, based on the results, develop and implement action plans to introduce improvements
- achieve fewer than 4,000 pilotage delay hours
- ensure sufficient audits of Canadian ship transits to demonstrate that Canadian ships are under the conduct of a valid certificate holder
- develop pilotage charge strategies that will generate sufficient revenues to record annual surpluses and thereby maintain a reasonable financial reserve

Create value for stakeholders

This strategic objective is focused on creating organizational and stakeholder value through an effective, efficient and responsive operational set-up.

During the planning period, this work will include the following activities:

- developing and implementing an IT and digital service plan, which will include the formation of an IT subcommittee under the Audit Committee¹
- growing the GLPA's business intelligence functions, systems and processes to help fill gaps and increase the organization's ability to manage sector trends and needs in the Great Lakes region
- updating the GLPA's reserve policy and strategy to ensure resources are appropriately managed in order to support financial self-sufficiency and ensure financial resilience

Deepen industry relations and engagement

The GLPA is committed to deepening and sustaining relationships with stakeholders to strengthen both service excellence and its organizational reputation.

To achieve this, the GLPA will:

- support the *Pilotage Act* transformation framework and the national marine pilotage regulatory framework, which includes:
 - complying with the transition of regulatory functions to Transport Canada
 - developing its quality management system
- continue to address actionable items developed in response to the customer satisfaction survey that was completed in the fourth quarter of 2023
- support the vessel information system initiative of the St. Lawrence Seaway, which includes:
 - delivering critical data to Seaway VTS to optimize traffic pattern, enhancing overall efficiency and reducing delays
 - enhancing pilot availability forecasting with improved visibility of pilotage schedules

¹ Recognizing the significant risks associated with the implementation and use of IT, the subcommittee will be tasked with overseeing the identification and mitigation of such risks, thereby supporting the organization's development of best-in-class pilotage services and business operations.

- and vessel arrival predictions to better meet demand
- improving the ability to anticipate near-term operational impacts and adjust planning accordingly
- providing real-time insights for vessels to modify voyage plans, avoiding high-demand pilotage periods
- offering a practical testing ground to refine this capability as a key stakeholder
- review the performance of the agent portal that was implemented as part of the GLPA's dispatch system in 2024

4.3 Risks

The GLPA is dedicated to identifying, assessing and mitigating risks as appropriate. It employs an enterprise risk management (ERM) approach within its strategic planning process and continually monitors identified risks. The Board views the GLPA's overall management of the risks and corresponding mitigation measures as effective.

During this planning period, the GLPA will monitor the following main risk areas.

Leadership succession planning

The GLPA has undergone—and will continue to experience—changes at the senior leadership level. This presents inherent organizational risks. The recruitment of a CEO is key. Until a permanent CEO is appointed, the Chairperson will act as interim CEO. The GLPA is developing a robust plan to anticipate changes key personnel to ensure seamless business operations. To mitigate these risks and ensure continuity and efficacy in its business operations, the GLPA is deeply committed to strategic recruitment, effective onboarding and comprehensive training for staff in critical leadership roles.

Labour negotiations

The collective agreement with the PSAC group (dispatchers and office staff) expired in June 2024, and the GLPA plans to begin negotiations for a new agreement at the beginning of 2025. There is a risk that failure to reach an agreement during these negotiations could result in a strike. A strike would disrupt GLPA operations, potentially leading to service delays, increased operational costs and strained relationships with key stakeholders. Prolonged labour disruptions could also adversely affect the GLPA's financial stability and ability to meet service obligations, posing a risk to the organization's overall performance.

Financial self-sufficiency

The GLPA had an accumulated reserve of \$94,293 at the end of 2023. As such, the organization's primary financial risk stems from its current limited financial flexibility. Given the requirement under the *Pilotage Act* that the GLPA maintains financial self-sufficiency, the low reserve level increases the vulnerability of the organization to operational disruptions, unexpected cost increases, or significant reductions in traffic. Ultimately, the GLPA's ability to meet its mandate could be affected

by the situation.

Pilot numbers

According to the Canadian Marine Careers Foundation, 43% of the marine workforce is set to retire over the next 10 years. Among those expected to exit, 47% are deck officers, which leaves an estimated 19,000 jobs to be filled aboard Canadian vessels. The industry is facing a serious labour shortage because the number of marine school graduates in Canada is lower than the number of seafarers retiring each year. This expected and critical shortage of personnel is forecasted to have particular effects on positions requiring a Master Mariner or Master, Near Coastal certificate of competency.

5. Financial overview

5.1 Financial results for 2023

- In 2023, the GLPA recorded revenues of \$45.3 million, a decrease of \$0.7 million compared to 2022. This decrease was attributed primarily to a 5% decrease in assignments.
- In 2023, the GLPA recorded expenses of \$52.0 million, an increase of \$8.1 million compared to 2022. The majority of these expenses comprise pilot wages and benefits, along with pilot travel and pilot boat services, directly linked to vessel servicing and subject to fluctuations based on assignment demand. Pilot salaries and benefits increased by \$6.2 million in 2023, primarily as a result of the new collective agreements negotiated during the year and a 1-time provision of \$4.2 million for revised taxable benefits relating to the years 2019 to 2022.

After accounting for changes in both revenues and expenses, the GLPA recorded a 2023 operating loss of \$6.7 million, which reduced its accumulated surplus to \$94,293.

The GLPA's financial objective is to generate sufficient annual surpluses during the planning period to build a reasonable reserve of \$10 million by the end of fiscal year 2029.

This reserve will be used to invest in new assets to replace those nearing the end of their useful lives, ensuring continued operational efficiency. Additionally, the reserve will provide a buffer to manage potential economic fluctuations, both within Canada and globally, that could impact maritime operations. It will also help mitigate risks associated with the volatility of maritime traffic levels, allowing the GLPA to maintain its high standards of service.

Finally, part of the reserve will be allocated to finance initiatives aimed at addressing labour shortages, securing the GLPA's ability to meet its operational commitments. This financial planning positions the GLPA to navigate future challenges while sustaining its services.

5.2 Major assumptions for 2025 to 2029

When preparing forecasts and budgets, the GLPA considers a variety of elements, both financial and non-financial. For the current planning period, the organization will prepare budgets with the

following assumptions in place.

Pilotage assignments

Based on discussions with industry stakeholders and the observed trends in traffic to date, the GLPA anticipates a total of 9,500 pilotage assignments for the 2024 navigation season (excluding winter work). This represents a 7.7% increase compared to 2023. For 2025, the GLPA projects the same number of pilotage assignments (9,500) and envisions consistent traffic patterns for the remainder of the planning period. However, due to the inherent challenges in traffic forecasting (mentioned earlier), making specific projections beyond 1 year is challenging.

Pilotage charges

The GLPA's primary revenue source is pilotage charges. For 2025, the GLPA anticipates a 4.0% increase in these charges, followed by 2.0% annual increases from 2026 to 2029.

Given that the GLPA plans to maintain its current level of apprentice pilot recruitment and training, it will also sustain its apprentice pilot training surcharge at 5% throughout the entire planning period.

Head count and wage increases

Forecasts of pilot retirement and corresponding new hires are referenced in Appendix L: Statement of pilot numbers. The current headcount for dispatchers and unionized office staff will remain consistent over the planning period.

The collective agreements with pilots are set to expire in March 2027. Negotiations with PSAC are expected in early 2025. Assumptions about wage increases for all employee groups for the planning period are as follows:

Employee group	2023	2024	2025	2026	2027	2028	2029
Pilots	0.0%	1.5%	1.5%	1.5%	2.0%	2.0%	2.0%
PSAC	7.6%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Non-unionized	4.0%	6.0%	2.0%	2.0%	2.0%	2.0%	2.0%

5.3 Sensitivity of projections to change

The GLPA's major expenditures are wages and benefits, pilot boat costs and other contractual obligations. Therefore, major fluctuations in pilotage assignments will have a significant impact on the organization's financial results.

Applying this earnings/cost model to the assignment levels noted below means that pilotage revenue, operating expenses and the surplus or deficit of the GLPA could vary over the planning period as shown in the following table.

Variation in pilotage assignments	Variation in pilotage revenues	Variation in operating expenses	Resulting change to surplus or deficit
15% reduction in traffic	(\$7.2) million	(\$1.2) million	(\$6) million
15% increase in traffic	\$7.1 million	\$2.6 million	\$4.5 million

5.4 Debt analysis

There is no long-term debt other than the head office capital lease and employee benefits. Based on the budgeted financial results for the planning period, the GLPA has no concerns about its ability to service these debts.

Appendices

Appendix A: Federal mandate letter

The GLPA operates in accordance with its mandate under the *Pilotage Act* and according to the guidance expressed by the Honourable Omar Alhabra, former Minister of Transport, in a letter to the GLPA's Chair dated September 6, 2022.



September 6, 2022

Captain James Pound
Chairperson of the Board of Directors
Great Lakes Pilotage Authority
jpound@glpa-apql.com

Dear Captain Pound:

As you know, following the 2021 general election, I had the honour of being reappointed 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 Great Lakes Pilotage Authority (GLPA) will help advance these priorities.

As the Minister accountable to Parliament for the GLPA, 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 GLPA experienced a significant drop in traffic in the wake of the COVID-19 pandemic. I appreciate GLPA'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 GLPA 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 GLPA continues to be prepared to proactively mitigate and respond to emerging incidents and hazards, including cyber security threats.

Canada

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 GLPA 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 GLPA 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 GLPA 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 GLPA's workforce will improve its ability to deliver on all its objectives, and I expect that as the GLPA embarks on any hiring, it implements outreach and recruitment strategies that uphold the principles of equity, diversity, and inclusion. I trust that the GLPA 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 GLPA'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 GLPA.

Sincerely,

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

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

Appendix B: Corporate governance structure

Board of Directors

The Board, which reports to the Minister of Transport, consists of the Chair and 5 other directors. The Chair is appointed by the Governor in Council on the recommendation of the Minister of Transport, in accordance with section 105 of the *Financial Administration Act*. The directors are appointed by the Minister of Transport with the approval of the Governor in Council. There were 8 Board meetings in 2023 and 8 committee meetings with an overall attendance rate of 94%. In 2024, there will be a total of 12 Board meetings, 1 strategic planning session and 8 committee meetings.

The following table represents the Board's composition for 2024:

Board member	Term expiration	Length of service	Location	Committee member
James Pound, Chairperson	2025-12	9 years	St. Catharines, Ontario	Ex officio – AC, GC
Julie Mills, Vice-Chairperson	2026-06	6 years	Ottawa, Ontario	AC
Vered Kaminker	2026-06	6 years	Toronto, Ontario	AC, ITSC
David Souliere	2024-07	3 years	Peterborough, Ontario	GC
John St-Marseille	2025-06	2 years	Cornwall, Ontario	AC
Oksana Exell	2025-06	2 years	Hudson, Quebec	GC
Vacant				

GC = Governance and Human Resources Committee; AC = Audit Committee; ITSC = IT subcommittee.

As with other Crown corporations, the GLPA operates at arm's length from its sole shareholder, the Government of Canada. The shareholder provides policy direction for the corporation's ongoing operations, as stated in the *Financial Administration Act*, and the Board is responsible for oversight and strategic direction. The Board sets corporate objectives and direction; ensures good governance; monitors financial performance; approves budgets, financial statements, policies and by-laws; recruits and evaluates the CEO; and ensures that risks are identified and managed. The Board ensures that the GLPA maintains the highest safety and efficiency standards in operating a cost-effective pilotage service.

The Board's 2024 total compensation, including benefits, is budgeted at \$0.1 million.

Committees

The Board is supported in its roles and responsibilities by the legally requisite Audit Committee as well as the Governance and Human Resources Committee. The Board has established a charter for each committee. The Board may establish other committees, as required, to fulfill its responsibilities.

Role of the Audit Committee

The Audit Committee is a standing committee. Its duties, outlined in section 148 (3) of the

Financial Administration Act, are to advise the Board on matters relating to financial statements, internal audits, the annual auditor's report, any special examination reports and resulting plans, and other functions as assigned by the Board or the GLPA's by-laws. The Audit Committee is composed of at least 3 members of the Board and meets at least 4 times a year. The committee met 4 times in 2023, with a 94% attendance rate, and is expected to meet 4 times in 2024.

The committee has the power to investigate any activity of the GLPA. The committee ensures financial oversight of the corporate books, records, general and management controls, as well as information systems and management practices.

Role of the Governance and Human Resources Committee

The Governance and Human Resources Committee is a standing committee. Its duties are to advise the Board on matters relating to governance and human resources. These include succession planning, CEO performance management, the Board member skills matrix for appointment renewals by the Minister of Transport or the Governor General in Council, and the stewardship of the GLPA's by-laws and policies. The committee is composed of at least 3 Board members and meets at least 4 times a year. The Governance and Human Resources Committee met 4 times in 2023, with an 87% attendance rate, and is expected to meet 4 times in 2024.

Role of the IT subcommittee

This subcommittee of the Audit Committee, formed in 2024, will meet 4 times a year, or more frequently if required. It is responsible for overseeing the identification and mitigation of risks associated with the use of IT. The subcommittee will also identify and report on IT developments that could enhance the GLPA's ability to meet its mandate. The subcommittee will be composed of at least 1 Board member and 3 representatives from management.

Reporting

The officers of the GLPA are the CEO and the Chief Financial Officer (CFO). At each directors' meeting, the officers report to the Board, through the Chair, on their various areas of responsibility. Ongoing and new policy matters are discussed, and corporate direction is provided.

The GLPA reports to the Minister of Transport through its annual report, which includes the Office of the Auditor General's report as required under section 150 (1) of the *Financial Administration Act*.

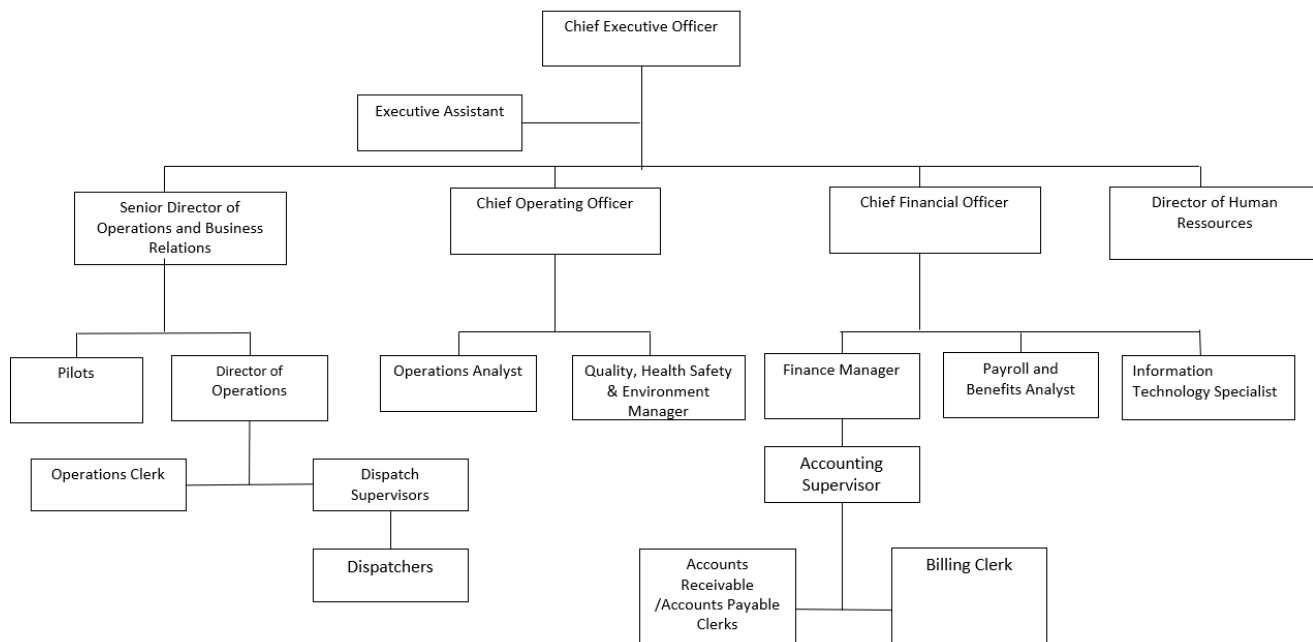
The GLPA held its [annual public meeting](#) virtually on July 5, 2024.

Organizational structure of the GLPA

The CEO plans, organizes, directs and controls the business of the GLPA, and reports to the Chair and the Board. The CEO is appointed by the Board pursuant to section 13 (1.1) of the *Pilotage Act*. The remuneration of the CEO is fixed by the Governor General in Council.

The GLPA's organizational chart for 2024 is shown below.

GLPA – Organizational Structure 2024



The following individuals hold key, senior executive positions with the GLPA:

Name	Title
James Pound	CEO (interim)
Antony Sebastiampillai	Chief Financial Officer
Captain Christian Ouellet	Chief Operating Officer

The 2024 total compensation, including benefits, for the senior executive positions is budgeted at \$0.7 million.

Appendix C: Performance and CEO commitment to results

The following table provides supplemental information for section 4 of this plan (Objectives, activities, risks, expected results and performance indicators).

STRATEGIC PERFORMANCE INDICATORS		2023 actuals	2024 forecast	2025 target
1 - NAVIGATION SAFETY				
1	% of assignments that are incident-free	99.9%	99.9%	99.9%
2 - PILOTAGE RELIABILITY				
2	Number of vessel delay hours due to shortage of pilots	2,355	4,000	4,000
3 - FINANCIAL SELF-SUFFICIENCY				
3-1	Net income (in millions)	\$(7.1)	\$0.9	\$1.0
3-2	Surplus or accumulated deficit (in millions)	\$0.1	\$1.0	\$2.0
OPERATIONAL PERFORMANCE INDICATORS		2023 actuals	2024 forecast	2025 target
1 - NAVIGATION SAFETY				
1-1	Number of pilots not compliant with 5 years mandatory training	0	0	0
1-2	Number of audited Canadian vessel transits	1,768	1,334	1,350
1-3	Certificate holder monitoring - up to date	Yes	Yes	Yes
2 - PILOTAGE RELIABILITY				
2-1	Number of new apprentice pilots recruited	5	7	6
2-2	Number of new pilots trained and retained	4	3	8
3 - FINANCIAL SELF-SUFFICIENCY				
3-1	Cost per assignment	\$5,881	\$5,114	\$5,296
3-2	Containing administrative costs, as a % of total cost	6.8%	7.7%	7.8%
4 - LABOUR RELATIONS				
4-1	Number of grievances	0	3	0
5 - ORGANIZATIONAL EXCELLENCE				
5-1	Number of physical intrusions by unauthorized personnel	0	0	0
5-2	Number of cyber intrusions by unauthorized personnel	0	0	0
5-3	Number of complaints filed under the <i>Privacy Act</i>	0	0	0
5-4	Number of complaints filed under the <i>Official Languages Act</i>	0	0	0
5-5	% compliance with access to information request response timelines	100%	100%	100%
5-6	% compliance with whistleblowing complaint response timelines	100%	100%	100%
5-7	% of harassment/discrimination concerns appropriately resolved on time	100%	100%	100%
5-8	% of Code of Conduct concerns appropriately resolved on time	100%	100%	100%
5-9	Number of days of business interruption within GLPA control	0	0	0

Navigation safety

Incident reporting

The GLPA classifies incidents and accidents into 2 distinct categories: major and minor. Major incidents encompass marine situations leading to loss of life, serious injuries, environmental spills, significant damage to vessels or property, or interruptions to operations extending beyond 1 month. Conversely, a minor incident encompasses all other occurrences monitored by the GLPA that do not meet the criteria for a major incident.

Strategies

In addition to the previously noted strategies, the GLPA's pilot training objectives include a module on bridge resource management. This module gives pilots an opportunity to refresh their knowledge in this area—facilitating communications with masters—and enables them to work more effectively with the bridge team.

With each pilot evaluation, the GLPA continues to assess pilots' competencies and quality of service. The assessments are completed at least once every 5 years. Pilot evaluations assure both the industry and the GLPA that only qualified personnel are performing pilotage duties. They also allow the GLPA to identify areas for development and potential improvements to the service delivery.

Performance assessments

The following table contains an overview of the GLPA's performance to date and anticipated results.

Short-term performance assessments			
Output and/or outcome	Performance indicator	Target	Data source and/or methodology
Provide pilotage services free of shipping incidents	Number of pilotage assignments under the conduct of a licensed pilot for which there are no shipping incidents	99.9% incident-free assignment rate	Incident reports
Provide quality pilotage services	Comply with the GLPA's pilot quality assurance policy by ensuring all pilots keep their proficiency requirements updated and complete required evaluations over every 5-year cycle	100% completion of quality assurance evaluations	Comparisons of pilots' annual training evaluations to previous assessments (to ensure they are within the 5-year cycle)
Reduce delays caused by a shortage of pilots	Recruit, train and retain pilots to increase pilot availability	Reduce vessel delay time to fewer than 4,000 hours	Data are available monthly
Recruit and train an appropriate number of apprentice pilots to meet traffic demands and reduce the hours of vessel delays due to a shortage of pilots	Number of apprentice pilots recruited, trained and retained	4 apprentice pilots licensed in 2023 and plans to license 3 in 2024	Data are available daily
Achieve financial self-sufficiency	Maintain surplus in 2024 and	Annual surpluses of \$1.0 million to \$2.0 million	Monthly internal financial

Short-term performance assessments			
Output and/or outcome	Performance indicator	Target	Data source and/or methodology
	generate surplus in 2025 to meet reserve targets over planning period		statements and annual audited financial statements
Support Transport Canada in its efforts to implement the national marine pilotage regulations	Respond to Transport Canada's requests for comments by the required timeline Continue to develop the GLPA's integrated management system	Responses to Transport Canada requests submitted by the deadline GLPA's integrated management system developed in compliance with Transport Canada's requirements	Transport Canada feedback through regular meetings and discussions
Assess IT requirements and finalize the remaining system security recommendations identified in the 2019 audit conducted by the independent internal auditors	Complete the assessment of IT requirements and implement action plans to address system security gaps	Completed assessment and implementation of internal audit recommendations	Various IT systems and third-party system providers
Improve customer relations following the 2023 customer satisfaction survey	Implement action plans that were formulated in response to identified concerns	Action plans implemented Subsequent survey completed with a 10% increase on favourable experience (Action plans developed and shared with customers)	Customer feedback

Short-term performance assessments			
Output and/or outcome	Performance indicator	Target	Data source and/or methodology
Be viewed as an employer of choice	Conduct employee engagement satisfaction survey in 2025	Maintain a 10% improvement from 2020 results	Employee satisfaction survey conducted by a third party

Medium-term performance assessments			
Outputs/outcomes	Performance indicators	Targets	Data source and methodology
Provide pilotage services free of shipping incidents	Number of pilotage assignments under the conduct of a licensed pilot for which there are no shipping incidents	99.9% incident-free assignment rate	Incident reports
Provide quality pilotage services	Comply with the GLPA's Pilot Quality Assurance policy by ensuring all pilots keep their proficiency requirements updated and complete required evaluations over every 5-year cycle	100% completion of quality assurance evaluations	Comparisons of pilots' annual training evaluations to previous assessments (to ensure they are within the 5-year cycle)
Further reduce delays caused by a shortage of pilots	Recruit, train and retain pilots to increase pilot availability	Reduce the amount of vessel delay time by 10% annually	Data are available monthly
Continue to recruit and train an appropriate number of apprentice pilots to meet traffic demands and reduce the hours of vessel delays due to a shortage of pilots	Number of apprentice pilots recruited, trained and retained	4–8 apprentice pilots recruited and trained, and 4–8 pilots licensed, annually	Data are available daily

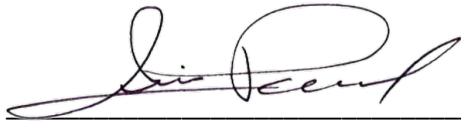
Medium-term performance assessments			
Outputs/outcomes	Performance indicators	Targets	Data source and methodology
Achieve financial self-sufficiency	Continue to maintain the financial reserve to allow for unforeseen events	Annual surpluses of \$1.0 million to \$2.0 million	Monthly internal financial statements and annual audited financial statements
Comply with the national marine pilotage regulations	Adjust operations per the new regulations Implement and manage the GLPA's integrated management system per Transport Canada's timelines and requirements	Operations in line with new regulations Integrated management system implemented per established timelines	Data are available quarterly
Achieve the GLPA's IT future state	Full transition to future state recommended	Systems updated to maintain quality, timely and efficient pilotage services	System security internal audit
Be viewed as a valued maritime partner by customers	Roll out customer satisfaction surveys and improve on previous results	10% increase yearly on favourable customer experience result	Customer satisfaction survey conducted by a third party
Be viewed as an employer of choice	Roll out employee engagement surveys and improve on previous results	10% improvement over previous results	Employee satisfaction survey conducted by a third party
Reduce the organization's environmental footprint	Identify areas where the organization can effectively mitigate its environmental impact	Resources used in an environmentally efficient way while conducting pilotage services	Comparison of year-over-year environmental footprint data
Identify and integrate advanced technologies to upgrade or substitute for existing systems, aiming to bolster efficiency and streamline the organization's operations	Increase operational efficiency following technology update	Systems updated to ensure quality, timely and efficient pilotage services	Third-party and internal audits of available technologies

Long-term performance assessments			
Outputs/outcomes	Performance indicators	Target	Data source and methodology
Provide pilotage services free of shipping incidents	Number of pilotage assignments under the conduct of a licensed pilot for which there are no shipping incidents	99.9% incident-free assignment rate	Incident reports
Provide quality pilotage services	Comply with the GLPA's <i>Pilot Quality Assurance</i> policy by ensuring all pilots keep their proficiency requirements updated and complete required evaluations over every 5-year cycle	100% completion of quality assurance evaluations	Compare the pilots' annual training evaluations to previous assessments (to ensure they are within the 5-year cycle)
Maintain a reasonable amount of delay hours caused by pilot shortages	Recruit, train and retain pilots to increase pilot availability	Return number of vessel delay hours to pre-2014 levels (fewer than 500)	Data are available monthly
Maintain a sufficient level of marine pilots on staff to provide safe and reliable pilotage services	Average number of assignments per pilot	110–120 assignments per pilot	Data are available daily
Achieve financial self-sufficiency	Maintain a reasonable financial reserve to allow for unforeseen events	Achieve and maintain a \$10.0 million financial reserve	Monthly internal financial statements and annual audited financial statements
Maintain a safe and dependable information infrastructure that meets future business needs	Security programs and emergency preparedness	Recover information systems within the timelines stated in the GLPA's <i>Business Continuity Plan</i> to avoid service interruptions	Various IT systems and third-party system service providers

Long-term performance assessments			
Outputs/outcomes	Performance indicators	Target	Data source and methodology
Partner with key stakeholders to develop an integrated voyage information system	Develop a pilotage service that is more efficient, effective and environmentally sustainable	Reduce delays and identify voyage inefficiencies	Working with key stakeholders, and third-party and internal resources

CEO statement

I, James Pound, as Interim CEO of the Great Lakes Pilotage Authority, am accountable to the Board of Directors of the Great Lakes Pilotage Authority for the implementation of the steps described in this corporate plan. I verify that this commitment is supported by the balanced use of all available and relevant performance measures and evaluation information.

A handwritten signature in dark ink, appearing to read 'Jim Pound', written over a horizontal line.

James Pound, Interim CEO, and Chairperson
Great Lakes Pilotage Authority

October 8, 2024

Appendix D: CFO attestation

In my capacity as CFO of the Great Lakes Pilotage Authority, I have reviewed the 2025 to 2029 corporate plan and budgets and the supporting information that I considered necessary, as of the date indicated below. Based on this due diligence review, I make the following conclusions:

1. The nature and extent of the financial and related information is reasonably described. Assumptions having a significant bearing on the associated financial requirements have been identified and are supported.
2. Significant risks with 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. 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 budgets are compliant with relevant financial management legislation and policies and the proper financial management authorities are in place.
6. Key financial controls are in place to support the proposed activities and ongoing operation of the Great Lakes Pilotage Authority.
7. In my opinion, the financial information contained in this corporate plan and the budgets is sufficient overall to support decision making.



Nick Csirinyi, CFO
Great Lakes Pilotage Authority

February 5, 2025

Appendix E: Financial statements and budgets

This corporate plan is presented using International Financial Reporting Standards (IFRS).

Statement of operations and comprehensive income

(000'S)	2023	2024	2025	2026	2027	2028	2029
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
Revenue							
Pilotage charges	44,220	48,979	50,696	51,720	52,755	53,810	54,886
Pilot boat income	301	346	357	364	371	378	386
Interest and other Income	908	833	862	879	897	915	933
Total revenue	45,429	50,158	51,915	52,963	54,023	55,103	56,205
Expenses							
Pilots' salaries and benefits	33,572	33,568	34,472	33,953	34,748	35,274	35,881
Transportation and travel	8,132	4,425	4,523	4,614	4,706	4,800	4,896
Pilot boat services	3,271	3,543	3,667	3,795	3,928	4,066	4,208
Operation staff salaries and benefits	2,116	2,639	2,863	2,927	2,986	3,046	3,106
Administration staff salaries and benefits	1,618	1,862	2,143	2,191	2,235	2,279	2,325
Professional fees	1,336	984	1,069	1,090	1,112	1,134	1,157
Pilot training and recruiting costs	295	204	208	212	216	221	225
Pilot transfer services	301	335	345	356	366	377	389
Transport Canada administration fees	125	302	308	314	320	327	333
Amortization and depreciation	312	256	253	256	403	685	705
Utilities, material and supplies	308	384	396	404	412	420	429
Purchased dispatching services	145	98	100	102	104	106	108
Communications	104	135	137	140	143	146	149
Pilot laptop and navigation software	113	124	126	129	131	134	137
Repairs and maintenance	84	21	21	21	22	22	23
Depreciation of right of use asset	67	76	83	83	7	0	0
Interest on lease liability	3	9	3	3	3	3	3
Interest and bank charges	189	219	224	228	233	237	242
Rentals	14	39	41	42	42	43	44
Total expenses	52,105	49,222	50,982	50,860	52,118	53,321	54,360
Profit (Loss) for the year	(6,677)	936	933	2,104	1,905	1,782	1,845
Actuarial (Loss) gain	(457)	0	0	0	0	0	0
Comprehensive income (Loss) for the year	(7,134)	936	933	2,104	1,905	1,782	1,845

Statement of change in equity

(000'S)	2023	2024	2025	2026	2027	2028	2029
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
Accumulated surplus- beginning of the year	7,229	95	1,031	1,964	4,067	5,972	7,754
Profit (Loss) for the year	(6,677)	936	933	2,104	1,905	1,782	1,845
Other comprehensive Income (Loss)	(457)	0	0	0	0	0	0
Accumulated surplus - end of the year	95	1,031	1,964	4,067	5,972	7,754	9,600

Statement of financial position

(000'S)	2023	2024	2025	2026	2027	2028	2029
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
ASSETS							
Cash and cash equivalents	17,116	16,585	12,215	13,299	14,326	16,733	19,278
Investment	0	0	5,000	5,000	5,000	5,000	5,000
Trade and other receivable	7,138	7,347	7,604	7,758	7,913	8,071	8,233
Prepays	46	46	46	46	46	46	46
Current	24,300	23,978	24,865	26,103	27,286	29,850	32,557
Property and equipment	804	579	934	834	1,393	1,178	948
Intangible assets	23	31	339	988	1,496	1,160	800
Right-of-use asset	7	172	90	7	0	0	0
Non Current	834	782	1,363	1,829	2,889	2,338	1,748
Total	25,134	24,760	26,228	27,932	30,174	32,188	34,306
LIABILITIES							
Accrued salaries and benefits	21,046	19,034	19,739	19,535	19,984	20,299	20,656
Other accounts payable and accrued charges	1,870	2,558	2,643	2,710	2,780	2,851	2,924
Employee benefits	17	13	11	10	8	6	5
Lease liability	7	82	86	7	0	0	0
Current	22,940	21,687	22,479	22,262	22,772	23,157	23,586
Employee benefits	2,099	1,948	1,778	1,602	1,430	1,277	1,121
Lease liability	0	94	7	0	0	0	0
Non Current	2,099	2,042	1,785	1,602	1,430	1,277	1,121
Total	25,039	23,729	24,264	23,865	24,202	24,434	24,706
EQUITY							
Accumulated Surplus	95	1,031	1,964	4,067	5,972	7,754	9,600
Total Liabilities & Equity	25,134	24,760	26,228	27,932	30,174	32,188	34,306

Statement of cash flow

(000'S)	2023	2024	2025	2026	2027	2028	2029
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan
OPERATING ACTIVITIES							
Profit for the year (loss)	(6,677)	936	933	2,104	1,905	1,782	1,845
Adjustments to determine net cash (used in) provided by operating activities:							
Employee benefits	(127)	(154)	(172)	(177)	(174)	(154)	(158)
Amortization and depreciation	312	256	253	256	403	685	705
Depreciation of right of use assets	67	76	83	83	7	0	0
Changes in non-cash working capital items:							
Decrease (increase) in trade and other receivables	(593)	(209)	(258)	(154)	(155)	(158)	(161)
Increase in prepaids	25	0	0	0	0	0	0
Increase (decrease) in accrued salaries and benefits	5,064	(2,012)	705	(204)	449	315	357
Increase (decrease) in other accounts payable and accrued charges	196	688	85	67	69	71	73
Net cash provided by operating activities	(1,732)	(419)	1,629	1,975	2,504	2,541	2,661
INVESTING ACTIVITIES							
Disposal (Purchase) of investments	0	0	(5,000)	0	0	0	0
Right-of-use asset	(4)	(241)	(1)	0	0	0	0
Acquisition of property and equipment and intangible assets	(200)	(40)	(915)	(805)	(1,470)	(135)	(115)
Net cash (used in) provided by investing activities	(204)	(281)	(5,916)	(805)	(1,470)	(135)	(115)
FINANCING ACTIVITIES							
Payment of the lease liability	(78)	169	(83)	(86)	(7)	0	0
Net cash (used in) by financing activities	(78)	169	(83)	(86)	(7)	0	0
CASH AND CASH EQUIVALENTS							
Net increase (decrease) in cash during the year	(2,014)	(531)	(4,370)	1,085	1,027	2,406	2,546
Balance, beginning of year	19,130	17,116	16,585	12,215	13,299	14,326	16,733
Balance, end of year	17,116	16,585	12,215	13,299	14,326	16,733	19,278

Capital budget

	2023	2024	2025	2026	2027	2028	2029	Total
	Actual	Forecast	Budget	Plan	Plan	Plan	Plan	2025-2029
Buildings								
None	91,823	0	0	0	0	0	0	0
Total	91,823	0	0	0	0	0	0	0
Furnitures & Fixtures								
Office Furnitures	28,917	0	20,000	10,000	10,000	20,000	20,000	80,000
Total	28,917	0	20,000	10,000	10,000	20,000	20,000	80,000
Leasehold improvements								
General leasehold improvements	20,299	0	0	0	20,000	20,000	20,000	60,000
Head Office	0	0	500,000	0	0	0	0	500,000
Total	20,299	0	500,000	0	20,000	20,000	20,000	560,000
Communication & Computer Equipments								
Computer, server, telecommunication & Security	58,653	20,000	75,000	75,000	75,000	75,000	75,000	375,000
Portable pilotage units	0	0	0	0	645,000	0	0	645,000
Total	58,653	20,000	75,000	75,000	720,000	75,000	75,000	1,020,000
Softwares								
Update and maintenance	0	20,000	20,000	20,000	20,000	0	0	80,000
Dispatching, billing and financial systems	0	0	300,000	700,000	700,000	0	0	1,700,000
Total	0	20,000	320,000	720,000	720,000	20,000	0	1,780,000
GRAND TOTAL	199,692	40,000	915,000	805,000	1,470,000	135,000	115,000	3,440,000

Overview of significant capital expenditure plan

Leasehold improvements

The corporate office lease expired on January 31, 2024. It included an option for a 3-year renewal. The GLPA exercised this option, but also hired a real estate agent to look for an alternative location to accommodate the growing team. The organization also has the option to negotiate with its current landlord about moving to another floor. The estimated cost of \$500,000 covers real estate assessment, broker fees and potential leasehold improvements.

Communication and computer equipment

A portable pilotage unit is a valuable tool that helps pilots make navigation decisions. The GLPA considers these units essential to achieving an economically sound, safe and reliable pilotage service. The organization's portable pilotage units were replaced for the beginning of the 2022 navigation season, and the GLPA estimates that they will need to be replaced again in 2027.

Last year, the GLPA engaged a Managed Service Provider to evaluate organizational risk and implemented targeted cybersecurity measures, such as threat monitoring, security awareness training, and phishing simulations for employees as well as dark web reporting. In the last quarter of 2024, the GLPA started the process to bring these processes in-house by changing its cloud licensing model to leverage advanced AI detection and response capabilities. Continuing in 2025. All GLPA infrastructure and users will be integrated into a common identity, security, and compliance platform. The GLPA also plans to renew and upgrade IT equipment, estimating that \$375,000 will be required.

Software

The GLPA recognizes the need to update and/or replace its billing, dispatching and financial systems. The organization estimates the cost of doing so to be approximately \$1.7 million. However, the GLPA plans to conduct a preliminary analysis of its needs in 2025 to ensure that any updates or replacements are aligned with operational requirements.

Appendix F: Borrowing plan

Borrowing authority

The GLPA's funding activities are governed by section 36 of the *Pilotage Act* and section 127 (3) of the *Financial Administration Act*. As such, the GLPA requires approval from the Minister of Finance to enter any particular transaction to borrow money. The Minister must approve timelines and other terms and conditions of any such proposed agreements. The borrowing limit for the GLPA is set at \$5 million by the Governor General in Council. The following statement outlines the GLPA's borrowing plan:

- Maintain the short-term borrowing of \$5 million in the form of a line of credit.

The short-term borrowing may be needed to ensure business continuity.

Section 36 of the *Pilotage Act* does not permit the GLPA to receive any payment made under an appropriation by Parliament to enable it to discharge any obligation or liability, with the exception of an authority given under the *Emergencies Act* or any other act in respect of emergencies. As such, the GLPA is not entitled to seek any stimulus or other financial assistance made available by the Government of Canada. Thus, the only viable solution to its cash flow concerns is to ensure a sufficient level of short-term borrowings to meet its future financial obligations and maintain continuous pilotage services.

Overview of borrowing plans

Line of credit

For 2025, the GLPA requests authorization from the Minister of Finance to maintain its short-term borrowing (to \$5.0 million) in the form of a line of credit, pursuant to section 127 (3) of the *Financial Administration Act*. Given the nature of the GLPA's business, the line of credit is an important part of its business strategy: it ensures funds are available to even out cash flow when traffic levels fluctuate over the course of the navigation season.

As agreed with its banker, the GLPA pays prime rate on its line of credit. This borrowing requirement is integral to the GLPA's cash management strategy.

Long-term borrowing

The following table predicts the peak usage of the line of credit toward the start of each navigation season:

Short-term borrowings available and usage at peak during the year						
(millions of dollars)						
	2024 Forecasted	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
Line of credit available	5.0	5.0	5.0	5.0	5.0	5.0
Real use	—	—	—	—	—	—

Total borrowing: New capital lease

During the planning phase, the GLPA expects to negotiate new leases that will require approval from the Minister of Finance. The existing office lease expired on January 31, 2024. The GLPA is exercising its renewal option while negotiating a new lease and will pursue the necessary approval for a new lease agreement in 2025.

Information and approval for upcoming leases				
	2024	2025	2026	2027
Building lease: Head office				
Maximum expected liability on the lease (in millions of dollars)	0.2	0.1	0.0	0.0
Maximum expected number of years remaining	2	1	0	0

Appendix G: Investment framework

Section 37 of the *Pilotage Act* allows the GLPA, “with the approval of the Minister of Finance, to invest any moneys not immediately required for the purposes of the GLPA in any class of financial assets.”

Since 1996, the GLPA has requested and obtained formal approval from the Minister of Finance to invest excess moneys (on a short-term basis) in bonds guaranteed by any level of government. Given the changes to the *Pilotage Act*, the GLPA plans to continue investing in short-term, guaranteed investments within the new scope of investment options.

Because an important portion of cash inflow is received between September and December and given that the GLPA’s significant cash outflows occur in the following January, the organization cannot invest aggressively in instruments that mature beyond February. Its investment experts recommend instruments that maximize returns with no financial risk.

As a result, the GLPA requests the Minister of Finance’s approval to invest any moneys not immediately required for the GLPA in any of the following:

- bonds or other obligations of (or guaranteed by) Her Majesty the Queen in right of Canada or any province or municipality in Canada
- fixed-income instruments with a credit rating of at least BBB (Standard & Poor’s or Fitch) or Baa3 (Moody’s)
- funds with diversified holdings that fall within the scope of the above, including exchange-traded funds, but excluding leveraged funds
- guaranteed investment certificates (GICs) that are eligible for Canada Deposit Insurance Corporation insurance

Appendix H: Risk and risk responses

The GLPA is committed to identifying, assessing and mitigating, when deemed appropriate, all risks. It applies an ERM approach to its strategic planning process. In 2018, the GLPA introduced an ERM policy that formalized the development of an ERM framework that will support decision making at all levels. This will hold Board members, senior executives, staff and pilots accountable for managing risk within their areas of responsibility.

The GLPA manages risk based on an inventory of risk categories that considers external, financial, operational, environmental/health and safety, human capital, technological and regulatory risks.

The GLPA's management team reviews and updates the ERM dashboard and provides a status update on mitigating actions throughout the year. On a quarterly basis, the team presents the results to the various committees and the Board. As part of this exercise, the management team ensures it is:

- identifying new risks and reviewing current risks
- assessing inherent and residual risks through its risk matrix (focused on impacts and likelihoods)
- assessing the risk tolerance for all risks identified
- reviewing the current mitigating controls and proposing further mitigating actions
- prioritizing key risks, accounting for both financial and human resources

The GLPA has adopted the following impact and likelihood definitions to assess the risk matrix (ratings):

Risk rating	Financial	Human	Property	Vessels	Environmental	Reputation	Disruption of business
Extreme	Greater than \$6 million cash impact on the GLPA	Multiple deaths and multiple people with serious, long-term injuries Intensive care required	Operations cease for more than 1 month due to property damage	Vessel sinks or sustains so much damage that it is a total constructive loss	Incident causes sustained, long-term harm to the environment (i.e., impact period exceeds 1 month)	Sustained, front-page, adverse national and international media coverage	Threatens long-term viability of the GLPA (operational cessation or major operational issues lasting more than 1 month)
Very high	\$3 to \$6 million impact on the GLPA	Single death and multiple people with serious, long-term injuries Intensive care required	Operations cease for up to 1 month due to property damage	Vessel sustains damage significant enough to result in towing to dry dock, and loss of operations for up to 1 month	Incident causes sustained, medium-term harm to environment (i.e., impact period lasts up to 1 month)	Front-page, adverse national media coverage and intermittent international media coverage	Threatens medium-term viability of the GLPA (operational cessation or major operational issues lasting up to 1 month)

Risk rating	Financial	Human	Property	Vessels	Environmental	Reputation	Disruption of business
High	\$1 to \$3 million impact on the GLPA	Some people with serious, long-term injuries and multiple minor injuries	Operations cease for up to 2 weeks due to property damage	Vessel sustains significant damage (requiring dry dock) and loss of operations for up to 2 weeks	Incident causes medium-term harm to environment (i.e., impact period lasts up to 2 weeks)	Intermittent, front-page, adverse national media coverage	Threatens short-term viability of the GLPA (operational cessation or major operational issues lasting up to 2 weeks)
Medium	\$0.5 to \$1 million impact on the GLPA	1 person with serious, long-term injuries and some minor injuries	Operations cease for up to 1 week due to property damage	Vessel sustains damage resulting in loss of operations for up to 1 week	Incident causes short-term harm to environment (i.e., impact period lasts no longer than 1 week)	Sustained, front-page, adverse local media coverage Board and Government of Canada receive complaints from Chamber of Marine Commerce and the Shipping Federation of Canada	Operational issues lasting up to 1 week, but no cessation of business
Low	Impact on the GLPA under \$0.5 million	Single or multiple, minor injuries requiring on-site first aid and/or off-site treatment	Operations cease for up to 72 hours due to property damage	Minor damage with no effect or damage resulting in a loss of operations for no more than 72 hours	Incident causes minimal or intermittent harm to the environment (i.e., impact period lasts no longer than a day)	Intermittent, front-page, adverse local media coverage Complaints from Chamber of Marine Commerce and the Shipping Federation of Canada	Operational issues lasting up to 72 hours

Risk Matrix						
Impact		Rare	Unlikely	Possible	Likely	Frequent
	Extreme					
	Very High					
	Medium					
	Low					

Likelihood definitions	
Rare	< 5% chance that this event will occur (exceptional basis)
Unlikely	5% to 25% chance that this event will occur at some time
Possible	25% to 50% chance that this event will occur at some time
Likely	50% to 75% chance that this event will occur in most circumstances
Frequent	> 75% chance that this event will occur in most circumstances

The GLPA's key risks (from the ERM dashboard) are as follows:

Number	ERM risk categories	Strategic alignment	Key risk	Inherent risk	Residual risk	Target residual risk
1	Operational Human capital	S, R, L, F	Risk of having an insufficient number of pilots to service pilotage demand effectively			
2	Financial Regulatory	F	Risk of exposure and liabilities due to taxability issues related to pilot travel allowances			
3	Human capital Financial	L, F	Risk that labour negotiation strategies (with PSAC) fail to support the GLPA in fulfilling its mandate of providing safe and reliable pilotage services while being financially self-sufficient			
4	Financial	F	Risk of ineffective pilotage charge strategies (including budget assumptions) that fail to recover operating costs			
5	Human capital	L	Risk of business interruptions because the GLPA does not have the right leadership in place, does not have an appropriate organizational structure to deliver on its objectives, or does not have management succession plans			
6	Operational Regulatory	E	Risk of poor management in the pilot certification program (leading to unqualified certificate holders providing pilotage services or creating a shortage of certificate holders)			
7	Technological	E	Risk that outside threats overcome the GLPA's physical and/or cyber security (includes possible ransomware attack)			

S = navigational safety; R = pilotage reliability; F = financial self-sufficiency; E = organizational efficiency; L = good labour relations.

Note: The ordering of the above risks does not necessarily reflect their prioritization.

The tables on the following pages provide additional information about the potential impacts of (and planned responses to) the key risks identified in the table above.

Operational, Human Resource and Governance Risks

1. Insufficient number of pilots to service pilotage demand effectively

- Categories: Operational, Human capital
- Probability: Likely
- Inherent risk level: Medium
- Residual risk level: Low

Impacts and Responses

Impact: Ripple effect through the supply chain, affecting stakeholder assessments of the GLPA's credibility.

Response: Given that the GLPA's ability to provide safe and reliable pilotage services is directly related to maintaining an appropriate roster of qualified pilots, the risks in pilot succession planning are significant. There is no legislated mandatory retirement age in the marine sector, so there are uncertainties in retirement prediction make it challenging to plan for the onboarding of enough apprentice pilots to maintain the roster. To mitigate this uncertainty, the GLPA surveys its pilots annually to ask about their retirement plans. This exercise has proven beneficial: the average notification period has increased to approximately 6 months, facilitating recruitment plans.

The GLPA will continue to leverage the approximately 250 Canadian officers who have pilotage certificates for the Great Lakes region as a pool of potential candidates. The GLPA offers part-time employment contracts to retired pilots to provide additional resources when apprentice pilots are being trained. Most retired pilots agree to return on a part-time basis for a number of years.

To mitigate the risk of apprentice pilots not completing their training programs, the GLPA will continue reviewing and improving the program, hosting progression debriefs with apprentice pilots, and involving its fully qualified pilots in the program to support apprentices.

The GLPA has also enhanced its recruitment process by providing more opportunities for candidates to apply. Additionally, the plan explores potential approaches to attract candidates who hold certifications recognized by Transport Canada and who fulfill regulatory requirements.

Finally, the GLPA will monitor economic trends, such as potential recessions, to gauge their impact on pilotage demand levels.

Financial and Regulatory Risks

2. Potential exposure and liabilities due to taxability issues related to pilot travel allowances

- Categories: Financial, Regulatory
- Probability: Medium
- Inherent risk level: Medium
- Residual risk level: Medium

Impacts and Responses

Impact: In 2023, the GLPA collaborated with tax advisors to obtain clarity on the taxability of various allowances paid to pilots per their collective agreement. Historically, the GLPA did not treat these allowances as taxable. However, the expert review identified these allowances as taxable benefits under Canadian and Quebec tax regulations. This presents potential financial liabilities for the GLPA.

Response: In 2023, the GLPA updated its procedures and made retroactive corrections to relevant documents from 2019 to 2022. The GLPA also made provisions to compensate the pilots due to the additional tax burden. These proactive measures aim to mitigate both financial and reputational risks.

Human Resource, Governance and Financial Risks

3. Labour negotiation strategies fail to support the GLPA in fulfilling its mandate of providing safe and reliable pilotage services while being financially self-sufficient

- Categories: Human capital, Financial
- Probability: Low
- Inherent risk level: Low
- Residual risk level: Low

Impacts and Responses

Impact: A negotiation strategy that aligns with the long-term goals of the organization and addresses economic realities is vital for securing employee buy-in while upholding financial responsibility and self-sufficiency.

Response: The GLPA's Board and management approach negotiations with a focus on understanding employees' concerns. The GLPA's objective is to address these issues, but also to maintain its mandate of self-sufficiency. In 2023, successful negotiations led to agreements with the District 2 and 3 and Cornwall pilot groups and PSAC office employees. In 2024, the GLPA successfully negotiated agreements with the Lake Ontario and District 1 pilot groups. The agreements between the employee representatives and the GLPA were reached in a collaborative fashion and show consideration for employee concerns while respecting the GLPA's mandate.

Financial and Operational Risks

4. Ineffective pilotage charge strategies (including budget assumptions) fail to recover operating costs

- Categories: Financial, Operational
- Probability: Medium
- Inherent risk level: Low
- Residual risk level: Low

Impacts and Responses

Impact: Direct financial loss and inability to meet financial obligations.

Response: The GLPA has enhanced its operational analysis to gain a deeper understanding of pilotage demands and schedules, aiming to manage costs and identify opportunities for greater efficiency (e.g., analyzing demand surges in relation to pilot availability).

Pilot compensation represents approximately 90% of GLPA's costs. Prior to the expiration of the pilot groups' previous collective agreements, the GLPA analyzed pilot compensation. Considering the need for the GLPA to attract and retain pilots, all pilot agreements include the transition of some variable costs to fixed costs. These revisions updated the pilot compensation model and will enhance the GLPA's ability to accurately forecast and establish more targeted pilotage charges.

Human Resource and Governance Risks

5. Business interruptions because the GLPA does not have the right leadership in place, does not have an appropriate organizational structure to deliver on its objectives, or does not have management succession plans

- Categories: Human capital
- Probability: Low
- Inherent risk level: Medium
- Residual risk level: Low

Impacts and Responses

Impact: An inappropriate organizational structure prevents an organization from meeting its mandate and from achieving its strategic objectives.

Response: The GLPA continues to build its management team to meet its organizational efficiency and succession planning goals. An IT specialist was brought on board in 2024. Management also suggested the following roles (to be added to the organization over the next year): operations clerk, business analyst and project manager. The Board supports these additions.

Further, the GLPA is actively recruiting for a CEO.

Operational and Regulatory Risks

6. Poor management in the pilot certification program

- Categories: Operational, Regulatory
- Probability: Low
- Inherent risk level: Low
- Residual risk level: Low

Impacts and Responses

Impact: Unqualified certificate holders provide pilotage services and/or there is a shortage of certificate holders.

Response: Transport Canada is now responsible for the issuance, suspension and cancellation of certificates. Previously, the GLPA managed these tasks. The Authority continues to work with Transport Canada to transition the certification program and remains engaged with the industry, overseeing vessel transits and verifying training programs and personnel. This partnership with the industry reinforces the certification system's effectiveness, contributing to an outstanding safety record.

Technological Risks

7. Outside threats overcome the GLPA's physical and/or cyber security systems (includes possible ransomware attack)

- Categories: Technological
- Probability: Medium
- Inherent risk level: Medium
- Residual risk level: Low

Impacts and Responses

Impact: The GLPA faces potential disruptions and losses due to cybersecurity threats, such as cyber-attacks, data breaches, ransomware, phishing and malware. Vulnerabilities can arise from third-party interactions, internal risks or compliance failures.

Response: The GLPA has implemented the Endpoint, Office 365 and Identity components of the Microsoft Defender suite of products. These platforms provide signals from sensitive ingress and egress points that allow control, identification and response to threats to GLPA intellectual property and business continuity.

In 2025 the GLPA will be further expanding its capability by enrolling all of its mobile devices in a common device management solution and implementing a Security information and event management (SIEM) platform to further automate the detection and response capabilities across all assets.

Once these capabilities have been fully configured to ISO/NIST/CIS standard, we plan to integrate the controls and signals of the GoC Cyber Center into our SEIM platform.

Targeted for the 1st quarter of 2025, a cybersecurity consultant will perform a gap analysis of the controls in place and develop a roadmap for further process improvements around policies and procedures, access controls, penetration testing as well as auditing and reporting. As our cybersecurity posture matures and capabilities widens, we will work to align all projects to become ISO27001 certified.

The Board of Directors has also created an IT subcommittee to oversee IT security.

Appendix I: Compliance with legislative and policy requirements

The GLPA is governed by the *Pilotage Act* and is subject to other federal legislation. The following explanations provide insights into the GLPA's compliance status with various legislation and directives to which it is subject.

Canada Labour Code

The GLPA fully supports all elements of the *Canada Labour Code* and embraces all new regulatory requirements for the betterment of all Canadians. Bill C-86 (the *Budget Implementation Act, No. 2*, which received Royal Assent in December 2018) and Bill C-63 introduced new regulatory requirements about hours of work provisions. Given that the pilot groups are solely responsible for the conduct of a ship during transit, the GLPA completed a detailed impact assessment of these new requirements. Subsequently, the organization requested some exemptions and modifications to the *Canada Labour Code* requirements for an 8-hour rest period between work periods or shifts (subsection 169.2 (1)) and for a 30-minute break within every 5 hours of work (subsection 169.1 (1)). The amended regulations were published on February 1, 2022. The GLPA's requested modification to the 30-minute break within every 5 hours of work was accepted. For the rest periods between shifts, pilots are to be granted a rest period of at least 8 hours (of which 6 must be consecutive) during each 24-hour period. As part of the collective bargaining with the pilot groups, the GLPA ensured these requirements were fully adhered to.

Access to Information Act

The GLPA believes that openness and transparency help build a trusting relationship with customers, partners and all other stakeholders. Its objective is to respond promptly and with transparency to all information requests from the public, the media and all those interested in the GLPA's operations. Year-to-date, the GLPA has received 1 request. There are no outstanding requests from prior years.

The GLPA complies with the federal government by posting responses to requests it receives under the *Access to Information Act* on the federal government's [Open Government](#) website. Additionally, the GLPA reports annually to the Information Commissioner of Canada.

Conflict of Interest Act

The GLPA's policy on conflict of interest complies with the *Conflict of Interest Act*. Year-to-date, the GLPA does not have any reported conflict of interest issues.

Canadian Human Rights Act

All GLPA policies respect the *Canadian Human Rights Act*. The GLPA is not aware of any complaints made under this act. The GLPA revised its policy on harassment and violence prevention in the workplace at the end of 2023, as well as its supporting programs. This work was done to ensure continued compliance with the *Canada Labour Code* and the recent Bill C-65 Safe Workplaces requirement for comprehensive policies to address workplace harassment, violence and sexual harassment. In 2021, the GLPA provided harassment and violence prevention training to all its employees, and this is a requirement for all new hires.

Employment Equity Act

The GLPA is committed to attracting, hiring and retaining talent that reflects the diverse Canadian workforce. All its recruitment policies and processes respect the *Employment Equity Act*. In 2021, the GLPA introduced a self-declaration form for members of designated employment equity groups and encourages potential candidates to self-declare. The GLPA is not aware of any complaints made against it under the *Employment Equity Act*.

Pay Equity Act

In compliance with the *Pay Equity Act*, the GLPA completed its pay equity plan in the third quarter of 2024. No impact to compensation structure was identified.

The GLPA's Director of Human Resources assumes the role of official languages champion to promote and monitor the use of official languages in all internal and public communications. The use of both languages is essential at the GLPA's head office in Cornwall, Ontario, where staff need to communicate with employees, customers and government agencies in both French and English. As required, the GLPA reports annually to the Treasury Board Secretariat's Official Languages Centre of Excellence. Year-to-date, the GLPA has not received any complaints. Given that Bill C13—*An Act to amend the Official Languages Act, to enact the Use of French in Federally Regulated Private Businesses Act and to make related amendments to other Acts*—received Royal Assent in June 2023, the GLPA will change its policies and programs to reflect the alterations in the legislation.

Privacy Act

The GLPA reports annually to the Privacy Commissioner. To date this year, the GLPA has not received any requests under this act.

Directive on Travel, Hospitality, Conference and Event Expenditures

The GLPA's policy on travel and hospitality has been aligned with the government's *Directive on Travel, Hospitality, Conference and Event Expenditures*, as noted by the Office of the Auditor General of Canada's opinion of the GLPA's annual financial statements.

In support of good governance practices, the GLPA has a directive on travel and hospitality that provides for the reimbursement of reasonable travel and hospitality expenses required for business travel, as directed under section 89 of the *Financial Administration Act*. Each year, the Office of the Auditor General of Canada audits the GLPA's compliance with this directive.

To help ensure transparent communications with the public, GLPA publishes its [policy on travel and hospitality](#) online. In addition, it voluntarily publishes the travel and hospitality expenditures for the Chair of the Board, the directors, the CEO and other senior officers, thus complying with proactive disclosure requirements. The GLPA's [quarterly reports](#) can also be found on its website. In addition, the GLPA discloses its total annual expenditures for travel, hospitality and conference fees and includes this information in its annual reports, as required by the Treasury Board's *Directive on Travel, Hospitality, Conference and Event Expenditures*.

Pension plan reforms

Eligible GLPA employees are covered by the Public Service Pension Plan administered by the Government of Canada. The GLPA complies with section 89 of the *Financial Administration Act*, which mandates a 50:50 contribution ratio.

Trade agreements

Although the GLPA is not directly involved with trade agreements, it does support all trade agreements as part of its procurement activities. All requests for proposals are posted on the government's Buy and Sell website, and the GLPA indicates those that fall under various trade agreements.

Other

The GLPA supports and complies with the legislation listed below.

Corporate

- *Canada Business Corporations Act*, RSC 1985, c C-44
- *Financial Administration Act*, RSC 198, c F-11

Government institutions

- *Auditor General Act*, RSC 1985, c A-17
- *Commercial Arbitration Act*, RSC 1985, c17 (2nd Supp.)
- *Library and Archives of Canada Act*, SC 2004, c 11
- *Lobbying Act*, RSC 1985, c 44 (4th Supp.)
- *Public Servants Disclosure Protection Act*, SC 2005, c 46

Regulatory statutes

- *Pilotage Act*, RSC 1985, c P-14
- *General Pilotage Regulations*, SOR/2000-132
- *Canada Labour Code*, RSC 1985, c L-2
- *Canada Occupational Health and Safety Regulations*, SOR/86-304
- *Marine Occupational Health and Safety Regulations*, SOR/2010-120
- *Canada Marine Act*, SC 1998, c. 10
- *Canada Shipping Act, 2001*, SC 2001, c. 26
- *Collision Regulations*, CRC, c. 1416
- *Eastern Canada Vessel Traffic Services Zone Regulations*, SOR/89-99
- *Environmental Response Regulation*, SOR/2019-52

- *Marine Personnel Regulations*, SOR/2007-115
- *Navigational Safety Regulations*, SOR/2005-134
- *Safe Working Practices Regulations*, CRC, c.1467
- *Shipping Casualties Reporting Regulations*, SOR/85-514
- *Seaway Properties Regulations*, SOR/2003-105
- *Transportation Safety Board Regulations*, SOR/2014-37
- *Canada Transportation Act*, SC 1996, c 10

Appendix J: Government priorities and direction

The GLPA has embraced, and aligns itself with, the Government of Canada priorities set out in the Minister's mandate letter sent to the GLPA's Board Chairperson. It adheres to the corporate priorities for Crown corporations that have been set out by the Government of Canada.

Openness and transparency

The GLPA is fully committed to, and takes pride in, being fully open and transparent with stakeholders and the Canadian public. It uses several communication tools to deliver on this commitment. It ensures timely responses to all information requests and concerns, when feasible. The GLPA provides all passage plans to its customers, so they have a general overview of transits, and publishes its pilot-master exchange of information checklist online to ensure consistent and effective services for all ships (largely by sharing crucial safety information for transits through the Great Lakes region).

Supporting the economic response/recovery efforts after the pandemic, building back a better Canada, and strengthening the middle class

As an important partner in marine commerce, the GLPA helps Canadian companies access foreign markets, which supports economic growth and helps middle-class Canadians access foreign goods at a lower cost. Approximately 80% to 85% of pilotage services deal with the import/export of goods from foreign markets. The GLPA is committed to supporting Canadian companies with reliable and flexible pilotage services that facilitate the ability of these companies to seek out new commerce opportunities.

To support job creation and economic growth and ensure Canadian companies have access to safe, reliable and efficient pilotage services for the movement of their goods to market, the GLPA will continue to collaborate effectively with other marine stakeholders in the Great Lakes region.

Indigenous relations and the road to reconciliation

The GLPA is committed to gaining a better understanding of and appreciation for Indigenous cultures. Given that many Indigenous communities are located along the St. Lawrence River and around the Great Lakes, the GLPA carefully considers the impacts of navigation on these communities. The GLPA has met with the Chiefs of the Mohawk Council of Kahnawake to promote the GLPA as an employer of choice for their community, gain their perspectives and listen to their concerns. At the meeting, navigation safety, the preservation of Mohawk culture and customs, human life and property, and the protection of the marine environment were discussed. Over the planning period, the GLPA intends to meet with other Indigenous groups to build respectful relationships with these communities.

Fighting climate change

The GLPA operates and administers safe and efficient pilotage services to keep Canadian waterways free of environmental spills and damages. It continues to collaborate with the government, contractors and other marine industry stakeholders to minimize the effects of navigation on climate change.

In accordance with the government's initiatives in the *Canadian Net-Zero Emissions Accountability Act*, the GLPA will continue to explore green procurement requirements for all contractors, including those working in land transportation, as part of its procurement initiatives.

Standing up for fairness, equity, diversity and inclusion

The GLPA supports the Government of Canada's mandate to ensure women, Indigenous people, members of visible minorities and persons with disabilities are free from discrimination and equitably represented. The GLPA is committed to developing an inclusive and barrier-free work environment in which all persons have equal access to opportunities. The GLPA's recruitment and selection process, conditions of employment, training, career development policies and performance management practices reflect this commitment. All are focused on equity and valuing diversity. Furthermore, in 2022, managerial staff received training about diversity in the workplace and Indigenous cultural awareness. These training initiatives align with the GLPA's commitment to building a skilled and diverse workforce that is reflective of Canadian society.

Women represent 57% of the Board, 50% of the leadership team, 60% of office staff and 27% of dispatchers. However, given that the GLPA must recruit pilots from a pool of candidates that meet the physical and qualification restrictions included in the *Pilotage Act* and the *General Pilotage Regulations*, the current pool of pilot candidates is predominately male. Women represent only 3% of the pilot workforce at this time.

By the end of 2024, all head office employees will have completed training about respect and inclusivity in the workplace.

Commitment to Ethical Practices

The Great Lakes Pilotage Authority (GLPA) is committed to supporting Canada's efforts to combat modern slavery, including forced labour and child labour. Aligned with Canada's obligations under the International Labour Organization's conventions ([Fighting Against Forced Labour and Child Labour in Supply Chains Act](#)), GLPA upholds ethical practices in its operations and procurement processes.

This commitment is further reinforced by GLPA's internal Procurement Directive *FI-001*, which ensures that the acquisition of goods and services is conducted in an open, transparent, and ethical manner. The directive mandates consideration of environmental, social, and economic impacts within the supply chain, while adhering to the Authority's code of ethics and sound business practices. It also establishes clear guidelines for sourcing products and services that align with GLPA's values, including respect for human rights and sustainable procurement.

Safe workspaces and accessibility

The GLPA has implemented policies and practices to ensure a healthy workplace. Employees can expect to feel secure, respected and recognized for their work. The work environment has been designed to ensure physical and emotional safety so that employees feel a sense of belonging and purpose. The GLPA is implementing action plans to address employee concerns in these areas. In addition, in 2021, the GLPA conducted an internal audit of its occupational health and safety processes. The report from the independent auditors was presented to the Board in fall 2021 and an action plan has been developed to address its findings. Finally, the GLPA established safety

programs to comply with the *Canada Labour Code* and had implemented these by the end of the 2022 navigation season.

In 2023, in accordance with the *Accessible Canada Act*, the GLPA published its accessibility plan, which reviewed the organization's practices, programs, policies and services. With a goal of identifying, removing and preventing barriers, the plan identifies action items that the GLPA will pursue to remove impediments for its employees, customers and stakeholders.

Sustainable development and greening government operations

The GLPA provides pilotage services in the Great Lakes region that are safe and free of environmental spills. While marine incidents are an inherent risk in every action taken by GLPA employees, training for all apprentice pilots, active pilots and pilotage certificate holders is designed to ensure that these employees are aware of the risks and have experience managing them. The GLPA continues to communicate with all employees about the importance of embracing a safety-minded culture to limit environmental risks.

The GLPA also sends each of its pilots to complete simulator training at least once in every 5-year cycle. This practice will continue because it provides pilots with a means to train on different ships, manage various conditions and cope with specific issues, such as slow rudders or delayed crew responses.

The GLPA reviews incidents and trends to continually reassess the training program. The GLPA also takes part in various joint initiatives and associations to keep up to date on emerging safety concerns and best practices. The organization participates in the biennial International Marine Pilots' Association conference, at which it interacts with other pilotage service providers from around the world. Through discussions about professional standards that promote pilot safety, this conference encourages both consultation among its members and the exchange of technical information among industry partners and regulators across the globe. Similarly, at a national level, the GLPA benefits from its interactions with the Canadian Marine Pilots' Association.

The GLPA also consults with its pilots, the Canadian Marine Pilots' Association and the Transportation Safety Board of Canada, while leveraging its formalized post-incident protocol, for all marine incident investigations.

In alignment with the federal Greening Government Strategy, the GLPA is forging a path toward sustainability. The organization has engaged a local specialist with expertise in aiding businesses to reduce their carbon footprint. In support of the federal goal to achieve net-zero emissions by 2050, the GLPA is currently developing its greenhouse gas inventory. This inventory will establish a baseline to guide emission reduction initiatives in line with the government's net-zero target. The GLPA has initiated measurement of its operational emissions by demarcating boundaries for its scope 1, 2 and 3 greenhouse gas profiles (based on relevance, data accessibility and calculation feasibility). Furthermore, in alignment with the TCFD, the GLPA will make its first disclosure in 2024.

Budget 2023

Budget 2023 announced government-wide spending reductions, including spending by certain Crown corporations. The government committed to:

- reduce spending on consulting, other professional services, and travel by roughly 15 % of planned 2023–2024 discretionary spending in these areas
- phase in a roughly 3% reduction of eligible spending by fiscal year 2026–2027

While the Authority is not contained in the scope of these spending reductions, it aligns with the spirit of the reductions: bringing the pace and scale of increases in government spending back to a pre-pandemic path, in order to ensure that Canadians’ tax dollars are being used efficiently and being invested in a way that matches their priorities.

Travel, consulting and other professional services

The GLPA manages a wide range of operations, overseeing 5 compulsory pilotage districts within the Great Lakes region, along with an additional district situated in the Port of Churchill, Manitoba. All services are administered from the GLPA’s head office in Cornwall. Travel is essential for engaging with stakeholders, maintaining oversight and ensuring operational efficiency. Opting for travel to these districts is a more financially viable option than establishing satellite offices in these regions and recruiting additional staff to run them. This approach allows the GLPA to maintain a centralized, streamlined administration while effectively overseeing its broad operational scope.

The GLPA has embraced virtual technology to minimize travel whenever possible. Looking forward, GLPA plans to further explore how virtual meetings can be utilized to reduce travel requirements.

The GLPA operates with a team of 16 permanent administrative staff members. To handle specialized projects and short-term needs efficiently, it strategically employs consulting and professional services. This method is more cost-effective than expanding the permanent staff for occasional requirements. The GLPA does not maintain in-house legal counsel. The organization also requires external expertise in areas such as managing cyber security, negotiating collective agreements and completing internal audits. Furthermore, the GLPA’s dedication to adhering to government directives occasionally necessitates the procurement of specialized external services. Consequently, there is some variability in the GLPA’s professional service expenses.

While the GLPA is a Crown corporation not subject to Treasury Board procurement and internal audit policies, in our directive “DIRECTIVE FI-001 PROCUREMENT” to be compliant with the recommendation of the June 4th, 2024, the Office of the Auditor General report, The GLPA has adopted a proactive approach to identify and document actual or perceived conflicts of interest in the procurement process. This includes retaining the results of such processes and completed conflict of interest declarations in the procurement file. This initiative underscores the GLPA’s commitment to transparency, accountability, and high standards in procurement practices.

Reduction of eligible spending

Pre-pandemic operating expenses, excluding depreciation, were \$41.38 million. Adjusting 2019 expenses for inflation (18.26% per the Bank of Canada) reveals that this expense total would be \$48.94 million in 2023 dollars. The budget for 2024 is \$49.22 million, which is slightly higher due to the increased headcount. Thus, the Authority’s budget has remained consistent with pre-pandemic spending. Consequently, its expenses currently follow the spirit of Budget 2023 because expenses continue to be in line with pre-pandemic spending.

Appendix K: Business environment

Districts

Cornwall District

The Cornwall District is defined as the Canadian waters of the St. Lawrence River between the northern entrance to the St. Lambert Lock and the pilot boarding station near St. Regis in the province of Quebec (the Snell Lock). The pilots employed in the district are members of the Corporation des Pilotes du Fleuve et de la Voie Maritime du Saint-Laurent. All dispatches are made from Cornwall.

International District No. 1

International District No. 1 is 103 miles long and covers the waters of the St. Lawrence River between Snell Lock and Cape Vincent, New York (at the entrance to Lake Ontario). It includes the Eisenhower and Iroquois Locks. There are both Canadian and United States pilots in this district. The Canadian pilots belong to the Corporation of the Upper St. Lawrence Pilots.

A memorandum of understanding between the GLPA and the United States Coast Guard dictates that Canadian pilotage takes 10 out of every 17 assignments, or 58.82% of all dispatches in the district. Each country dispatches its own pilots.

Lake Ontario District

Lake Ontario is also served by both Canadian and United States pilots. The Canadian pilots are members of the Pilots' Corporation, Lake Ontario and Harbours. They are specifically licensed to serve Lake Ontario and its harbours.

Per the aforementioned memorandum of understanding, Canadian and United States pilots share assignments equally on Lake Ontario. Each country dispatches its own pilots.

International District No. 2 (including the Welland Canal)

This district encompasses the Welland Canal, Lake Erie and the Canadian waters connecting Lake Erie to Lake Huron. Canadian pilots working here belong to the Corporation of Professional Great Lakes Pilots and are licensed to serve the entire district.

The memorandum of understanding again dictates the dispatch allocations as shown in the table.

Location	Allocation
Welland Canal	Canadian pilots only
Port Colborne to Detroit	Canadian pilots are assigned 50% of the through transits
Detroit to Port Huron	For every 8 ships, 3 take Canadian pilots

In addition, Canadian pilots are dispatched to all ships destined to, or departing from, Canadian

ports within the district.

International District No. 3

International District No. 3 is defined as the Canadian waters of St. Mary's River that connect Lake Huron and Lake Superior. This includes Lake Huron, Lake Michigan and Lake Superior. All GLPA pilots in this district are members of the same corporation as the District 2 pilots. Ships going from Port Huron to ports on Lake Michigan or Lake Huron keep the pilot on board. Ships destined for Lake Superior ports change pilots at Detour, where a district pilot takes them through the St. Mary's River to Gros Cap. A lake pilot will then board the ship to guide it to its final destination.

The memorandum of understanding does not specify the division of assignments between Canadian and United States pilots, but states that the GLPA is to receive 18.9% of the revenue generated in the district over the navigation season. All administrative and dispatching functions are performed by the United States.

Port of Churchill

The Port of Churchill, Manitoba falls under the GLPA's jurisdiction and is accessible for only a few months of the year. The normal pilotage operation consists of 3 manoeuvres: piloting the ship into the harbour, turning the ship and piloting the ship out of the harbour.

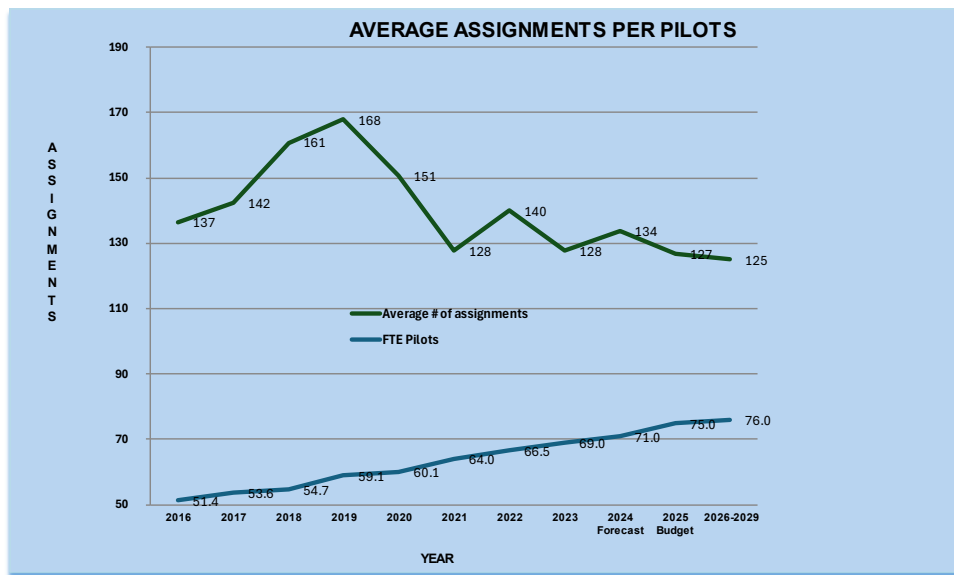
The GLPA's Lake Ontario pilots are licensed to perform all pilotage duties in the Port of Churchill on an as-needed basis.

Pilotage capacity

The GLPA is forecasting a total of 9,500 assignments for 2024, a 7.7% increase compared to 2023. This is consistent with the 6% increase in assignments observed year-to-date through July.

Over the planning period, the GLPA anticipates 9,500 assignments per year. The ability to accurately forecast traffic volumes is crucial because the GLPA plays a significant role in the movement of goods within the Great Lakes region. Given the challenges of forecasting beyond a year, as previously mentioned, the most prudent estimate for the outgoing years of the planning period is to anticipate assignment numbers that are consistent with those of 2024.

The GLPA must ensure that the average number of assignments per pilot remains within a reasonable range. Failing to do so risks pilot fatigue and related safety concerns, along with increased delays due to pilot shortages. To maintain the appropriate number of pilots to meet demand and improve efficiency, the current target is set 115 to 120 assignments per pilot (see figure below to compare with past years). Achieving this target is expected to alleviate safety concerns, reduce delays and lower pilotage costs, especially as the frequency of overtime assignments decreases.



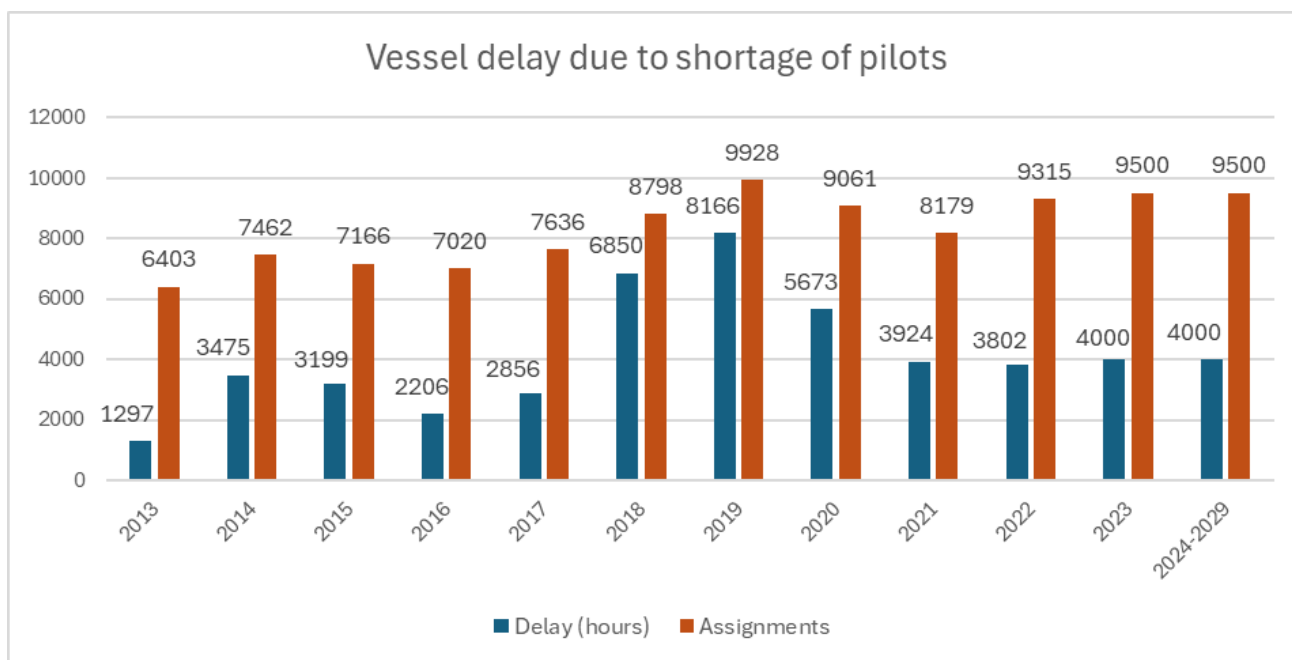
As illustrated in the graph, the GLPA anticipates that the number of full-time equivalent pilots will rise throughout the planning period, leading to a decrease in assignments per pilot. This will ensure that assignments per pilot are closer to the target.

The GLPA categorizes delays in the St. Lawrence Seaway as emerging from any of the following:

- seaway infrastructure breakdown
- environmental (e.g., climate-related) issues
- vessel problems
- pilot shortages

The first 3 types are not under the control of the GLPA, nor are these its responsibility. It is also noteworthy that the GLPA does not capture delay information when delays are caused by the United States pilotage association.

Otherwise, delay hours are captured by the GLPA from the moment they start to accumulate. The following chart shows ship delay hours due to a shortage of pilots since 2013. The total number of pilots available has the most significant impact on the hours of ship delays.



The GLPA predicts a reduction in the number of delays caused by a shortage of pilots in 2024. Further, the organization has set a target of 4,000 delay hours (or fewer) for 2025. With the pool of pilots expected to expand throughout the planning period, the GLPA aims to consistently decrease the number of delay hours resulting from a lack of pilots.

Pilot training

Annual training

The GLPA requires all pilots to complete simulation training within a 5-year cycle. The Centre de simulation et d'expertise maritime in Quebec City currently provides this service for GLPA pilots. During the planning period, an annual average of 20 pilots and/or apprentice pilots will attend week-long training sessions. The GLPA expects this to cost approximately \$0.4 million annually, including pilot wages and travel expenses.

The GLPA also provides annual training for the portable pilotage units and other specifically identified training needs, as required.

Apprenticeship training

The GLPA continues to invest in training apprentice pilots. This includes theoretical studies and practical training (both aboard ships and with simulators). Associated costs include salaries and benefits, travelling expenses and mentoring and evaluating costs. The total cost to train an apprentice pilot is approximately \$35,000 per month and includes salary and benefits. Depending on the district to which the apprentice is assigned, and the apprentice's prior experience navigating in the Great Lakes region, the length of training varies as follows:

District	Length of training
Cornwall District	12 to 18 months
International District No. 1	6 to 12 months
Lake Ontario District	6 to 12 months
International District No. 2	6 to 18 months
International District No. 3	6 to 18 months
Port of Churchill	1 month (for a Lake Ontario pilot)

Stakeholder relations

The GLPA is a Crown corporation with near-monopolistic powers over pilotage services in its districts. Consequently, it is important that the Board and management reach out to stakeholder organizations to ensure that important issues are identified and managed effectively.

The 3 primary stakeholders are the federal government, the marine industry and the pilots. The government represents several stakeholders, including the Ministry of Transport and its departmental officials, the Canadian Coast Guard, the Transportation Safety Board of Canada, the Canadian Transportation Agency and the central agencies. The marine industry, covering all shipping interests, is represented by the Shipping Federation of Canada and the Chamber of Marine Commerce. Pilot interests are handled by the 4 pilot corporations (represented by the Canadian Merchant Service Guild and the Canadian Marine Pilots' Association).

GLPA's customers, represented mostly by the Shipping Federation of Canada and the Chamber of Marine Commerce, must be consulted about and support the GLPA's decisions, given that they have access to the Canadian Transportation Agency for a review whenever issues are not resolved satisfactorily. Solutions with consensus, when possible, are preferred over legislated ones, as they create a win-win situation for all parties. The GLPA must manage potentially differing expectations from its various stakeholders. Striking a balance while achieving the GLPA's objectives can be challenging at times.

In addition to the 3 primary stakeholders, there are others that have an interest in safe, efficient and effective pilotage in the Great Lakes region. They include, but are not limited to, the:

- St. Lawrence Seaway Management Corporation (Canada)
- St. Lawrence Seaway Development Corporation (United States)
- Lake Ontario St. Lawrence River Board of Control
- United States pilotage associations
- Canadian port authorities in the Great Lakes region
- Ports and harbours in the Great Lakes region
- Environmental groups
- Recreational boaters
- Private citizens living along the GLPA's area of responsibility

The GLPA will continue to proactively consult all primary and other stakeholders. It will provide ongoing opportunities for input on its planning and operations. It is important that all issues with stakeholders, including pilots, are resolved. However, the GLPA will never compromise the safety

of ships or the environment to avoid a third-party issue.

Throughout the year, the GLPA formally meets with the Shipping Federation of Canada and the Chamber of Marine Commerce to discuss current topics, joint concerns and proposed pilotage charge amendments. These stakeholders and the GLPA continue to discuss operational issues throughout the navigation season. In preparation for the start and close of a season, the GLPA consults these stakeholders and informs them about issues that may affect pilotage services.

In 2023, the GLPA conducted a customer satisfaction survey to gauge how the organization is meeting customers' expectations and identify any room for improvement since the last survey in 2020. The GLPA has analyzed the results and is implementing action plans to address gaps and better serve its customers.

To interact with pilot-focused stakeholders, the GLPA holds a face-to-face meeting with the presidents of the pilot corporations at the start of each navigation season. Meetings are also held throughout the year to improve the dissemination of information and ensure timely discussions with pilots and stakeholders. Throughout the season, communication with pilot union representatives continues in order to discuss working rules and other labour-related issues.

In keeping with its commitment to safe and efficient pilotage services, the GLPA is in constant communication with the St. Lawrence Seaway Management Corporation, the St. Lawrence Seaway Development Corporation, the United States Coast Guard, the United States pilotage associations and Transport Canada. The GLPA has been a driving force in developing strategies to reduce ship delays at the start and end of the navigation season.

The GLPA meets with various Canadian and United States ports and harbours during the year to discuss pilotage. In addition, the GLPA meets regularly with the other 3 Canadian pilotage authorities to examine common topics and share best practices.

Appendix L: Statement of pilot numbers

All Districts						
	2024	2025	2026	2027	2028	2029
	Forecast	Budget	Plan	Plan	Plan	Plan
Pilots						
Start of Year	66.0	69.0	75.0	76.0	76.0	76.0
Newly licensed	3.0	8.0	7.0	5.0	5.0	5.0
Retirements/Terminations/Transfers	0.0	(2.0)	(6.0)	(5.0)	(5.0)	(5.0)
End of Year (Required)	69.0	75.0	76.0	76.0	76.0	76.0
	2024	2025	2026	2027	2028	2029
	Forecast	Budget	Plan	Plan	Plan	Plan
Apprentice Pilots						
Start of Year	5.0	9.0	7.0	5.0	5.0	5.0
New Hires/Transfers	7.0	6.0	5.0	5.0	5.0	5.0
Licensed/Terminated	(3.0)	(8.0)	(7.0)	(5.0)	(5.0)	(5.0)
End of Year (Required)	9.0	7.0	5.0	5.0	5.0	5.0
	2024	2025	2026	2027	2028	2029
	Forecast	Budget	Plan	Plan	Plan	Plan
Contract Pilots	2.5	2.5	2.0	2.5	2.5	2.5
End of Year (Required)	2.5	2.5	2.0	2.5	2.5	2.5

Abbreviations used

CEO	Chief Executive Officer
CFO	Chief Financial Officer
ERM	enterprise risk management
ESG	environmental, social and governance
GIC	guaranteed investment certificate
GLPA	Great Lakes Pilotage Authority
IT	information technology
PSAC	Public Service Alliance of Canada
SLSM	St Lawrence Management Corporation
TCFD	Task Force on Climate-related Financial Disclosures