

CONSULTATION



The rules of the global economy are changing, and B.C. is not waiting to see how they settle. We have the resources, the workforce and the trading relationships to compete. We have everything we need to be an economic powerhouse.

Our focus is on protecting what British Columbians have built by making careful choices, while positioning the province to lead what comes next.

We must protect core public services that people rely on every day, like health care and education. And we know costs are high for people and their families. We're committed to doing our part by keeping B.C. one of the lowest-taxed provinces for working families while reviewing government spending to make the best use of public dollars.

Fiscal sustainability is a top priority. We are taking action to reduce the deficit responsibly, over time.

We're taking disciplined steps to reduce spending and create a more efficient public sector. These changes have already led to \$400 million saved in 2025–26 and will ramp up to an estimated \$3.5 billion in savings over the three-year fiscal plan.

We're building B.C.'s position as the economic engine of a stronger, more self-reliant Canada, and moving forward with major projects that put people to work, raise revenues and support strong communities.

B.C. continues to attract strong international investment, even in uncertain times. Foreign companies invested \$2.6 billion to establish and expand operations in B.C. in 2025, including companies from the U.S., U.K., UAE, Japan, and China.

This is a key part of our Look West strategy for jobs and prosperity. Through Look West, we're working to double non-US exports and attract billions in private sector investment, reducing our dependence on any single trading relationship.

LNG Canada Phase 1 alone is the largest private-sector investment in Canadian history, and its successful commercial operation — bringing over \$5.8 billion in contracts to local, Indigenous and other B.C. businesses — is an important milestone for B.C. in the global LNG market.

The federal government considers B.C. a serious partner in building Canada's new economy, with almost half of the Projects of National Significance designated by the federal Major Projects office located here in B.C., including the planned Phase 2 of LNG Canada.

From critical minerals to electrification to technology, we're investing in the sectors best positioned to drive economic growth, attract investment, and create good, family-supporting jobs for British Columbians.

As you'll see in the pages ahead, Budget 2026 focused on growing the economy, keeping costs low for people and their families and protecting the services people rely on.

As we look to developing Budget 2027, we want to hear from you: what are your priorities? What is important to you? What actions can your government take to make life better?

Telling us what matters to you and sharing your ideas is an important part of the provincial budget process. Our thanks go to everyone who participates in the budget consultation, led by the Select Standing Committee on Finance and Government Services, which includes MLAs from government and opposition parties.



HONOURABLE BRENDA BAILEY

Minister of Finance

FOR MORE INFORMATION

Budget 2027 Consultation:
bcleg.ca/consultations





SAFEGUARDING CRITICAL SERVICES IN TURBULENT TIMES

Budget 2026 invests \$5.1 billion over three years to strengthen health care, K-12 education and supports for people who need care and assistance.

This funding helps the ongoing work to recruit more doctors, nurses and other health care workers, building on the more than 500 U.S.-trained health professionals who have accepted job offers within B.C.'s public health-care system as of February 2026.

We're continuing to support students, staff and teachers in schools across B.C. with \$634 million over three years, including a \$167-million investment in the Classroom Enhancement Fund, which will result in more teachers for everyone, as well as special-education teachers and teacher psychologists and counsellors.

Budget 2026 introduces a new benefit and supplement program for children and youth with disabilities and invests in the expansion of support services in B.C. communities. This \$475-million investment replaces the existing autism funding program to reach more children across a broader group of diagnoses and needs.

SINCE 2023, WE HAVE CONNECTED OVER 600,000 PEOPLE WITH A PRIMARY CARE PROVIDER. BUDGET 2026 BUILDS ON THAT WORK WITH \$2.8 BILLION IN NEW HEALTH CARE FUNDING OVER THREE YEARS TO MAKE SURE BRITISH COLUMBIANS CAN ACCESS THE CARE THEY NEED, WHEN THEY NEED IT.



INVESTING IN B.C.'S FUTURE

In a world of economic uncertainty, Budget 2026 charts a path to secure B.C.'s future for the long term.

Over three years, B.C. is investing \$283 million for people to be trained for in-demand skilled trades, setting them up for good, family-supporting jobs needed to help B.C. become Canada's economic engine. We're signaling that we're open for business with a new \$400-million British Columbia strategic investment fund.

This fund will allow the Province to invest in major projects that will create good jobs and strengthen B.C. and Canada's economic security in the face of U.S. tariffs and other global challenges.

We know Ottawa is listening. B.C. is home to four projects designated as Projects of National Significance by the federal Major Projects office, including LNG Canada Phase 2, the Red Chris Mine Expansion, North Coast Transmission Line and Ksi Lisims LNG.

To support B.C.'s manufacturing sector, a new, temporary 15% Manufacturing and Processing Investment Refundable Tax Credit will support businesses investing in buildings, machinery and equipment used in manufacturing and processing.

BUDGET 2026 INCLUDES NEW FUNDING TO ADVANCE OUR WORK TO SPEED UP PERMITTING AND APPROVAL TIMELINES TO GET MORE PROJECTS MOVING AND WORKERS WORKING.



UPDATING THE TAX SYSTEM

An uncertain economic landscape is putting continued pressure on B.C.'s finances. Budget 2026 makes disciplined choices to reduce spending and raise revenues to pay for core services people rely on, such as health care, K-12 education and social supports.

As a government we have been focused on keeping costs down for people, including reducing the taxes on middle-income and working people. Our priorities are clear: protect core public services while growing the economy and creating good, family-supporting jobs throughout B.C.

One way government is achieving this is through increasing the tax rate of the first income tax bracket by less than 0.6 percentage points, from 5.06% to 5.60%. The cost is offset for British Columbians with lower incomes through an increased tax reduction credit. More than 40% of taxpayers will see savings, and middle-income British Columbians will continue to have among the lowest taxes in the country.

The Province is also expanding B.C.'s PST tax base to include some goods and services that were once deemed essential, but are not as commonly used anymore, such as clothing repair materials, services related to clothing and footwear, basic cable television and land-line telephone services.

Budget 2026 includes changes to B.C.'s speculation and vacancy tax to continue curbing speculation and delivering affordable housing, increasing the rate for foreign owners and untaxed worldwide earners to 4% for the 2027 tax year, up from 3%.

GLOBAL UNCERTAINTY IS SLOWING GROWTH EVERYWHERE. HIGH COSTS, GLOBAL INSTABILITY, AND VOLATILE COMMODITY PRICES ARE PUTTING PRESSURE ON PUBLIC FINANCES. WE'RE RAISING REVENUE AND REDUCING SPENDING SO WE CAN CONTINUE TO INVEST IN THE CORE SERVICES PEOPLE RELY ON.



A SUSTAINABLE CAPITAL PLAN

We're continuing to build record levels of schools, hospitals and transit projects to create jobs and meet the needs of British Columbians.

Budget 2026 invests \$38 billion over three years in taxpayer-supported capital investments including 17 major hospitals and acute care facilities, important transit expansions like the Broadway Subway project and Surrey Langley Skytrain, critical highway infrastructure such as the Fraser Valley Highway 1 Corridor Improvement and Fraser River Tunnel projects, and 66 K-12 school additions and improvements that will add 23,600 new student spaces and almost 6,000 seismically safe seats throughout the province.

Projected capital spending over the next three years exceeds spending in prior years and will continue to support the Province's economy and provide good-paying jobs for British Columbians.

At the same time, there are added fiscal pressures on government finances. To mitigate construction cost escalation and maintain a competitive debt-to-GDP, the Province is adjusting the pace of the capital plan to continue building the infrastructure people need in a sustainable way.

Budget 2026 adjusts the capital plan to ensure its long-term sustainability. This provides an opportunity to strategically sequence major projects over a longer term and, where possible, redesign projects to lower costs.

We remain committed to delivering urgently needed infrastructure and will be working to better sequence and deliver these capital projects.

CAPITAL INVESTMENTS OF \$11.1 BILLION WILL GO TOWARDS NEW AND UPGRADED ACUTE, LONG-TERM AND CANCER CARE FACILITIES IN COMMUNITIES ACROSS B.C.



MANAGING GOVERNMENT EXPENSES

In Budget 2025, we announced our goal of saving \$300 million in 2025-26. We exceeded that goal with an estimated initial \$400 million in savings through staffing adjustments, hiring restrictions, and reduced discretionary spending.

Budget 2026 reflects our efforts to continue to reduce government spending with an estimated \$3.5 billion in savings reflected in the fiscal plan.

Government is committed to continuing this work with an added focus on opportunities to reduce the size of the public sector. This includes reducing 12,500 full-time equivalent (FTE) positions in the greater public sector and 2,500 FTEs in the public service (core government), leading to an estimated \$2.8 billion in savings over the fiscal plan.

WE'RE REVIEWING OUR SPENDING TO MAKE GOVERNMENT MORE EFFICIENT AND MAKE SURE MORE DOLLARS REACH THE FRONT LINES.



MAKING NEIGHBOURHOODS AND COMMUNITIES SAFER

We're continuing to take action on all fronts to make communities safer across B.C. Budget 2026 invests \$139 million to reduce repeat violent and property offenses, improve access to the justice system and continue to fund special investigation and community safety programs.

The Province is continuing the fight against extortion through the B.C. Extortion Task Force, and by securing federal support for more police officers and RCMP helicopter resources.

WE'RE WORKING TO MAKE COMMUNITIES SAFER BY STRENGTHENING ENFORCEMENT AND BAIL RULES, HELPING PEOPLE MOVE INDOORS, AND IMPROVING ACCESS TO MENTAL HEALTH CARE.

HAVE YOUR SAY

What are the top priorities you want your government to focus on to build a stronger future for you, your family and your community?

SHARE YOUR PRIORITIES WITH THE SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES.

The Select Standing Committee on Finance and Government Services is one of 11 permanent parliamentary committees of the Legislative Assembly of B.C. Each year the committee holds a province-wide consultation on the next provincial budget and presents a final report with recommendations to the Legislative Assembly.

You can share your views and priorities by presenting at a public hearing or sending in written input.

For full details on how to participate, visit bcleg.ca/consultations or contact:

Select Standing Committee on Finance and Government Services.

Room 224, Parliament Buildings, Victoria, B.C. V8V 1X4

Email: financecommittee@leg.bc.ca

Phone: 1 (877) 428-8337 (toll-free)
(250) 356-2933 (collect)

FOR MORE INFORMATION

Budget 2027 Consultation:
bcleg.ca/consultations

