

Financing public transit in Quebec: solutions for an informed debate

Montreal, November 29, 2023 – At a time when the debate surrounding the financing of public transit in Quebec is raging, a new study by the Centre for Productivity and Prosperity - Walter J. Somers Foundation (CPP) reveals that Quebec transit companies could alleviate the pressure on the financing of their operations by improving efficiency.

Drawing on data from 23 Canadian transit companies that responded positively to Access to Information requests, the CPP researchers have identified a major flaw in the operational efficiency of organizations serving the Montreal, Laval, Quebec City, Longueuil and Gatineau areas: "Analysis of the data compiled shows that the budgetary space taken up by administrative expenses is significantly greater in Quebec," explains Robert Gagné, CPP director and co-author of the study. In the long term, a disproportionate share of the budget of Quebec public transit companies is thus directed towards activities that do not directly serve the transportation offer, which tends to reduce their productivity and unnecessarily increase their operating expenses".

While optimization efforts may well alleviate the pressure on transit company funding, the researchers believe that the government will also have to put its shoulder to the wheel: "Over time, the government has made its funding structure more complex by unduly multiplying the sources of funding available to transit companies," says Jonathan Deslauriers, co-author of the study. Not only does this make it difficult to establish a stable and predictable financial framework over time, but the whole process loses efficiency by multiplying the passes through the government apparatus, and overtaxing transit companies' administrative expenses".

To prevent users from being caught in the middle once again, the researchers also recommend that the Quebec government implement a rigorous accountability process: "The Quebec government is now facing the consequences of its laxity, explains Robert Gagné. The government is simply not in a position to assess the performance of the transit companies it funds based on convincing evidence, let alone determine how they should act to reduce the pressure on the funding of their operations. In such a context, it's hardly surprising that the public debate surrounding this issue is of such low quality."

To learn more: [Financement du transport collectif : Des efforts d'optimisation s'imposent de part et d'autre](#). (In French only)

About the Centre for Productivity and Prosperity – Walter J. Somers Foundation

The Centre for Productivity and Prosperity – Walter J. Somers Foundation has a twofold mission. First of all, it is devoted to research on productivity and prosperity, mainly in Quebec. The Centre then shares its research findings through knowledge transfer and educational activities.

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About the Walter J. Somers Foundation

The Somers family established the Walter J. Somers Foundation in tribute to the founder of the Walter Group. Through different donations, the Foundation pursues the family heritage of commitment to the community and contributes to the prosperity of Quebec society, firstly by helping to improve its productivity but also by supporting excellence in youth education.

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