Business Plan 2026-2027

Ontario

If an alternative accessible format is required, please contact the Owen Sound Transportation Company at 519-376-8740 or info@ontarioferries.com.

Note that throughout this document, a fiscal year (April 1 to March 31) will be referred to as, for example, 2026-27.

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1. Executive Summary

The Owen Sound Transportation Company, Limited (OSTC) was incorporated under the *Ontario Business Corporations Act, 1990* (the Act) and conforms to the legal requirements of the Act. The company's sole shareholder is the Ontario government, represented by the Minister of Transportation (the Minister).

OSTC provides safe, efficient and reliable ferry transportation in Ontario. OSTC transports passengers and goods safely from Moosonee to Moose Cree First Nation, located on Moose Factory Island, South Baymouth on Manitoulin Island to Tobermory on the Northern Bruce Peninsula, and Kingsville and Leamington to Pelee Island and Sandusky, Ohio (with air service between Pelee Island and Windsor airport in winter). During the 2025 sailing season, OSTC carried 189,059 (2024: 186,866) passengers and 71,308 (2024: 68,087) vehicles on the *Chi-Cheemaun*; 9,053 (2024: 5,787) passengers and 3,245 (2024: 3,350) vehicles on the *Niska*; and 126,669 (2024: 126,342) passengers and 33,255 (2024: 32,915) vehicles on its Pelee routes.

The fiscal year 2026-27 to 2028-29 business plan aligns with the following:

1. OSTC is a Board Governed Operational Enterprise Agency subject to the Agencies and Appointments Directive (AAD);
2. The provincial government directives which apply to OSTC;
3. The Memorandum of Understanding (MOU) between the Minister of Transportation and the Chair of the OSTC; and
4. OSTC's Annual Letter of Direction provided by the Minister of Transportation on October 27, 2025.

The Business Plan for the coming three-year cycle:

1. Continues to develop Key Performance Indicators (KPIs) to measure the effectiveness and success of existing services and capture feedback to inform potential enhancements of each of our services;
2. Continues to implement AAD compliance monitoring measures to improve progress towards compliance with provincial directives; and
3. Identifies and pursues opportunities for non-government, non-fare, and non-fee revenue generation per the Annual Letter of Direction.

OSTC continues to work on building capacity to enhance service delivery and effectiveness while facing critical challenges, including:

1. Staffing and crewing.
2. Maintaining a fleet of vessels.
    - 2.1. The MS *Chi-Cheemaun* is 52 years old
    - 2.2. The MV *Niska I* is a 15-year-old landing craft vessel
    - 2.3. The MV Pelee Islander is 66 years old
    - 2.4. The MV Pelee Islander II is 7 years old
3. Due to varying channel depths along the routes, yearly surveying and frequent maintenance dredging is required to ensure that there is safe navigational depth for the vessels. Without regular operational dredging, there is increased risk of cancelled sailings, and grounding or damage to the ferry vessels.

2. Description of Agency

The Owen Sound Transportation Company (OSTC), an operational service agency of the Government of Ontario, provides ferry services to Manitoulin Island, Pelee Island and Moose Factory Island, and a winter air service from Pelee Island to Windsor. OSTC reports into the Ministry of Transportation (MTO).

3. Agency's Mandate

OSTC contributes to the provision of safe, efficient and reliable ferry transportation between Tobermory and South Baymouth, Manitoulin Island. It promotes and contributes to economic development in this region by supporting the creation of a positive business climate and by enhancing and promoting the tourism sector through partnerships with local communities and regional stakeholders.

In support of its mandate, OSTC also manages the Moose Island ferry service between the town of Moosonee and Moose Factory Island, operates the ferry service between Leamington and Kingsville, Pelee Island and, during the summer season, Sandusky Ohio, and a winter air charter service between Pelee Island and Windsor airport.

OSTC supports the mobility and delivery of goods and services in geographically disparate areas of the province not served, or minimally served, by highway systems. OSTC services also promote and support the tourism sector through partnerships with local communities and regional interest holders. These include the municipalities and First Nations communities at its endpoints and surrounding areas.

4. Overview of Ferry Services and Vessels

OSTC provides safe, efficient, and reliable ferry transportation in the Province of Ontario, operating three (3) seasonal passenger, vehicle, and commercial vehicle ferry services:

- MS Chi-Cheemaun on the Tobermory – South Baymouth Manitoulin Island route,
- MV Niska I on the Moosonee – Moose Factory Island route, and
- MV Pelee Islander and MV Pelee Islander II on the Leamington/Kingsville – Pelee Island route.

OSTC owns and operates the MS Chi-Cheemaun, and owns and contracts with the Moose Cree First Nation to operate the MV Niska I:

- MS Chi-Cheemaun - A seasonal passenger, vehicle, and commercial truck ferry between the ports of Tobermory and South Baymouth, Manitoulin Island from May through to October.
- MV Niska I - A seasonal passenger, vehicle, and commercial truck ferry on the Moose River between Moosonee and Moose Factory Island, at the southern end of James Bay from May through to October.

OSTC operates the Pelee Island Transportation Service (PITS) through a management contract with MTO. Services are provided through three (3) ferry routes and one (1) winter air service route:

- Kingsville to Pelee Island - serviced by the MV Pelee Islander II (primary vessel) and the MV Pelee Islander (secondary vessel),
- Leamington to Pelee Island – serviced by the MV Pelee Islander II (primary vessel) and the MV Pelee Islander (secondary vessel),
- Pelee Island to Sandusky, Ohio - serviced by the MV Pelee Islander during the summer season, and
- Pelee Island to Windsor - OSTC provides contract administration for an air service, operated during the winter season when the ferry is out of service.

The Pelee Island service is an essential service for Pelee Island residents and agricultural businesses, as well as a transportation service for a key tourism experience that brings many benefits to the community.

5. Strategic Direction

OSTC's goals are developed to support and carry out the mandate of the company as established by the Province of Ontario and its sole shareholder, the Minister of Transportation, and in alignment with the priorities set out in the ALOD.

OSTC's goals are to:

1. Provide safe, secure, regulatory compliant, accessible, reliable and environmentally responsible marine transportation services to the public.
2. Achieve optimal financial performance by improving financial planning and oversight, increasing revenue and effectively managing costs.
3. Build and maintain strong, mutually beneficial relationships with the communities, partners and regions served.
4. Achieve business and operational excellence by leveraging best practices to build capacity to improve service delivery.

6. Strategic Goal Implementation Plan

Strategic Goal #1: Provide safe, secure, regulatory compliant, accessible, reliable and environmentally responsible marine transportation services to the public.

Objective 1-1: Ensure Safety & Security

Implementation Tasks: Vessel Safety, Security & Regulatory Compliance

- Continue to comply with the International Safety Management Code (ISM) and International Ship and Port Security Code (ISPS) where applicable.
- Continue position-specific training for vessel crew members.
- Continue participation in joint safety and security exercises with government, law enforcement and emergency services.

- Continue participation in sector association meetings with regulators.
- Continue adherence to, and improvements of, the Safety Management System.
- Continue to review developing guidance on electric vehicle and electric bike battery combustibility, ensuring that risk management practices are in place, and firefighting techniques are developed and implemented to address the potential fire risks.

Implementation Tasks: Passenger Safety, Security and Accessibility

- Continue to comply with the Integrated Accessibility Standards Regulations (IASR) under the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA) as they come into effect; design renovations and modifications to vessels incorporating IASR standards wherever possible and explore additional options for compliance as necessary.
- Continue to provide AODA training to all employees with additional site-specific training as required.
- Continue to comply with the Personnel Training for the Assistance of Persons with Disabilities Regulations under the *Canada Transportation Act* and the Accessible Transportation Planning and Reporting Regulations under the *Accessible Canada Act*.
- Continue program of training vessel employees in Passenger Safety Management.
- Continue attending anti-human trafficking sessions to stay informed of efforts by other agencies and explore potential opportunities (e.g., training, awareness raising, etc.).

Implementation Tasks: Employee Safety & Security

- Reinforce OSTC's policy of a blame-free safety-first culture that encourages worker participation in identifying and resolving potentially hazardous situations.
- Continue employee training programs in health and safety, including confined space, fall arrest, transportation of dangerous goods, workplace harassment and safety awareness.
- Continued improvement of the near miss reporting process and continue to work with health and safety committees to review lessons learned from near misses and accident reports.

Objective 1-2: Ensure Reliability and Environmental Responsibility

Implementation Tasks

- Continue to maintain OSTC vessels in accordance with Planned and Preventative Maintenance Programs.
- Monitor and audit vessel discharge plans and records.
- Continue Oil Spill Response training for all ship and terminal facility employees.
- Maintain Green Marine Level 2 certification and implement additional systems to elevate level wherever possible.
- Develop a procedure for tracking vessel greenhouse gas (GHG) emissions and waste management. Establish a baseline GHG inventory.
- Continue participation in information sessions, cross-sector engagement opportunities, workshops and training opportunities.

Strategic Goal #2: Achieve better financial performance by improving financial planning and oversight, increasing revenue and effectively managing costs.

Objective 2-1: Improve Financial Planning and Oversight

Implementation Tasks:

- Continue to support critical senior financial staff, and retain financial staff through professional development and strategies to elevate critical thinking and reduce work effort related to transactional processing.
- Continue to update financial recording and reporting processes: digitize recording, approval and storage of financial matters.
- Continue to build capacity to create regular operating and capital financial budgets and reports, as well as ridership statistics by implementing governance practises that ensure effective and efficient use of financial resources and funding, such use of business cases, and tracking of savings.
- Continue to meet quarterly financial reporting requirements in alignment with templates and timelines set by the Ministry of Transportation.

Objective 2-2: Enhance Revenue Opportunities

Implementation Tasks:

- Optimize online reservation system with flexibility to adjust for any fare changes and service purchase options.
- Review pricing and product mix to increase non-fare, non-fee revenues by 3 per cent per year.
- Review on-board customer experiences provided in prior years and consider reintroducing limited resale items, where adequate resources are in place.
- Explore opportunities to work with regional partners and local businesses to enhance tourism experience packages where synergies are possible.
- Identify and remove any new barriers that may deter customers from using ferry services.
- Explore a comprehensive fare strategy that: considers revenue optimization, compares fares with other similar operations across Canada, provides value for money, and simplifies the reservation process for customers.

Objective 2-3: Identify Opportunities for Enhanced Efficiencies to Reduce Expenses

Implementation Tasks:

Fully implement the Fleet Management System (FMS) to incorporate shipboard or shore-based inventory tracking and optimize procurement functions and delegation of authority

- Implement employee development and training plans for all positions and closely monitor employee performance against goals to optimize effectiveness and efficiency.
- Optimize purchasing practices to ensure all goods or services acquired are necessary, are purchased in compliance with policy, and provide best value.
- Continue annual review of the current operating schedule and season to evaluate the cost/benefit of schedule modifications on the ferry services and value to regional economies.
- Continue implementation and refinement of new procurement policy and procedures implemented in 2025, with a focus on change management and compliance.
- Work closely with Supply Ontario on all procurements requiring its advice and guidance.

Strategic Goal #3: Build and maintain strong, mutually beneficial relationships with the communities and regions served.

Objective 3-1: Develop Community Relationships

Implementation Tasks: Ongoing participation and support of or in, and resumption of activities

- Continue to support and develop regional tourism partnerships.
- Explore opportunities to expand tourism.
- Identify and participate in strategic promotion and advertising partnerships.
- Continue to provide opportunities for public and user input through community meetings and customer surveys.
- Continue to work with Complex RE, Moose Cree First Nation and the Town of Moosonee and re-establish a protocol for regular meetings and communication practices to ensure there is a forum to discuss issues.

Objective 3-2: Developing Community and Industry Relationships

Implementation Tasks: Promote industry opportunities

- Continue to provide onboard co-op opportunities for navigation and engineering cadets.
- Maintain visibility in secondary school systems throughout Ontario.
- Explore opportunities to provide co-op opportunities for high school students on MV Niska I.
- Provide seasonal employment opportunities to post-secondary students.
- Strengthen relationship with Caldwell First Nation, Wikwemikong Unceded Indian Reserve, Chippewas of Saugeen, Chippewas of Nawash, M'Chigeeng First Nation and Moose Cree First Nation.

Strategic Goal #4: Achieve business and operational excellence by leveraging best practices to build capacity to improve service delivery.

Objective 4-1: Improve Capacity to Attract and Retain, Develop and Manage Staff

Implementation Tasks: Develop HR Department, Policies and Systems

- Continue to provide professional development opportunities to HR staff to build capacity of the department.
- Continue to develop HR policies and procedures for the full employee life cycle from onboarding to offboarding.

Objective 4-2: Improve Key Systems

Implementation Tasks:

- Develop a system architecture in order to optimize the performance and efficiency of OSTC's many systems.
- Optimize the use and effectiveness of Fleet Management System (FMS) for procurement purposes, point-of-sale retail system to allow for better pricing and inventory management, SAGE accounting system to improve efficiency, and train key staff in contract management and oversight.

- Optimize the use of use of the reservation system (Bookit).
- Implement a new customer website linking the reservation system (Bookit) and online payment system (Moneris) for fewer incomplete transactions and re-work.
- Implement a simple process (e.g. one-page performance checklist) to measure performance of non-salaried non-union staff (e.g. North Ticket Agents) and unionized staff to ensure the development of staff by people managers and accountability of staff for their performance

Objective 4-3: Improve Policies, Processes and Procedures

Implementation Tasks:
- Create corporate-wide policies in all business areas.
- Create Finance policies and procedures to ensure effective use of financial resources.
- Create Information Technology policies and procedures focussed on infrastructure, architecture, compatibility of systems and mitigation of negative cyber events.
- Continue to develop standard operating procedures for HR tasks and processes.
- Conduct a pay equity review and analysis in line with requirements from the Pay Equity Act.
- Develop and implement an enhanced risk monitoring and evaluation process.

Objective 4-4: Introduce Development Plans and Succession Planning

Implementation Tasks:
- Develop succession plans and planning tools for key positions to identify development plans, future personnel needs and identify any gaps.
- Develop career progression maps for key positions.

7. Overview of Current and Future Programs and Activities

Fostering Economic Growth, Positive Business Climate and Tourism

7.1 Vessel Charters

Private and non-profit organizations are welcome to contact the Owen Sound Transportation Company (OSTC) to request private charters of OSTC-owned vessels, including for the transportation of construction materials and equipment.

OSTC reviews each charter request individually, evaluating both the merit of the request and the availability of staff.

<u>MS Chi-Cheemaun</u>

The MS Chi-Cheemaun is chartered for two (2) annual evening cruises from the Owen Sound harbour during the month of April. This takes place prior to the start of the sailing season, when the full crew has returned and is contingent on weather. In 2020, daily ferry sailings were reduced from 4 sailings per day at peak to three, which allowed for elimination of low volume sailings, and efficiencies in staffing. Current demand does not warrant the extra costs of additional sailings, however management is reviewing flexibility to allow for additional capacity or priority for island residents during peak times.

The Annual Spring and Fall Repositioning Cruises—where the Chi-Cheemaun travels between its winter berth in Owen Sound and Tobermory—were paused for several years due to COVID-19. In 2023, this cherished tradition was reinstated, and tickets for this venue continue to sell out in hours.

OSTC plans to continue the repositioning cruises and will continue these each season, except where drydock scheduling takes precedence.

MV Niska

The MV Niska is typically chartered throughout the season, on weekends to haul construction materials to the island.

7.2 MS Chi-Cheemaun Food, Beverage & Retail Services

OSTC has reviewed pricing and margins on all food, beverage and retail services and established price points which better reflect the market while continuing to provide value.

OSTC plans to continue to increase reporting functionality in its point-of-sale system to ensure that overall margins remain optimized, and that sourcing decisions are made to optimize sales and margins.

New and attractive merchandise is acquired yearly to accommodate shifting tastes.

Providing safe, efficient and reliable ferry transportation

7.3 Fuel Consumption Control

OSTC's standard operating procedure is to run MS Chi-Cheemaun on two (2) of the four (4) engines, alternating engine use on a weekly rotation basis. This allows OSTC to optimize fuel consumption and keep the operating hours on the equipment as low as possible to lengthen the service life of the machinery and maintain a lower carbon footprint. Fuel consumption is also managed through sound company operating practices, adherence to maintenance recommendations, employee training and real-time condition monitoring that keep key equipment in line with factory standards.

OSTC drydocks each vessel every five (5) years, as Transport Canada requires. This provides an opportunity to clean propellors and wash and recoat hulls to meet or exceed industry standards. This action lends itself to reduced fuel consumption, the propellors are more effective and the hull glides through the water with less drag when cleaned. The next Chi-Cheemaun drydock will occur during the second half of fiscal 2026/27.

As fuel prices are expected to remain high over the business plan cycle, the company will maximize its efforts to conserve fuel, both from cost and environmental impact standpoints by continuing to consider practices that improve fuel efficiency without impacting the safety of the passengers and crew.

7.4 Communication Upgrades

Since 2023, enhanced wireless services were implemented for the MS Chi-Cheemaun and the Pelee Island services vessels to improve connectivity along their routes. These upgrades improve business processes capability and support personal use of internet for ship's crew as a quality-of-life improvement. During 2024-25, further improvements were made to the internal network to improve staff Wi-Fi capabilities.

As there were large increases in satellite internet costs in 2025, work continues to upgrade the systems on board and allow better control over the network and costs.

8. Assets Supporting Service Operation

8.1 Vessels

MS Chi-Cheemaun was built in 1974 and is 105.61 meters long, 18.99 meters wide, and 6,990.65 gross register tons. The steel ferry has two (2) passenger levels containing a dining room, gift shop, tourism information centre and two (2) seating lounges. The ship can accommodate up to 138 standard-size automobiles in the multi-ramped vehicle deck and 638 passengers per trip. A service level assessment is planned for the Manitoulin Island service in 2026, to assist in developing specifications for future use and optimization of the service, and potential replacement vessel(s).

MV Niska I was built in 2010 and is 27 meters long, 10.5 meters wide, and 153.09 gross register tons. It is an open-deck ferry with no interior passenger accommodation. The ferry can carry up to 10 standard automobiles and 47 passengers, or up to two (2) full-length transport trucks per 20-minute crossing.

MV Pelee Islander II was constructed for MTO in 2018, bringing with it significant vehicle and passenger capacity, as well as a host of modern conveniences. With its twin 1600 HP engines, the Pelee Islander II can ferry 34 vehicles and nearly 400 passengers with ease. Boasting a modern cafeteria, ample above deck seating areas and even reclining seats in the passenger area, the ship is poised to offer exceptional service to Pelee Island for years to come.

MV Pelee Islander was constructed by the federal government in 1960. With a capacity to transport 10 vehicles and 196 passengers, the Islander was operated by the Pelee Shipping Company and subsidized by its owner, the federal government, before being transferred to the provincial government.

8.2 Georgian Bay Terminal Buildings and Properties

The Tobermory and South Baymouth Ferry Terminal Buildings are of stone and brick construction with a combination of flat and peaked roofs. Originally built in 1973, the buildings have required roof and window repairs over the last 30 years. Both buildings have had their interiors renovated (South Baymouth in 2014-15, and Tobermory in 2016-17) and now conform to AODA requirements for persons with disabilities.

8.3 OSTC Main Office Building

OSTC is housed in office space in downtown Owen Sound, only 200 metres from the winter berth of the Chi-Cheemaun. Reservations staff will continue to operate from the Springmount location throughout 2026-27, while OSTC works to determine a longer-term solution to its head office needs. Additional rented warehouse storage is being considered during the planning period, either in Owen Sound or Leamington/Kingsville.

8.4 Tobermory, South Baymouth & Owen Sound Wharf Facilities

Transport Canada is the owner of the Tobermory and South Baymouth dock walls and the Owen Sound harbour wall used exclusively by OSTC, all adjacent to OSTC-owned properties. OSTC owns a small piece of riverfront property and a water lot on the west wall of the Owen Sound inner harbour where the MS Chi-Cheemaun is berthed in the winter months.

The above wharves (Tobermory, South Baymouth and Owen Sound) are on Transport Canada's list for divestiture. Any future discussions regarding the transfer of facility ownership will be conducted between the MTO and Transport Canada.

8.5 Moosonee Winter Storage Haul-Out Facility

OSTC is investigating options to meet the long-term needs to haul the MV Niska I out of the water. The vessel has wintered on the MTL marine railway from 2011 through 2023. In 2024 a three-year lease was signed to secure property, pending 2026 review for approval of a dedicated system for hauling out and launching the Niska. Should a long-term lease be available, OSTC will invest in a haul out system, which will provide a reliable, lower annual cost alternative to the interim arrangement that has been in place since 2023. Additional information is included in section 9.2.

8.6 Pelee Island, Leamington, Kingsville and Sandusky Terminals and Wharves

The three Canadian terminals and wharf facilities for the Pelee Island Transportation Service are owned by MTO. OSTC has a lease with the City of Sandusky for the docking space in the Sandusky, Ohio wharf to provide the Sandusky route.

9. Resources to Meet Goals and Objectives

9.1 Human Resources for Ferry Services

OSTC has 56 full-time staff, two part-time staff, and 151 seasonal staff for a total of 209 employees. Staffing for each service is outlined below.

OSTC services (North) have a complement of 35 full-time staff members, including Executives, Management, Administration and Ships' Officers. Additionally, there are 101 seasonal and part-time employees who work at the terminals, reservations, and on the Chi-Cheemaun vessel providing ferry services from Tobermory to Manitoulin Island. These seasonal and part-time employees work on an hourly basis for four to nine months of the year, either on board the ship, booking reservations, or on shore at the terminals, while the ship is in operation. This group also includes the additional crews hired for summer sailing schedules. All unionized staff in the North Division are represented by the Seafarers International Union (SIU). The SIU contracts are for the period January 1, 2024, through December 31, 2026.

The PITS service (South), has a complement of four office staff, three full time captains, one seasonal captain, two full-time shipkeepers, one temporary student, 12 full time, unionized officers, two seasonal unionized officers, and 47 seasonal unionized staff represented by

UNIFOR. The UNIFOR agreements are for January 1, 2022, through December 31, 2025. Bargaining began in December 2025.

Moose River ferry service crew are employees of Complex RE Limited Partnership, owned by the Moose Cree Group of Companies Limited Partnership, a wholly owned subsidiary of the Moose Cree First Nation.

The chart below captures these values for North and South, as well as the total head count (HC) which includes seasonal and/or part-time employees, and the total full-time employee (FTE) count. The figures in the chart below represent a snapshot as of 2025-2026.

	Total FTE[1]	Total HC	North[2]	South[3]
Executives	**5.6**	6	4.6	1
Management and admin	**16.6**	17	14	2.6
Naval Officers non-union	**21**	21	16	5
Naval Officers union	**14**	14	0	14
Non-union staff*	**10**	18	16	2
Non-union Temporary	**7**	14	13	1
Union staff*	**60**	119	72	47
	134.2	**209**	**135.6**	**72.6**

**Seasonal*
1. FTE means full-time equivalent, to employee working a regular 35 to 40-hour work week, depending on the contract.
2. North Division Head Count represents both Head Office staff, as well as employees who work on board the Chi-Cheemaun, and/or at the Tobermory and South Baymouth terminals.
3. South Division Head Count represents PITS, with employees at the mainland terminals (Leamington or Kingsville, as scheduled), Pelee Island terminal, and the ships.

In line with the Hiring Control Directive from the Provincial Government in October 2025, OSTC submitted an HR Growth Plan to TBS in November 2025 with a plan to increase OSTC's complement by 10 FTEs over a three-year period. OSTC requested the increase in complement in order to address gaps in key compliance areas (e.g. IT and cyber security, information management and document control, financial reporting, health and safety) and enhance our operational capabilities around vessel maintenance and performance, marketing and non fee non fare revenue generation. OSTC will be recruiting to fill these gaps throughout 2026, 2027 and 2028.

OSTC engaged the services of a third-party compensation consulting firm in 2025 to conduct a full job evaluation, analysis and compensation plan design. The work and recommendations from this evaluation and analysis will ensure that OSTC is compensating fairly in comparison to market and public sector. OSTC intends to analyze the data and solutions provided to implement an appropriate salary structure for OSTC non-union positions in 2026. The data provided will also assist OSTC with future negotiations of expiring collective agreements.

Once the above-mentioned job evaluation project is complete, OSTC is planning to conduct a full pay equity review and analysis beginning in 2026 to ensure compliance with applicable pay equity legislation and provide fair and equal pay. By 2027, OSTC is aiming to have a Compensation Plan in place and full pay equity compliance.

9.2 Facilities and Ships

The Moose Factory Island ferry service will require the acquisition of a suitable, permanent winter haul-out and maintenance area within the life of this plan. An engineering firm is outlining the specifications for building a second launch beside Moosonee Transportation Limited (MTL)'s existing launch for its own vessel, which has previously accommodated the Niska as well. As a result of the malfunction of the system in late 2023, the Niska was hauled out using industrial airbags and heavy equipment at considerable costs. An owner's engineer is currently reviewing the feasibility and expected costs for the construction of a system dedicated to the Niska. A business case will be prepared to address Niska's launch and haul-out requirements.
In addition, reviews are being undertaken to address environmental issues with the lands where dredged materials are stored, and to plan for storage during future dredgings, if necessary.

A Service Level Assessment of the Chi-Cheemaun service is planned in 2026, which will include looking at predicted service levels, potential client-bases, environmental landscape/implications, marketing opportunities, and preliminary planning for a replacement and/or acquisition of new vessel(s). Additionally, alternative options, such as refurbishment and leasing, will also be considered. This comprehensive approach will support strategic planning and decision-making for years to come, related to transportation infrastructure, environmental sustainability, and resource allocation.

9.3 Technology

IT Asset
OSTC is building a review process and strategy for Information Technology Policies, Systems and Equipment to be conducted on an annual basis, including the maintenance, upgrade or replacement of hardware and software. OSTC contracts an external IT firm to provide IT support and security to OSTC's systems.

OSTC is undergoing systems modernization to improve information governance and provide accessible data for use in decision-making. The updated systems, including the reservation system, phone system, fleet management and the Point-of-Sale (POS) system, provide granular data to support improved outcome-based reporting and service delivery enhancements.

Website
OSTC is working to implement a new website to modernize and better align the functionality available in its booking system (Bookit) with the website. Currently, there are discrepancies between the booking system and online booking process via the website that is driving increased call volumes to the reservation agents, or local walk-in traffic to the terminals. A new website experience should reduce reservation agents staffing through reduced call volumes and an increase in client / user experiences. In addition to the new website, OSTC will be launching a mobile application for bookings which is expected to enhance the digital experience for its clients.

Point of Sale (POS) System
OSTC plans to migrate the POS system to the cloud during this planning cycle to reduce costs associated with a central server upgrade (reduce hardware costs) and improve accessibility of real-time reporting. OSTC will continue to investigate enhanced inventory management features of the POS system for improved inventory tracking, menu item popularity, and integration with suppliers.

Contact Centre Software
Contact Centre software is providing improved call centre metrics reporting and improved customer service using the chat function, call back queue and call escalation/routing.

Booking system
OSTC also implemented its booking system (Bookit) for the Niska, which is providing better access to booking and payment for customers. This conversion has also allowed the service to go cashless, improve revenue and passenger and vehicle tracking data.

In 2026-27, OSTC plans to utilize the software to conduct year-over-year analysis and reporting to enhance customer service processes and improve customer satisfaction.

Fleet Management System (FMS)
The FMS implementation has significantly improved operational visibility of asset management costs and supported data-driven decisions. The FMS will continue to assist in the reviews of asset lifespans, tracking of procurements and internal controls. Additionally, OSTC shall leverage NS project management tools for shipboard refit and major project management with respect to workflow tracking, compliance documentation and cost control.

10. Risk Identification, Assessment and Mitigation Strategies

OSTC will continue to develop, systematic processes for identifying, examining, and assessing agency risks for both operations and capital requirements. On a quarterly basis, senior management will meet to review existing and potential risks, assess the adequacy of risk mitigation plans, and prepare a report to the Board's Audit Committee. The following matrix highlights key current and foreseen risks.

Risk	Description/Notes	Mitigation Strategy / Action Plan
Niska uncertainty regarding safety in winter and launch in spring	Risk loss of MV Niska because the Niska haul-out ramp and equipment, on third-party land, was damaged in 2023 and was not operational. As a result, the Niska is vulnerable unless properly hauled out over the winter.	A three-year land lease (through June 2027) has been signed and OSTC is reviewing the feasibility of a long-term lease with Moosonee Transportation Limited, dependent on the feasibility, costing, and value of a separate track and haul out system for the Niska. For 2026 the Niska is being hauled out and launched using contractors, inflatables and heavy machinery.
Inability to operate due to low water levels	Risk of water level decrease could result in unsafe under-keel clearances, putting the vessel and passengers at risk.	**For South Baymouth:** Maintaining the channels may be required. Blasting and dredging the area would mitigate the grounding risk associated. However, if dredging is necessary, determining the ownership of this mitigation activity with Transport Canada, will be required first. Various stakeholders and partners involved also include the Federal Department of Fisheries and Oceans,

Risk	Description/Notes	Mitigation Strategy / Action Plan
		and the Wikwemikong First Nation. **For Moose Factory Island**, OSTC has had significant dredging projects in the last few years and must continue to plan for dredging should circumstances arise. A program of semi-annual soundings is underway, and focussed dredging on areas may be required, based on issues identified each year. **For Pelee Island**, MTO is responsible for the dredging program for the Pelee Island Transportation Service. For this service, dredging responsibility is based on land ownership. MTO directly procures dredging service for Leamington/Pelee shipping. If dredging is required in Kingsville, MTO leads discussions with the third-party landowners.
Ship-based staff shortages, applies to all OSTC vessels.	Risk of vessels not operating due to lack of qualified crew as staff requirements are governed by Transport Canada regulations. Residents, businesses and tourists would have to adjust planned use of the ferry. Revenue will be impacted if there is risk to the sailing season due to staff shortages.	OSTC continues to develop creative recruitment and retention strategies for ship-based staff with an emphasis on open communication and positive engagement with current staff to ensure high levels of retention. Open to foreign workers through TC's Reciprocal Arrangement program when required.
Aging MS Chi-Cheemaun equipment and infrastructure	Possibility of a mechanical failure due to an unforeseen loss of critical equipment (onboard or on shore) which would put the Chi-Cheemaun out of service for an extended duration or indefinitely.	Annual preventative maintenance programs and acquiring in-house stock of critical parts reduces the risk that the ferry experiences significant downtime. It should be noted that certain critical components, such as main engine gearboxes and the controllable pitch propellors (CPP) units, do not have redundancy on their driven shaft line. OSTC does not stock a complete replacement set of spares for these major items. Additionally, the condition of the obsolete stabilizers is being monitored and maintained until the next drydock in

Risk	Description/Notes	Mitigation Strategy / Action Plan
		2026 when replacement is planned to be made pending qualified shipyard availability. A new Kongsberg fin stabilizer system has been purchased, and design work is being carried currently to integrate the new solution with the ship's hull, electrical supply and bridge control station.
Cyber security	Cyber security breaches are a high risk, somewhat mitigated by cyber security training and firewalls. In 2025 OSTC also responded to spoof websites.	Increased vigilance to defend OSTC's domain, increased hardware to control activities, and other measures to fortify the website and processing systems. Implementation of a new website and mobile application to reduce risks with existing web developer and protect all customers with enhanced security protocols. Launch a new relationship to monitor website impersonation and spoofing by threat actors. Replacing aged servers, and equipment throughout network (head office, vessels, terminals, etc.) to create a holistic approach to cyber protection.

Additional Mitigation Strategies and Preventive Measures

OSTC is highly regulated for the purpose of assessing and managing risks. Transport Canada Marine Safety's policy (and OSTC's) is that there is no price too high to save one life. While regulations are written in accordance with that principle, it is the responsibility of the individual Classification Society surveyor (on behalf of Transport Canada) to determine if a company is applying regulations properly and operating its vessels within the regulations.

OSTC reviews all new legislation and regulations and implements changes as required by law. Those regulations include but are not exclusive to safety equipment, operating manuals, crew certification, fire protection, emergency evacuation and training requirements.

OSTC operates all vessels in accordance with the Canada Shipping Act and ancillary regulations and all other relevant provincial and federal regulations, including but not limited to Pollution Prevention and Control, Workplace Health and Safety and Marine Transportation of Dangerous Goods.

OSTC independently assesses safety, security, and environmental risks that may not be required within regulation and incorporates procedures and training in OSTC's Safety Management Systems.

Insurance
OSTC carries insurance policies for Marine Hull, Marine P&L, Property, CGL, Auto, Boiler and Machinery, D&O, Fiduciary, Crime, EPL, Business Practices, Internet Security and General Liability insurance coverage. Insurance coverage is reviewed annually to ensure there is adequate coverage in all areas of the organization.

11. Environmental Scan

11.1 Economic Conditions/Business Climate

The business climate has increased uncertainty as a result of early 2025 proposed tariffs by the United States, and potential counter measures (both tariff and business practices), by the Federal and Provincial governments. This uncertainty is likely to last through the next few years and may result in lower output for the Canadian economy as a whole.

Although tariffs and border measures may result in decreased American tourism, increased patriotism and "buy Canadian" movements may result in opportunities to grow the market for an affordable vacation for Canadian tourists right here at home, and to promote Canadian goods for sale.

The Manitoulin Island ferry provides a significant boost for the tourism, agriculture and commercial industries to the Algoma District in northern Ontario and to the Bruce Peninsula. Past customer surveys indicate that only 30 per cent of ferry users identify Manitoulin Island as their destination.

Manitoulin Island has increased its agricultural output in the past few seasons, and the ferry is transporting more harvested crops and livestock. OSTC plans to collect additional data at time of reservation to better quantify agricultural outputs transported in the 2025 and 2026 sailing seasons through enhancements to our reservation system.

The Moose Factory Island ferry is a necessary means of transportation to Moose Factory Island. This operation provides significant socio-economic benefits as, without the ferry, the residents on Moose Factory Island would have limited access to mainland goods and services. The ferry is certified by Transport Canada for the safe carriage of passengers and can transport large commercial vehicles.

11.2 External Factors

Navigable Route/Dredging
Environmental factors, including sediment buildup and changing water levels due to climate change, require frequent maintenance to ensure safe and accessible waterways for ferries and have led to ongoing dredging needs.,

South Baymouth Channel
Lower than normal water levels threaten to reduce the safe navigational channel for MS Chi-Cheemaun's approach into the South Baymouth dock. The agency will continue ongoing discussions with Transport Canada to identify options to ensure safe navigation through this channel, incorporating engagement with community stakeholders as needed, while ensuring engagement/consultations with Indigenous communities are conducted, where required.

OSTC follows and reviews weather patterns, ice formation and break-up, and water levels at the start of each sailing season. Water level readings are observed by all captains on all ships prior to taking a ship away from the dock on every crossing to ensure safe passage.

Moose River
Lower than normal water levels have reduced the safe navigational route for the MV Niska I to Moose Factory Island. A significant dredging project was completed in 2023. A multi-year water level monitoring agreement is in place, and it is expected comprehensive dredging may be needed in four to five years, subject to annual infill rate observations in the river delta. Soundings are performed semi-annually, and any unusual infill issues will be dealt with as they arise. Indigenous communities will be consulted prior to doing work that has potential to adversely impact Aboriginal and treaty rights.

Owen Sound Harbour
Owned by Transport Canada, the Owen Sound Harbour has been identified as an asset for divestment. The ministry, OSTC and Transport Canada will continue discussions on options and approaches.

Service Options
The MS Chi-Cheemaun ferry service is an optional mode of transportation for customers to reach their destination. Persons traveling to Manitoulin Island and northern Ontario, as well as from northern Ontario travelling to southern Ontario, can travel by Provincial Highways 400 and 69 as an alternative method to ferry transportation.

MV Niska I is the only means of transporting vehicles between Moosonee and Moose Factory, except for a small private landing craft and winter ice-roads when available.

The MV Pelee Islander and MV Pelee Islander II are currently the only means of transporting vehicles and agricultural products to and from Pelee Island.

There are no other vehicle ferry services in competition with these provincially funded ferry services, and there is no immediate potential for private operators to develop competing services. In the case of the Lake Huron and Lake Erie services, the vessels are the largest, Canadian-owned conventional vehicle and passenger ferries being operated on the Great Lakes.

There are locally run boat tour operators in Tobermory who position themselves as a tourist experience/destinations, providing day cruises in the same regional area.

11.3 Internal Factors

Passenger Demographics of the Manitoulin Service:
In 2025, approximately 84 per cent of customers are 46 years of age and older (data from a voluntary post-sailing survey). During 2026, OSTC will look to survey data and booking data to better understand our passenger demographics. The 2026 Service Level Assessment (SLA) and thorough review of data in PSTC systems will provide updated, detailed information on passenger usage and demographics.

Survey results from the 2025 fiscal year indicated that 98 per cent of the respondents recommend the Chi-Cheemaun ferry service to others as a tourism destination.

MS Chi-Cheemaun Ferry Traffic & Fares
OSTC undertakes a regular cost and benefit exercise using origin and destination information gathered through the customer survey to determine whether time, cost, or distance are one of the factors that influence the ferry customer's choice between taking the ferry or driving around Georgian Bay.

OSTC also performs a regular comparison of OSTC's fare structure to other Canadian ferry services operating vessels of similar size to the MS Chi-Cheemaun on routes of comparable distance.

Given the direction to freeze fare and fee revenues, OSTC's focus will be on generating more vehicle and passenger traffic to improve revenue levels through additional marketing and new ferry experience initiatives. New and attractive merchandise is acquired yearly to accommodate shifting tastes.

12. Human Resources

12.1 Building Capacity. Managing Change.

OSTC will continue to review staffing required to maintain organizational capacity and close operational gaps when required. Further, it will continue updating human resource policies, processes, and systems throughout 2026-27. OSTC developed an HR Strategy in 2024-25 that outlined key projects and focus (some currently in progress and some planned for future) for building the organization's total HR capacity. The HR Strategy included the following:

- Total compensation analysis, design, and strategy implementation. Pay equity analysis, review, and maintenance will form a component of the compensation strategy.
- Benefit analysis and market review to compare with the Ontario Public Service and ensure fair, competitive, and appropriate offerings to staff.
- Development and implementation of Performance Review System and goal development for non-union staff.
- Gap analysis of HR functions and capacity.
- Development and review of HR policies and procedures for full employee life cycle.
- Develop succession planning strategy and tools.

Starting in 2025-26, OSTC began to implement the strategy to ensure it reflects evolving needs, goals, and priorities.

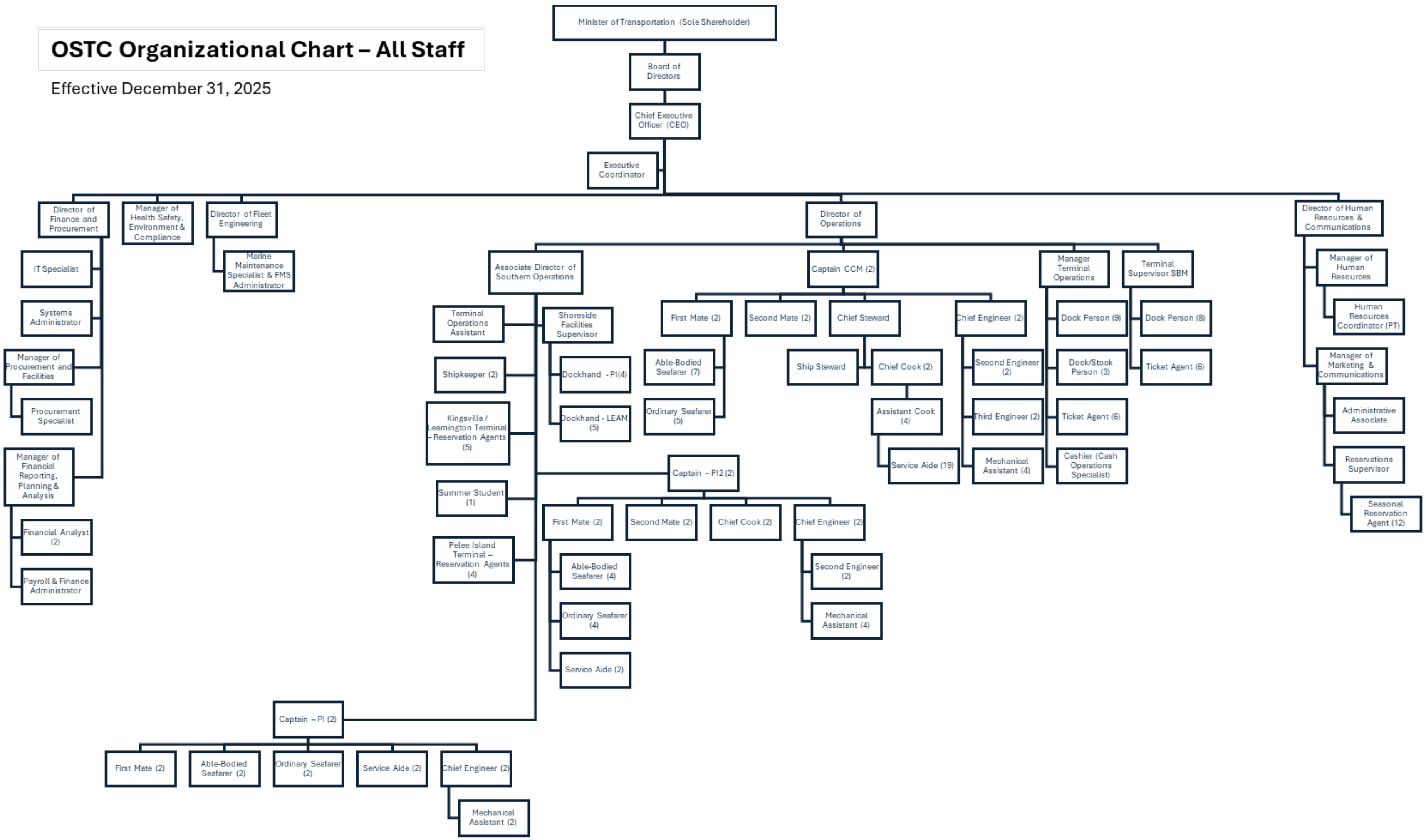
OSTC is also meeting compliance with the Hiring Freeze Directive from the Ontario Government in September 2025, and will maintain its FTE ceiling cap and utilize the HR Growth Plan approval process for any new required positions that would fall above this cap.

12.2 OSTC Organization Chart

The following organization chart illustrates the human resource capacity required to address the strategic direction, business objectives and implementation plan set out in this business plan.

OSTC Organizational Chart – All Staff

Effective December 31, 2025



12.3 Human Resource Business Objectives

OSTC operates in a cyclical, seasonal manner with a geographically disparate employee base, multi-location workplaces (including shore and ship offices), multiple labour unions, a broad employee demographic profile and an intense operating season.

OSTC is committed to the continual development of HR policies, programs and strategies that meet the needs of both the organization and the people who bring their commitment, skills and abilities to work every day. We endeavor to engage employees at times and use methods that meet their needs and optimize their participation.

Interdependency also plays a role in the timing required to roll out policies, processes and systems to meet business objectives.

Implementation is based on the availability and outputs of other people and programs, making the timeline for delivery fluid.

Table HR 02: Human Resource Business Objectives	Timeline
1. Develop and implement a total compensation management plan (including pay equity).	2026-2027
2. Update benefit booklets and offerings for all employee units.	2026-2027
3. Develop and implement new human resource policies and procedures.	2026-2028
4. Develop and implement a succession plan and training policy and program that contributes to employee retention and succession planning of skilled employees.	2026-2028
5. Implement a third-party disability management adjudication process for accommodations and extended leaves of absences.	2026-2027

Once the above pressing objectives are met, effort will be placed on developing more effective recruitment and retention strategies, enhancing the diversity, equity, inclusion and accessibility programs and policies, and will be rounded out with a succession planning program. More thorough details of the implementation of the objectives are contained within the HR Strategy.

12.4 Employee Engagement Metrics

In late 2022, OSTC conducted its first-ever Employee Engagement Survey. OSTC's senior management wanted to provide employees with a structured, quantifiable and anonymous way to share individual perspectives on a range of topics to supplement one-on-one and town hall discussions.

The employee satisfaction survey is one of the most used resources by leaders and HR departments because of its simplicity. This is an effective way to know the status of teams, and the results indicate how to improve, how to respond appropriately to concerns, and, in some cases, anticipate and address potential workplace issues.

13. Health, Safety, Environment and Accessibility

Health & Safety

OSTC is committed to being a safety-first organization where protection of people, property, and the environment are the highest priority. We embed safety into every aspect of our operations by promoting risk identification at all levels, continuous improvement, and adherence to safety, security, and environmental regulations through implementation of a comprehensive safety management system (SMS). In alignment with the Canadian Marine Safety Management System

Regulations and applicable federal and provincial requirements, OSTC continuously reviews and updates its SMS to document procedures and define responsibilities for management and staff.

In 2026, OSTC will implement a Human Trafficking Awareness Training Program for all frontline employees. This initiative supports government priorities to protect vulnerable individuals and strengthen public service delivery. The program will equip staff with awareness of what human trafficking is, how to recognize indicators of human trafficking, and report concerns safely and effectively.

Environment
OSTC is committed to reducing its environmental footprint and advancing sustainable marine operations. As a member of the Green Marine International environmental certification program, we strive to exceed regulatory requirements by implementing best practices and pursuing continual improvement. OSTC has achieved Level 2 (Best Practice) and will work towards Level 3 (Integrated Management and Quantified Impacts).

In alignment with Transport Canada's Carbon Intensity Indicator framework, OSTC reported the Chi-Cheemaun's fuel consumption and CO_2 emissions for calendar year 2024 and completed its first greenhouse gas (GHG) emissions inventory for shoreside facilities. In 2026, OSTC will complete emissions inventories for all vessels, including nitrogen and sulphur oxide emissions data for calendar year 2025. These actions establish a baseline for energy use and emissions and will support the development of a decarbonization strategy.

Accessibility
OSTC is committed to creating an inclusive travel experience and meeting all obligations under the *Accessibility for Ontarians with Disabilities Act, 2005* and applicable federal regulations. In 2025, OSTC published a progress report on its 2024 accessibility plan under the Accessible Transportation for Persons with Disabilities Regulations, which included the replacement and upgrade of the Chi-Cheemaun's barrier-free washroom to improve reliability and ease of use. In response to concerns regarding access to the Chi-Cheemaun's vehicle deck elevator, OSTC expanded its shuttle service at the Tobermory and South Baymouth terminals to assist passengers with mobility needs travel from the vehicle deck to the accessible elevator.

In 2026–27, OSTC will focus on advancing accessibility by launching a public survey focused on identifying barriers, continuing to integrate accessibility standards during facility upgrades and launching a new website interface compliant WCAG 2.2 standards.

14. Performance Measures

OSTC has established performance measures and targets to monitor key programs and services and align with government priorities.

Customer Satisfaction

Goals/Outcomes	Measures	Targets	Approach
Customers are satisfied with the quality of service provided on the ship and on the dock	Customer surveys	95% satisfaction level as minimum standard	Conduct real-time surveys on vessels and maintain a minimum customer satisfaction level of 95%

Customer Complaint Resolution

Goals/Outcomes	Measures	Targets	Approach
Customer complaints are responded to in writing, within five working days of the complaint	Average response time for complaint resolution	Response time of no more than 5 working days	Investigate and respond to customer complaints in writing, within 5 working days

Mechanical Downtime

Goals/Outcomes	Measures	Targets	Approach
No lost operating time resulting from preventable mechanical failures	Vessel Log Sheets	Zero lost days resulting from preventable mechanical problems	Adhere to preventative maintenance program to ensure service is not disrupted due to mechanical failure

Staff Safety

Goals/Outcomes	Measures	Targets	Approach
No injuries to staff	Injury Reports	Zero lost time for injuries to staff	Reinforce safety first culture amongst staff

Customer Safety

Goals/Outcomes	Measures	Targets	Approach
No injuries to passengers	Customer first aid reports	Zero first aid requirements for customer trips or falls	Ensure all accessible areas are safe and customer friendly. Any reported issues are addressed within standards

Efficiency

Goals/Outcomes	Measures	Targets	Approach
Increase volumes of passengers	Utilization as %age of capacity – volumes of passengers	Increase 3% from prior year	To optimize booking capacity in systems, and consider targeted marketing
Increase volumes of vehicles	Utilization as %age of capacity – total length of vehicles	Increase 3% from prior year	To optimize booking capacity in systems, and consider targeted marketing
Increase revenues per passenger	Revenue per passenger	Increase 3% from prior year	Review of opportunities in food, beverage and retail

15. Financial Profile

15.1 Budget Summary – Operating & Capital

The 2026-27 Segmented Budget financials for the three (3) ferry services are outlined below comprising of subsidies for operating activities of $20,110k (including Pelee management fees of $490k). OSTC charges Pelee (PITS) $490k for management fees consisting of indirect corporate expenses subject to a contractual agreement between MTO and OSTC.

Capital activities total $22,895k ($20,395k northern operations capital + $2,500k Pelee capital excluded below as invoiced separately).

	PELEE	INTER-DIVISIONAL	OSTC	NISKA	TOTAL
Revenue:					
Passenger	890		2,981	31	3,902
Vehicles	735		3,730	28	4,493
Cafeteria Food	196		1,577	--	1,773
Interest, freight and other	105		162	256	523
Non-Government Revenues	1,926	-	8,450	315	10,691
MTO Contribution Operating	9,734		8,092	1,794	19,620
MTO Contribution Capital	-		13,145	7,250	20,395
MTO Contribution Pelee Management Fee		490			490
	11,660	490	29,687	9,359	51,196
Salaries & Wages	4,252		6,657	165	11,074
Employee Benefits	1,061		1,741	-	2,802
Repairs & Maintenance	2,125		2,273	1,359	5,757
Utilities	317		295	7	619
Fuel	2,037		1,420	56	3,513
Tools & Operating Supplies	183		168	2	353
Services	806		1,384	343	2,533
General & Administrative Expenses	879	490	2,431	350	4,150
Expenses before G&A – Amortization	11,660	490	16,369	2,282	30,801
General & Administrative – Amortization	-		1,270	177	1,447
Less: Expenses	11,660	490	17,639	2,459	32,248
Net earnings (loss) for period	**-**	**-**	**12,048**	**6,900**	**18,948**
Capital assets to be acquired			(13,145)	(7,250)	(20,395)
Amortization			1,270	177	1,447
Net earnings (loss) - Adjusted for non-cash items	-	-	173	(173)	(0)

Note:

- Figures are presented in thousands ($000's).

- Operating Revenues total $20,110k ($19,620k MTO Contribution Operating + $490k Pelee Management Fee).
- The Pelee operations have approximately $2,500k of capital spending annually that is excluded from the schedule above.

The prior year (2025-26) Segmented Q3 Forecast financials for the three (3) ferry services are outlined below, resulting in operating subsidies of $19,555k (including Pelee management fees of $480k). OSTC charged Pelee (PITS) $480k for management fees consisting of indirect corporate expenses incurred subject to a contractual agreement between MTO and OSTC.

Capital activities total $8,163k ($5,663k northern operations capital + $2,500k estimated Pelee capital excluded below as invoiced separately).

	PELEE	INTER-DIVISIONAL	OSTC	NISKA	TOTAL
Revenue:					
Passenger	909		3,084	40	4,033
Vehicles	789		3,837	7	4,633
Cafeteria & Gift Shop	206		1,698	-	1,904
Interest, freight and other	106		186	261	553
Non-Government Revenues	2,010	-	8,805	308	11,123
MTO Contribution Operating	9,717		7,600	1,757	19,074
MTO Contribution Capital	-		4,688	975	5,663
MTO Contribution Pelee Management Fee		480			480
	11,727	480	21,093	3,040	36,340
Salaries & Wages	4,153		6,887	158	11,198
Employee Benefits	990		1,896	-	2,886
Repairs & Maintenance	2,459		1,895	1,246	5,600
Utilities	330		271	6	607
Fuel	1,708		1,561	54	3,323
Tools & Operating Supplies	199		145	0	344
Services	785		1,281	367	2,433
General & Administrative Expenses	1,103	480	2,393	301	4,277
Expenses before G&A - Amortization	11,727	480	16,329	2,132	30,668
General & Administrative - Amortization	-		1,271	173	1,444
Less: Expenses	11,727	480	17,600	2,305	32,112
Net earnings (loss) for period	**-**	**-**	**3,493**	**735**	**4,228**
Capital assets acquired			(4,688)	(975)	(5,663)
Amortization			1,271	173	1,444
Net earnings (loss) - Adjusted for non-cash items	-	-	76	(67)	9
Incremental revenue adj (-) / AR (+)	-	-	(76)	67	(9)

Note:

- Figures are presented in thousands ($000's).
- Operating Revenues total $19,555k ($19,075k MTO Contribution Operating + $480k Pelee Management Fee).
- The Pelee operations have approximately $2,500k of capital spending annually that is excluded from the schedule above.

15.2 Budget Summary – Operating (3 Year)

Three (3) year Operating Budgets for 2026-27, 2027-28, and 2028-29, in addition to the 2025-26 Q3 Forecast are outlined below consisting of separate tables for

- Consolidated operations;
- Manitoulin Island Ferry Service (OSTC / Chi-Cheemaun);
- Moose Factory Island Ferry Service (Niska); and
- Pelee Island Transportation Service (PITS / Pelee).

Note:

- Figures are presented in thousands ($000's).
- Expense exclusion for amortization and capital expenditures for PITS.

Consolidated	Forecast @1225	Budget (000s) - As of 2026-27 SPP			
	2025-26	2026-27	2027-28	2028-29	3-Year Total (2026-27 to 2028-29)
Passenger	4,033	3,902	3,939	3,994	**11,835**
Vehicles/Charter	4,633	4,493	4,538	4,602	**13,633**
Freight/Miscellaneous	2,457	2,296	2,316	2,345	**6,957**
Total Revenue (excl MTO Subsidy)	**11,123**	**10,691**	**10,793**	**10,941**	**32,425**
Salaries & Wages	11,198	11,074	11,331	11,597	**34,002**
Benefits	2,886	2,802	3,070	3,374	**9,246**
Repairs & Maintenance	5,600	5,757	5,912	5,812	**17,481**
Utilities	607	619	634	652	**1,905**
Fuel	3,323	3,513	3,679	3,860	**11,052**
Tools & Operating Supplies	344	353	362	373	**1,088**
Services	2,433	2,533	2,603	2,702	**7,838**
General & Administrative Expenses	4,277	4,150	4,261	4,225	**12,636**
Total Expense (excl Depreciation & Capital)	**30,668**	**30,801**	**31,852**	**32,595**	**95,248**
Net Earnings/(Loss) or Total Operating Subsidy Requirement	**-19,545**	**-20,110**	**-21,059**	**-21,654**	**-62,823**
MTO Subsidy	19,554	20,110	21,120	21,424	62,654
Remaining Operating Subsidy Requirement	**9**	**0**	**61**	**-230**	**-169**

Consolidated	Forecast @1225	Budget (000s) - As of 2026-27 SPP			
	2025-26	2026-27	2027-28	2028-29	3-Year Total (2026-27 to 2028-29)
Revenue:	**11,123**	**10,691**	**10,793**	**10,941**	**32,425**
Manitoulin Island Ferry Service	8,805	8,450	8,533	8,662	**25,645**
Moose Factory Island Ferry Service	308	315	315	315	**945**
Pelee Island Ferry Service	2,010	1,926	1,945	1,964	**5,835**
Expenses (excl Depreciation & Capital)	**30,668**	**30,801**	**31,852**	**32,595**	**95,248**
Manitoulin Island Ferry Service	16,329	16,369	17,040	17,758	**51,167**
Moose Factory Island Ferry Service	2,132	2,282	2,348	2,052	**6,682**
Pelee Island Ferry Service	12,207	12,150	12,464	12,785	**37,399**
Operating Subsidy:	**19,554**	**20,110**	**21,120**	**21,424**	**62,654**
Manitoulin Island Ferry Service	7,600	8,092	8,771	8,771	**25,634**
Moose Factory Island Ferry Service	1,757	1,794	1,831	1,831	**5,456**
Pelee Island Ferry Service	10,197	10,224	10,518	10,822	**31,564**

Manitoulin Island Ferry Service (Chi-Cheemaun)	Forecast @1225	Budget (000s) - As of 2026-27 SPP			
	2025-26	2026-27	2027-28	2028-29	3-Year Total (2026-27 to 2028-29)
Passenger	3,084	2,981	3,010	3,056	**9,047**
Vehicles	3,837	3,730	3,767	3,824	**11,321**
Miscellaneous	1,884	1,739	1,756	1,782	**5,277**
Total Revenue (excl MTO Subsidy)	**8,805**	**8,450**	**8,533**	**8,662**	**25,645**
Salaries & Wages	6,887	6,657	6,812	6,971	**20,440**
Benefits	1,896	1,741	1,985	2,264	**5,990**
Repairs & Maintenance	1,895	2,273	2,340	2,408	**7,021**
Utilities	271	295	303	312	**910**
Fuel	1,561	1,420	1,501	1,585	**4,506**
Tools & Operating Supplies	145	168	173	178	**519**
Services	1,281	1,384	1,425	1,466	**4,275**
General & Administrative Expenses	2,393	2,431	2,501	2,574	**7,506**
Total Expense (excl Depreciation & Capital)	**16,329**	**16,369**	**17,040**	**17,758**	**51,167**
Net Earnings/(Loss) or Total Operating Subsidy Requirement	**-7,524**	**-7,919**	**-8,507**	**-9,096**	**-25,522**
MTO Subsidy	7,600	8,092	8,771	8,771	25,634
Remaining Operating Subsidy Requirement	**76**	**173**	**264**	**-325**	**112**

Note: Amortization is not included in above expenses.

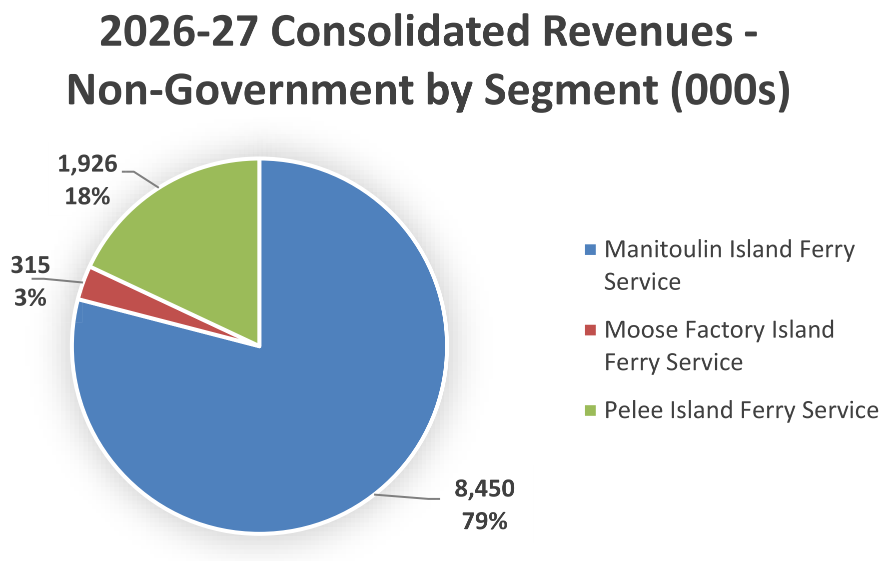
Moose Factory Island Ferry Service (Niska 1)	Forecast @1225	Budget (000s) - As of 2026-27 SPP			
	2025-26	**2026-27**	**2027-28**	**2028-29**	**3-Year Total (2026-27 to 2028-29)**
Passenger	40	31	31	31	**93**
Vehicles/Charter	7	28	28	28	**84**
Freight	261	256	256	256	**768**
Miscellaneous	0	0	0	0	**0**
Total Revenue (excl MTO Subsidy)	**308**	**315**	**315**	**315**	**945**
Salaries & Wages	158	165	169	176	**510**
Repairs & Maintenance	1,246	1,359	1,398	1,180	**3,937**
Utilities	6	7	7	8	**22**
Fuel	54	56	59	72	**187**
Tools & Operating Supplies	0	2	2	4	**8**
Services	367	343	353	393	**1,089**
General & Administrative Expenses	301	350	360	219	**929**
Total Expense (excl Depreciation & Capital)	**2,132**	**2,282**	**2,348**	**2,052**	**6,682**
Net Earnings/(Loss) or Total Operating Subsidy Requirement	**-1,824**	**-1,967**	**-2,033**	**-1,737**	**-5,737**
MTO Subsidy	1,757	1,794	1,831	1,831	5,456
Remaining Operating Subsidy Requirement	**-67**	**-173**	**-202**	**94**	**-281**

Note: Amortization is not included in above expenses.

Pelee Island Transportation Service (Pelee Islander 1 & Pelee Islander 2)	Forecast @1225	Budget (000s) - As of 2026-27 SPP			
	2025-26	**2026-27**	**2027-28**	**2028-29**	**3-Year Total (2026-27 to 2028-29)**
Passenger	909	890	898	907	**2,695**
Vehicles/Charter	789	735	743	750	**2,228**
Freight	43	105	106	107	**318**
Miscellaneous	269	196	198	200	**594**
Total Revenue (excl MTO Subsidy)	**2,010**	**1,926**	**1,945**	**1,964**	**5,835**
Salaries & Wages	4,153	4,252	4,350	4,450	**13,052**
Benefits	990	1,061	1,085	1,110	**3,256**
Repairs & Maintenance	2,459	2,125	2,174	2,224	**6,523**
Utilities	330	317	324	332	**973**
Fuel	1,708	2,037	2,119	2,203	**6,359**
Tools & Operating Supplies	199	183	187	191	**561**
Services	785	806	825	843	**2,474**
General & Administrative Expenses	1,583	1,369	1,400	1,432	**4,201**
Total Expense (excl Depreciation & Capital)	**12,207**	**12,150**	**12,464**	**12,785**	**37,399**
Net Earnings/(Loss) or Total Operating Subsidy Requirement	**-10,197**	**-10,224**	**-10,519**	**-10,821**	**-31,564**
MTO Subsidy	10,197	10,224	10,518	10,822	31,564
Remaining Operating Subsidy Requirement	**0**	**0**	**-1**	**1**	**0**

Note: Amortization is not included in above expenses.

Owen Sound Transportation Company Revenues by Division

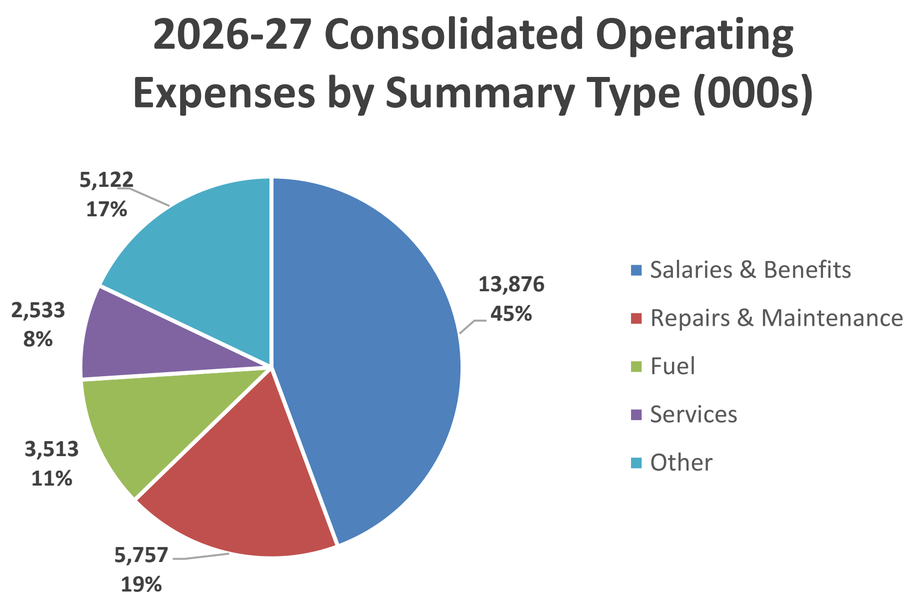


For 2026-27, fare and freight revenues are expected to remain at 2025-26 levels for each service, as outlined in the 2026-27 ALOD. In addition, there have been no fare increases and the ferries are operating near capacity for vehicles in peak season. Challenges exist to increase passenger ridership due to the increase in the average length of vehicles relative to 30 years ago, largely due to the significant growth in number of SUVs versus cars. The services continue to evaluate new opportunities to generate more non-fare revenues like food, beverages, and retail sales which are budgeted for growth where they represent 21% of total non-government revenues in 2026-27.

In 2026-27 OSTC will develop a full marketing plan, including market segmentation, fare sensitivity and options for future revenue and margin growth.

The conversion of the Moose Factory Island Ferry Service to the Bookit reservation system and non-cash transactions has presented significant revenue increases in 2025-26 over prior years. In addition, there are plans to build a new hospital in Moosonee, including a new ambulatory care centre on Moose Factory Island. While the impact on the Moose Factory Island Service is not yet known, it is expected to be positive given a likely increased demand in travel and freight/cargo traffic.

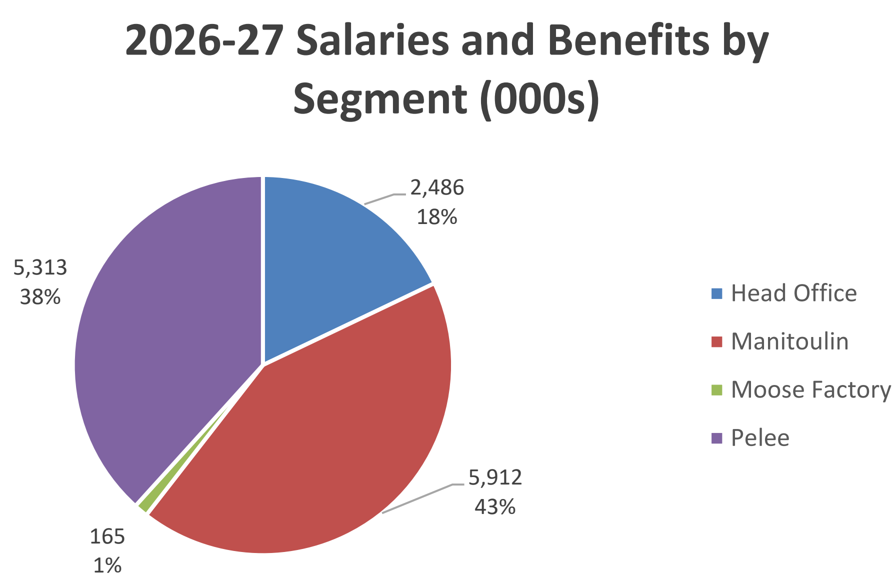
Owen Sound Transportation Company Expenses



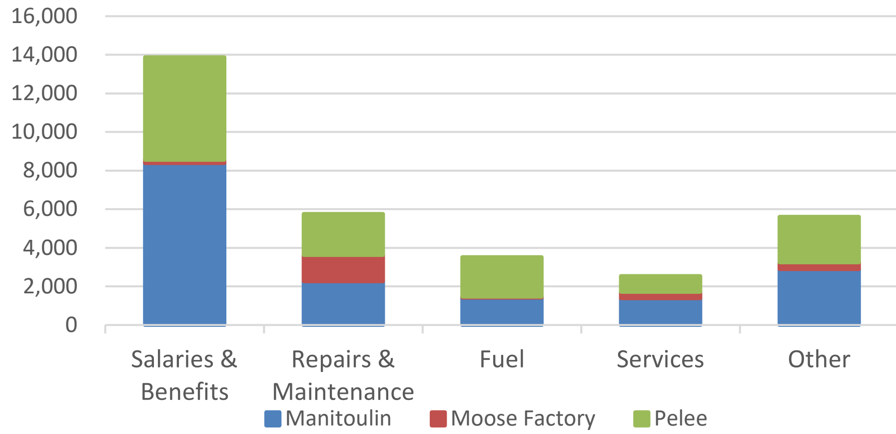
In 2026-27, total expenses, excluding depreciation and capital are planned at $30,801k with salaries and benefits representing 45% of total expenses, followed by repairs and maintenance 19%, fuel 11%, services 8%, and other (utilities, tools and operating supplies and general and administration) 17%.

Wages and benefits represent the largest operating cost of the service.

The breakdown of salaries and wages for 2026-27 are as follows:



2026-27 Operating Expenses by Segment (000s)



The Manitoulin Island Service, which includes the head office of OSTC, has the largest portion of each expense category, except fuel. The Pelee Island Transportation Service has increased fuel costs due to the longer season with increased sailings, multiples vessels, and distances involved.

MTO pays for all direct operating and capital costs associated with the provision of the Pelee Island Transportation Service, net of the operating revenue generated by these services, as described in the contract, as well as a management fee.

15.3 Budget Summary - Capital

The 2026-27 to 2035-36 Capital Budget Requirements, subject to government review and approvals, are as follows:

Note:

- Figures are presented in thousands ($000's).

		Budget (as of 2026-27 SPP)				
Location/Project	**2025-26F**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**
South Baymouth	226	100	2,130	2,100	2,100	230
Tobermory	612	1,250	250	250	250	350
Chi-Cheemaun	3,350	9,645	1,270	845	5,845	845
Moosonee	975	7,250	2,025	100	2,225	100
OSTC Owen Sound	500	2,150	75	50	550	50
Total	**5,663**	**20,395**	**5,750**	**3,345**	**10,970**	**1,575**

	Budget (as of 2026-27 SPP)					
Location/Project	**2031-32**	**2032-33**	**2033-34**	**2034-35**	**2035-36**	**10-Year Total** (2026-27 to 2035-36)
South Baymouth	150	200	130	100	100	**7,340**
Tobermory	300	350	2,250	2,250	2,250	**9,750**
Chi-Cheemaun	6,845	845	38,345	77,400	39,900	**181,785**
Moosonee	2,025	100	2,025	250	-	**16,100**
OSTC Owen Sound	250	50	50	550	50	**3,825**
Total	**9,570**	**1,545**	**42,800**	**80,550**	**42,300**	**218,800**

Key northern capital projects of $5,663k for fiscal 2025-26 include $3,350k Chi-Cheemaun initiatives ($2,600k Fin Stabilizer retrofit, $300k critical spares, $250k IT infrastructure re-cabling), $8,500k Moosonee winter haul-out control system, and $300k OSTC IT website replacement and mobile application development.

Key projects for fiscal 2026-27 include $7,000k for a winter haul-out rail system for the Niska in Moosonee, $5,000k dry dock for Chi-Cheemaun, $2,000k for Chi-Cheemaun repairs, and $2,000k for an office renovation for the Springmount head office pending Real Estate Options Analysis from Infrastructure Ontario. Funding for the 2026-27 capital program has currently been provided for, while funding for future years will be subject to future government approvals.

Future fiscal years include potential costs for building a replacement vessel for the Chi-Cheemaun, as well as related dock adjustments that may be required in both Tobermory and South Baymouth.

Capital expenses for the Pelee Island service are excluded as MTO owns the assets, budgets separately for such assets, with OSTC merely funding a portion of the capital expenditures on MTO's behalf. These expenditures are treated as a flow through in OSTC's financial statements, with note disclosure of the total amounts spent and reimbursed each year.

16. Information Technology (IT)/Electronic Service Delivery (ESD) Plan

As the agency moves forward on its journey of systems modernization, it has continued to uncover opportunities for improved integration, real-time reporting, and added services to support and attract customers. These opportunities should result in better utilized and more efficient operations moving forward.

Key work to protect OSTC's aging systems and hardware began in fiscal 2025-26 and will continue into 2026-27. A summary is outlined below:

- An increase in vigilance to defend OSTC's domain, purchase of hardware to control activities, and other measures to fortify the website and processing systems.
- The work to replace the website developer for OSTC was also started and the new website is expected to be more secure and provide a mobile application to customers. This initiative is expected to reduce risks with existing web developer and protect all customers with enhanced security protocols.
- Launch a new relationship to monitor website impersonation and spoofing by threat actors.
- Commence the replacement of aged servers, and equipment throughout network (head office, vessels, terminals, etc.) to create a holistic approach to cyber protection.

OSTC continues to advance priority initiatives to improve data-driven decision-making tools by introducing and leveraging the capabilities of new software systems, and to continue to work on new initiatives including:

- **Enhance Reporting, Data and Analytics**
  - Establish dashboard reporting to support performance measure reporting processes.
  - Create an offline data warehouse to support reservation system reporting.
  - Improve the usage of reporting for analysis.
  - Ongoing adoption of Microsoft 365 tools and features which will assist with creating custom reports from enterprise applications.

- **Cyber Security Improvements and Awareness**
  - Continue to ensure heightened employee awareness of cyber security and cyber hygiene though regular year-round communications and training with special communications during Cyber Awareness month.
  - Improve IT security and user acceptance policies for onboarded employees at the beginning of the sailing season.
  - Administer simulated phishing campaigns for staff and conduct tabletop exercises.

- **Update / improve security systems**
  - Investigate and update security systems onboard and at terminals.
  - Reestablish Chi-Cheemaun port camera in Tobermory (webcam).

- **Refresh IT infrastructure at Owen Sound office and Terminals**
  - Update infrastructure to replace aging systems and improve cyber security.

- **Improve and modernize digital signage and video display system**

17. Inventory of the Agency's Artificial Intelligence (AI) Use Cases

To date OSTC has not used AI in the delivery of its services, however, Microsoft Copilot is used by administrative staff in performing their day-to-day functions.

In 2026-27, OSTC will conduct a review of services and processes to identify where AI could improve efficiency, ensuring any future use complies with provincial requirements.

18. Initiatives Involving Third Parties

18.1 Strategic Alliances

OSTC is a member of the Canadian Ferry Association. OSTC works with Transport Canada Marine Safety regarding the application of regulatory reform in the passenger ship industry. OSTC has also actively participated in regulator and industry forums such as the Canadian Marine Advisory Council (CMAC) and the Great Lakes Marine Advisory Board (GLMAB) and plans to continue to participate.

In the fall of 2024, OSTC took out a corporate membership with Master Mariners of Canada, a national not-for-profit representing command-qualified master mariners, like-minded seafarers, industry members, and cadets. Their work focuses on building awareness, supporting education, and upholding advocacy. Membership provides OSTC officers with access to educational resources and training programs to enhance their knowledge and marine skills, as well as networking opportunities with other maritime professionals.

OSTC is a supporter of the marine training program at Georgian College in Owen Sound, Ontario. OSTC employs cadets of the college on the MS Chi-Cheemaun and the MV Pelee Islander II. By employing cadets, OSTC is providing an opportunity to support students in their pursuit of careers in the marine industry and potentially join OSTC when a future opportunity is available.

18.2 Community Partnerships

Through the ferry service's community advisory committees and regional tourism partnerships, OSTC partners with the communities on each end of the ferry route to jointly promote the opportunities of each region, using the ferry for access.

OSTC will continue to strengthen its engagement with the communities it serves, building on its history of involvement. The following outlines future plans for community engagement, guided by past experiences and identified opportunities.

Tobermory/South Baymouth/Owen Sound Partnerships:

- OSTC continues to sponsor The Chi-Cheemaun Festival Weekend, "a family-friendly celebration in Tobermory and offers an exclusive Saturday night cruise that sails the Tobermory shoreline."
- Christmas lighting is installed annually on the exterior of the Chi-Cheemaun and continues to bring joy, support local traditions, and create lasting memories for everyone who visits the Owen Sound Harbour during the holiday season.
- Every Canada Day, guests can celebrate aboard the Chi-Cheemaun with Canada-themed giveaways, cake and more.

- Each year, OSTC invites local non-profit organization(s) to participate in our Repositioning Cruise(s), providing them with an onboard fundraising opportunity and sharing a portion of our ticket sales for their organization.
- The South Baymouth Community Development Association (SBCDA) has started holding events on Manitoulin Island that honour the Chi-Cheemaun and/or her predecessors. OSTC will continue to aid in their future initiatives, including providing half-price discount for all walk-on passengers during these celebrations.
- Each year, OSTC supports the Bluewater Regional Science and Technology Fair by making the ship available for school fair activities organized by their committee.
- The Play for Passage program continues to thrive, giving approved artists the opportunity to perform onboard in exchange for complimentary or reduced travel fare, while providing a distinctive setting to connect with new audiences and showcase their talents.
- OSTC is deepening its engagement with community groups in 2026–27 by expanding its involvement. This year, OSTC is proudly sponsoring a new Chi-Cheemaun display in the Festival of Northern Lights that will be featured among thousands of twinkling lights and creative exhibits, transforming downtown Owen Sound into a vibrant winter wonderland for the community.
- OSTC actively supports charities and non-profit organizations to achieve their fundraising goals by providing walk-on passes as donations, fueling impactful initiatives that help strengthen and enrich our community.

18.3 Indigenous Outreach

OSTC owns the ferry/landing craft Niska and partners with the economic development arm of the Moose Cree First Nation to carry passengers and freight from the island to Moosonee in operating months (typically June through late October). Meetings were held with the Chief and leadership of Moose Cree First Nation in July 2024, and a public information session was held on Moose Factory Island in October 2024 to outline the service elements, the participants, and net financial costs of the service.

OSTC also attended as an exhibitor at the 2025 Gathering of Our Peoples (GOOP) event on Moose Factory Island and has also agreed to attend future annual Moose Cree First Nation gatherings in promotion of OSTC and marine careers and to consider quarterly virtual meetings.

Looking ahead, OSTC will also seek to better establish relationships with Caldwell First Nation, the Chippewas of Saugeen and the Chippewas of Nawash, Wikwemikong Unceded Indian Reserve, and M’Chigeeng First Nation and to ensure that employment opportunities and other partnership opportunities are shared as they arise. OSTC has reached out to First Nation communities and offered to provide job opportunities to post on community boards to promote these opportunities. Opportunities were also presented for high school students to receive volunteer hours through OSTC community events. Additional engagement will continue, particularly in conjunction with the service level assessment currently planned for the Manitoulin Island service.

OSTC will also expand initiatives that celebrate Indigenous culture and support economic development. Building on the success of the Indigenous Arts & Crafts Vendors Market onboard the Chi-Cheemaun in 2025, OSTC intends to host similar events in future seasons and continue offering free passage for Indigenous individuals on National Indigenous People’s Day and the National Day for Truth & Reconciliation. These efforts aim to foster inclusivity, strengthen relationships, and create platforms for Indigenous artists and entrepreneurs.

As part of our Canadian retail focus, OSTC will maintain and grow its offering of local Indigenous merchandise in onboard gift stores, ensuring continued support for Indigenous businesses and cultural representation.

18.4 External Clients

OSTC's external customers include the communities on Manitoulin Island and the Bruce Peninsula, the communities of Moosonee and Moose Factory Island, the communities in Essex County and Pelee Island, and all users of the ferry services. OSTC solicits feedback from external customers either through public forum (community advisory groups), customer, surveys and verbal or written correspondence. OSTC provides operational and financial reports regarding the contracted service in compliance with the schedules contained within the agreements.

19. Communications and Public Outreach

OSTC is committed to increasing awareness, presence and brand identity by creating and posting original, high-quality, accurate, timely and informative content for ferry users, tourists, local businesses and the broader community.

Key communications channels managed and produced by OSTC include web updates on https://www.ontarioferries.com/, radio, newspaper, television, and online news outlets, Facebook, X, and Instagram. Service delays or cancellations are publicly posted and distributed to local news outlets, and messages are sent to impacted reservation holders via telephone, SMS OPT-IN service and direct SMS messaging.

19.1 Responsibilities

OSTC communications are governed by an MOU between OSTC and the Minister of Transportation. The CEO, Director of Human Resources & Communications, Manager of Marketing & Communications of OSTC and the Director of Communications at MTO share responsibility for coordinating public communications and media initiatives.

19.2 Audiences

- Reserved and non-reserved customers (general travelling public)
- General public-at-large – with a majority located in Ontario
- Tourists to the ferry service regions.
- Local businesses, business leaders and non-profit organizations
- Local residents/communities
- Digital audiences (Facebook, X, LinkedIn, Instagram) OSTC board of directors, ministries and agency employees
- Ferry Service Advisory Committee(s)
- Media outlets

19.3 Complaint Response Mechanism & Process

OSTC's procedure for handling of customer complaints regarding service includes:

On-site and in-person: Front-line managers and supervisors are empowered to resolve customer complaints at the moment.

By letter or email: Letters of complaint are responded to in writing, typically within five working days of receipt, depending on the complexity of the investigation into the complaint.
By telephone: Complaint calls are referred to the appropriate Manager, then the Director or CEO for response if needed. A follow-up letter/email is sent if the customer provides a mailing address.

Changes to procedures that arise from a complaint resolution are implemented, and employees are trained accordingly at the earliest possible time without disrupting the ferry services.

20. Response to the Minister's Annual Letter of Direction (ALOD)

The Minister's Annual Letter of Direction sets out the government-wide priorities for 2026-27. Below is a summary of OSTC's planned actions that align with the priorities and corresponding performance measures to support tracking effective implementation:

ALOD Priority	Deliverable (steps the agency is taking to address the priority)	Accompanying Performance Measures
Tariff Impacts Continue to monitor and report on tariff risks as part of financial reporting. • Include analysis of direct cost impacts on projects, the effectiveness of mitigation strategies, and any actions required from government to manage exposure.	• Create a standardized process for identifying tariff changes and assessing their potential impact on agency projects. • Include a dedicated section in quarterly financial reports summarizing tariff risks.	Percentage of quarterly financial reports that include tariff risk analysis.
Enhance Digital Infrastructure Submit a comprehensive plan to MTO by June 30, 2026, detailing upgrades to IT and website infrastructure.	• Conduct a detailed assessment of current limitations. • Identify required upgrades and cost estimates. • Develop an implementation timeline. • Prepare and submit a plan to the ministry.	Completion and submission of plan by June 30, 2026.
Capital Asset Management Complete the service level assessment and options analysis planned for in 2025-26 with respect to the Manitoulin Island service.	• Conduct service level assessment and options analysis. • Prepare and submit final report.	Completion and submission of service level assessment by September 1, 2026.

ALOD Priority	Deliverable (steps the agency is taking to address the priority)	Accompanying Performance Measures
Community and Partner Engagement Continue to take into account the diverse needs of equity-deserving groups (i.e., women, 2SLGBTQIA+, Indigenous, racialized, vulnerable persons and people with disabilities) in the planning, design and delivery of safe, affordable, accessible, and equitable access to transportation services. Continue to take actions to combat sexual exploitation and human trafficking in accordance with Ontario's Anti-Human Trafficking Strategy and the Calls for Justice of the National Inquiry into Missing and Murdered Indigenous Women and Girls.	• Implement a Human Trafficking Awareness Training Program for all frontline employees. • Conduct engagement meetings with Indigenous communities and partners.	100% of frontline staff trained by June 30, 2026. Number of formal consultations conducted.
Supporting Ferry Enhancements Support recommendations and/or action items arising from the provincial ferry review and outline any initiatives undertaken in the agency's Annual Report.	• Develop an implementation plan for any actions identified. • Document initiatives in the Annual Report.	Inclusion of all initiatives in the Annual Report.
Duty to Consult Continue to fulfil the Duty to Consult Indigenous communities ensuring consistency with provincial policies and direction for Indigenous relations. Share engagement plans with the ministry before significant commitments and provide updates on outcomes.	• Prepare and share consultation plans. • Deliver Duty to Consult 101 training for staff.	Number of consultation plans shared with the ministry. Number of executives/staff who complete DTC training.
Expand domestic partnerships within Canada, to promote the development of supply chains and economic opportunities across Canada and support economic resilience, particularly in light of ongoing U.S. tariff threats and economic uncertainty.	• Identify strategic partnership opportunities.	Number of new domestic partnerships established within the fiscal year.
Procure from Ontario and Canadian businesses whenever feasible.	• Implement systems to monitor the percentage of goods and services sourced from Ontario and Canadian businesses.	Percentage increase in Ontario/Canadian-sourced materials or services.
Provide economic relief for Ontario families, consumers and businesses by freezing government fees and fares, unless approved by the oversight Minister.	• Implement fee and fare freeze policy.	Percentage of fees and fares maintained at current levels.

ALOD Priority	Deliverable (steps the agency is taking to address the priority)	Accompanying Performance Measures
Focus on a user-centered client/customer experience by simplifying interactions, improving satisfaction, and expanding and optimizing digital service offerings.	• Implement a new customer website linking the reservation system (Bookit) and online payment system (Moneris) for fewer incomplete transactions and re-work.	Increase the percentage of successful reservation and payment transactions compared to baseline.
Identify opportunities to enhance efficiency, improve services, drive innovation, and achieve cost savings for the people of Ontario, including through the use of AI and other advanced technologies.	• Conduct a review on services/processes to identify areas where AI can streamline.	Number of services/processes improved using AI.
Eliminate unnecessary bureaucracy and red tape by applying lean methodologies or other modalities to achieve operational efficiency.	• Train staff in Lean principles and continuous improvement techniques.	Percentage of staff trained in Lean or similar methodologies.
Find innovative solutions to use public resources efficiently and to effectively deliver on the agency's mandate while operating within agency's financial allocation, supported by accurate financial reporting, effective internal controls, and proactive fraud management practices.	• Refine financial reporting processes to increase timeliness and accuracy.	Percentage of financial reports delivered error-free and on time.
Manage agency workforce with careful responsibility to stabilize expenditures and preserve long-term financial viability by: • Strictly adhering to the hiring control parameters, including ceasing hiring for non-business critical and non-public facing positions, including the use of consultants; • Operating within a defined maximum workforce size (including consultants); • Ensuring compliance with the Broader Public Sector Executive Compensation Act (BPSECA); and • Enhancing productivity and efficiency by using technology wherever possible.	• Monitor and enforce the maximum workforce size.	Variance from defined maximum headcount.
Create a span of control policy that recognizes different streams of work within the organization and sets minimum span of control benchmarks and provide it to the Minister for approval by March 31st, 2026.	• Assess current organization structure and draft a span of control policy.	Draft policy completed and internally approved by February 28, 2026.

ALOD Priority	Deliverable (steps the agency is taking to address the priority)	Accompanying Performance Measures
Provide to your oversight minister by October 1, 2025, the amended human resource policy, guideline or directive that adheres to the OPS in-office standard of four (4) days per week effective October 20, 2025, and five (5) days per week effective January 5, 2026, and work with your oversight ministry to address any office space constraints.	Updated HR policy and received board approval.	Completed and submitted HR policy to ministry on time.