



Remarks to the Hon. Peter Bethlenfalvy, Minister of Finance

January 14, 2026

Ontario Public Transit Association

Good morning, Minister. Thank you for the opportunity to speak on behalf of the public and private sector members of the Ontario Public Transit Association.

I want to begin by acknowledging Ontario's continued leadership in transit expansion and capital investment. We share your government's commitment to reliable, affordable, and sustainable transit. Today, I want to discuss protecting the value of the systems we've already built.

Ontario's transit systems face serious state-of-good-repair and fleet renewal challenges. In 2019, the average bus in Ontario was 8.3 years old. Today, it's 10.7 years. Aging fleets break down more often, require more maintenance, and cost more to operate. What were capital challenges are now operating problems—higher costs, reduced reliability, pressure on fares and service levels. Municipalities have limited tools. In practice, they absorb these impacts through service cuts or fare increases.

This brings me to a time-limited opportunity. In April, the federal government launches the Canada Public Transit Fund baseline stream—approximately \$222 million annually for Ontario, covering 40 percent of eligible capital costs. Transit agencies remain responsible for the remaining 60 percent. Unlike previous programs like ICIP, there's no provincial matching requirement. **The risk: without provincial participation, municipalities may struggle to fully leverage this federal funding and leave federal funding on the table.**



Provincial capital matching is the right solution. Ontario used this model successfully under ICIP, where federal, provincial, and municipal partners each contributed a third. A provincial match to the CPTF Baseline Stream would make projects viable and accelerate fleet renewal and state-of-good-repair work. Critically, dedicated provincial capital funding lets agencies redirect dollars from the flexible and permanent Dedicated Public Transit Fund toward operating pressures—providing operating relief without new provincial operating programs.

The benefits are immediate: improved reliability, fewer breakdowns, lower long-term costs. It protects affordability by reducing pressure for fare increases and service cuts. It also supports Canadian bus manufacturing and Ontario-based supply chains.

Our 2026 Budget ask is clear: provincial matching of CPTF baseline funding at 40 percent of eligible capital costs. This keeps municipal contributions sustainable, is fiscally predictable, and reinforces Ontario's transit leadership.

Minister, this opportunity delivers visible benefits to riders while addressing capital and operating pressures in line with your priorities. We hope for your support.

Thank you.