



Submission for the 2026 Ontario Budget

Submitted on: January 30, 2026

1. Executive Summary

The Canadian Council for Public-Private Partnerships (CCPPP), on behalf of its members across the public and private sectors of Canada's infrastructure industry, welcomes the opportunity to submit recommendations for Ontario's 2026-27 Budget.

The Council advocates for the use of Canada's evolving public-private partnership (P3) model to deliver resilient, innovative and quality infrastructure and services that provide significant value for taxpayers, enhance economic opportunity and improve quality of life in our communities. P3s offer tangible solutions beyond traditional short-term fixes and use a holistic approach to asset management, considering the entire life cycle of a project, thus enabling governments to plan and finance assets long-term. P3s also involve private financing of infrastructure projects, which, for the appropriate project, can transfer significant risk from the public sector onto the private partner, spur innovative design and building methods, and incentivize accelerated asset delivery timelines.

Ontario has one of the world's most advanced P3 markets and continues to experience robust interest from the private sector to deliver ambitious infrastructure projects. The Council welcomes Ontario's renewed commitments in the 2025 Fall Economic Statement, including the \$201 billion 10-year capital plan; \$56 billion for health-care infrastructure; more than \$30 billion for schools and childcare spaces; and progress on nation-building initiatives such as Darlington's small modular reactors and projects in the Ring of Fire. To fully leverage P3s in advancing Ontario's economic development priorities, the Council submits the following recommendations for consideration:

- **Recommendation 1:** Build future-ready schools equipped with long-term maintenance plans by using P3 bundles to procure new school builds, leveraging economies of scale and maximizing value for taxpayers.
- **Recommendation 2:** Maximize federal investment in trade and defence infrastructure in Ontario by advancing dual-use P3 opportunities – such as roads and rail – that meet the objectives of the forthcoming Trade Diversification Corridors Fund and defence infrastructure spending.

- **Recommendation 3:** Address municipal infrastructure deficits, budget constraints and deferred maintenance backlogs by incentivizing P3 models in municipal infrastructure programs and providing alternate delivery tools and guidance to municipalities.
- **Recommendation 4:** Continue building on IO's industry-leading procurement practices to foster a more competitive, solutions-oriented procurement environment by enabling early engagement with private-sector proponents.

2. CCPPP Recommendations for Budget 2026-2027

Recommendation 1: Build future-ready schools equipped with long-term maintenance plans by using P3 bundles to procure new school builds, leveraging economies of scale and maximizing value for taxpayers.

The Council sees significant opportunity for Ontario to leverage the experience of other jurisdictions in using the P3 model to bundle schools to realize the full potential of the \$30 billion investment into schools and childcare spaces as well as expanding, retrofitting, and repairing existing facilities to meet the needs of Ontario's growing communities. Alberta has long used P3 bundles to deliver schools and should be looked to as an example that could deliver results in Ontario.

These projects are estimated to have saved taxpayers millions compared to traditional procurement options while delivering dozens of high-quality schools for students on time and on budget. It is also important to note how the P3 model has evolved to deliver schools that are designed expressly for the communities they will serve, in partnership and cooperation with school boards and education ministries. Ontario's established P3 expertise and the buy-in among the P3 industry to advance Ontario's infrastructure objectives provide the right foundation to replicate this success for school building projects. For future school builds, Ontario should consider Alberta's success, as well as the efficiencies, innovations, cost-savings, streamlined project management, and risk allocation that comes with P3 school bundles.

Promoting P3 bundling for school projects would further reduce red tape by streamlining approvals, foster innovative building solutions, maximize value for taxpayers, achieve economies of scale, and secure funding for ongoing operations, and maintenance. In general, P3 bundling presents a significant opportunity for governments to build at the scale and speed required to address infrastructure shortfalls, with demonstrated success building schools in Canada. The Council would welcome the opportunity to discuss the possibility of Ontario achieving accelerated school building through P3 bundles.

Recommendation 2: Maximize federal investment in trade and defence infrastructure by advancing dual-use P3 opportunities – such as roads and rail – that meet the objectives of the forthcoming Trade Diversification Corridors Fund and defence infrastructure spending.

The federal government's Trade Infrastructure Strategy announced in Budget 2025 consists of the Trade Diversification Corridors Fund and the Arctic Infrastructure Fund, two major opportunities for Ontario to advance dual-use infrastructure projects. The budget signals intent to invest in rail projects, airports, all-seasons roads and highways that either diversify trade to global markets or meet both military and local needs. Ontario holds significant opportunities to diversify global trading partners, increase exports, and build a more resilient, sovereign economy. As these federal funding programs roll out, Ontario can capitalize on this momentum to further develop infrastructure in the Ring of Fire.

P3s deliver the type of infrastructure Ontario needs to bolster exports; reliable, resilient, and complex infrastructure like those projects prioritized in the federal Trade Infrastructure Strategy. There are plenty of benefits to leveraging P3s for trade diversification infrastructure, including:

- Proven potential to reduce costs borne by taxpayers for large, complex, capital-intensive projects through risk transfer to the private partner,
- Greater wealth of private sector expertise for building infrastructure in harsher, northern climates,
- Improved project coordination for complex projects by offloading responsibilities to the private partner with a financial incentive to streamline coordination efforts,
- Incentivized accelerated asset delivery, helping governments move fast to diversify trade to global markets, and
- Future-ready infrastructure with lifecycle planning; critical to realizing Ontario's trade ambitions and demonstrating Ontario's export abilities are reliable and built to last.

The [Sierra Yoyo Desan Road](#) is a P3 project worth Ontario's consideration, given its similarities to the infrastructure required to unlock the Ring of Fire; it served as a critical corridor for northeastern British Columbia's oil and gas sector, ensured safe, reliable transportation to the region, enabling significant economic activity. The private sector's wealth of experience in building critical infrastructure in harsher climates can enable projects in the Ring of Fire and significantly advance Ontario's economic resilience.

P3 projects also have a long history of enabling and encouraging Indigenous participation in infrastructure projects since the early 2000s, with projects such as the [Tlicho All-Seasons Road](#), which was the first ever P3 project with an Indigenous government equity investment, and operations and maintenance labour has all been done by Indigenous personnel. Today's infrastructure needs can only be met with meaningful participation and representation by

Indigenous communities, and P3s have a track record of advancing meaningful participation through equity ownership and partnerships.

The Council is keen to work with the government of Ontario on evaluating these opportunities. We will continue to work with Infrastructure Ontario as a valued Council member, keeping them apprised of key program development updates for these funding streams and providing further engagements with private sector industry experts.

Recommendation 3: Address municipal infrastructure deficits, budget constraints, and deferred maintenance backlogs by incentivizing P3 models in municipal infrastructure programs and providing alternate delivery tools and guidance to municipalities.

Many municipalities across Canada face budget pressures and operating shortfalls, and maintenance and capital budgets are often the first to be reduced, with operating budgets given priority. Delaying maintenance, repairs, and replacements exacerbates the issue of aging infrastructure and widens the infrastructure gap, with large municipalities such as Ottawa projecting a [\\$10.8-billion](#) gap in 10-years, and Toronto projecting an infrastructure backlog of up to [\\$21-billion](#) by 2033. P3s can address these challenges because they consider life cycle operations and maintenance requirements upfront, in addition to leveraging innovative building solutions that ensure quality and innovation throughout the life of the asset. Ontario's several successful P3 municipal projects, such as the Biosolids Management Facility in Sudbury and the ION LRT in Waterloo, translate into a solid basis of expertise and experience for the successful implementation of future municipal P3 projects.

The Council actively advocates for the federal government to provide further support for addressing this gap and enabling municipalities to explore alternative financing options and leveraging P3s, such as through the upcoming Build Communities Strong Fund. At the same time, the Council recommends Ontario play a proactive role in supporting municipalities to adopt P3s and meaningfully address the infrastructure gap by:

- Incentivizing long-term asset planning through funding agreements that **consider life cycle costs**, including mid-life rehabilitation, volume and use increases, and more,
- Designing provincial funding programs that enable municipal governments to **adopt alternative procurement models**, ensuring program **Terms and Conditions** do not block alternative models and encourage recipient jurisdictions to demonstrate they have evaluated a variety of financing options, including P3s.

The Council welcomes the opportunity to continue working with the government, Infrastructure Ontario, and key municipal stakeholders where appropriate to ensure funding programs take a long-term perspective and the benefits of alternative procurement models are clearly understood.

Recommendation 4: Continue building on IO's industry-leading procurement practices to foster a more competitive, solutions-oriented procurement environment by enabling early engagement with private-sector proponents.

There is a significant opportunity for Ontario to continue building on IO's industry-leading procurement practices across infrastructure project procurement by integrating private sector expertise *before* government procurers select asset solutions. Fostering early engagement with private sector proponents would promote bid competition and foster a solutions-oriented procurement environment, whereby private sector proponents help further define project elements such as cost estimates, technical details, dispute resolution processes, and risk allocation.

Infrastructure Ontario has been a great leader in channeling these early engagements into delivering innovative, groundbreaking infrastructure; they are a significant driver of private sector competition and public sector understanding and alignment. It's important that the government also understands the value of this early involvement to achieve optimal results when procuring private sector partners to deliver public infrastructure. In general, governments that demonstrate this flexibility and listen to private partners during the initial procurement phases are likely to attract more bids, delivering better results.

Early engagement also helps set realistic criteria for project delivery in the early planning phases. This means governments can build greater fairness into evaluation standards and transparency in project requirements, thus providing the optimal foundation to increase private sector competition. The Council is keen to facilitate this private sector involvement and further express the potential benefits for Ontario's infrastructure.

The Council also provides governments at all levels opportunities to connect and share knowledge on competitive procurement strategies, including:

- Continuing participation in Canada's Infrastructure Conference, the *only* conference that brings all facets of Canada's infrastructure industry together at one time to discuss the latest trends, explore hot button issues and share solutions with [up to a thousand decision-makers and experts](#) from across North America and around the globe.

- Continuing participation in the Council's Government Networking Group that provides opportunities to collaborate, share insights, and deepen relationships with public sector stakeholders.
- Continuing participation in CCPPP's regional events, including in Ontario, to build relationships with public and private stakeholders, and exchange information on competitive procurement strategies according to regional infrastructure needs.

3. Conclusion

On behalf of The Council and its Board of Directors, thank you in advance for consideration of these recommendations. The Council appreciates the Government of Ontario's commitment to public-private partnerships and your national leadership in innovative infrastructure delivery.

If you have any questions or would like to explore these recommendations further, Council staff and its members are available at your convenience.

Sincerely,

Lisa Mitchell
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The Canadian Council for Public-Private Partnerships (CCPPP)