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NEWS RELEASE

Budget secures B.C.'s future, protects critical services

B.C. makes disciplined spending choices while growing the economy

Summary

- *Budget 2026 safeguards critical services for the long-term*
- *The fiscal plan boosts skills training to strengthen B.C.'s economic security*
- *Budget 2026 forecasts declining deficits beginning in the 2026-27 fiscal year*

VICTORIA – In a world of ongoing and heightened economic uncertainty, Budget 2026 makes careful choices to protect what matters most to British Columbians through investments to protect services, such as health care, education and social supports, while securing B.C.'s future through skills training and targeted investments to spur economic growth.

“Over the past eight years we have built schools, hospitals and invested in the services British Columbians rely on every day,” said Brenda Bailey, Minister of Finance. “Our investments have allowed us to enter these uncertain times from a position of strength, but we need to be realistic about the difficult financial situation we face as a province. We are choosing to safeguard what we’ve built, while growing our economy to secure good jobs and economic prosperity for people and families.”

Budget 2026 opens the door further for people to train for good-paying careers in the skilled trades through \$283 million in new funding over three years. This will expand spaces for in-demand trades training programs, increase per-seat funding to training centres, and enhance the B.C. Employer Training Grant to double apprenticeship seats by 2028-29.

A new \$400 million British Columbia strategic investment fund will help B.C. invest quickly in collaborative opportunities and major projects as the federal government invests in Canada's sovereignty.

Budget 2026 supports businesses to leverage new opportunities through a new temporary Manufacturing and Processing Investment Tax Credit for investing in new buildings, machinery and equipment.

To support B.C.'s maritime sector, which is the largest in Canada, Budget 2026 extends the Shipbuilding and Ship Repair Industry Tax Credit until the end of 2027.

Safeguarding what matters most in turbulent times

Budget 2026 protects the most critical services that people rely on every day through \$5.1 billion in funding to strengthen health care, K-12 education and supports for people who need care and assistance.

This includes funding to recruit and train more health-care professionals such as doctors, nurses, and long-term care support workers in communities across B.C.

Budget 2026 includes \$634 million in new funding for K-12 education 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.

New investments of \$131 million will support intensive, specialized mental health and addictions treatment for people with concurrent challenges of complex mental illness, addictions and acquired brain injuries. It will also fund involuntary treatment beds in Prince George, Maple Ridge and Surrey.

A new \$330 million lift to ChildCareBC will protect the child care services families rely on by maintaining lower fees, and the spaces and support for operators and educators achieved over the past eight years. Budget 2026 also provides \$25 million in new funding to support the expansion of childcare options on school grounds.

With \$475 million in new funding for children and youth with disabilities, families will get direct funding for support services and better access to more service providers in their communities.

Budget 2026 provides \$139 million in funding over three years to reduce repeat, violent offending and chronic property crime, and support timely access to justice.

Making disciplined spending choices to reduce spending and increase revenue

Government has exceeded initial targets set in Budget 2025 for expenditure management through operational and program savings. Budget 2026 continues that work, by introducing targets to reduce the size of the public sector, and generates new revenue over the three-year fiscal plan.

"We are making careful choices to secure B.C.'s future," Bailey said. "We are updating the tax system to raise revenue and prevent cuts to critical services, while keeping B.C. one of the lowest-taxed provinces for working and middle-class families. At the same time, we are reducing government spending and carefully repacing our capital plan to deliver services and infrastructure more efficiently."

To improve B.C.'s fiscal outlook and raise revenues to protect critical services, Budget 2026 increases the tax rate of the first income tax bracket by less than 0.6 percentage points. The average increase will be \$76 in 2026, and more than 40% of taxpayers will see savings when combined with an increase to the B.C. Tax Reduction Credit. The credit offsets the tax change for British Columbians with lower incomes.

British Columbians with middle incomes will continue to have some of the lowest taxes in the country, and government funding continues to help people with costs through measures such as the BC Family Benefit, more affordable child care, and lower car insurance.

Budget 2026 also increases the speculation tax for foreign owners and untaxed worldwide earners, as well as taxes on luxury homes worth more than \$3 million through changes to the Additional School Tax.

Deficits are projected to decline over the fiscal plan from \$13.3 billion in 2026-27 to \$11.4 billion in 2028-29 as government continues to achieve its targets through the efficiency review, hiring restrictions, and streamlining program and service delivery. B.C.'s deficit-to-GDP ratio is projected to decline from 2.9% in 2026-27 to 2.3% in 2028-29.

B.C.'s debt-to-GDP ratio is among the best in Canada and remains affordable relative to provincial peers, even as the Province works to bring it down.

A sustainable capital plan

The Province is continuing to build infrastructure to create jobs and meet the needs of British Columbians. Over the next three years, government will make nearly \$38 billion worth of taxpayer-supported investment to continue construction on 17 major hospitals and acute care facilities, 66 K-12 school additions and improvements, and important transit and transportation expansions.

After years of building infrastructure to close gaps and strengthen services, B.C. is adjusting the pace of the capital plan to make sure it is sustainable over the long term.

Budget 2026 makes realistic choices to raise revenue and safeguard critical services amid a time of financial challenges and global uncertainty, while making the public sector more efficient to ensure more dollars reach the front lines.

Learn More:

- Read the 2026 Budget and Fiscal Plan: <https://www.bcbudget.gov.bc.ca/>
- To learn more about Look West: Jobs and Prosperity for a Stronger BC and Canada, visit: <https://gov.bc.ca/LookWest/>
- To learn more about how B.C. is building a strong economy, visit: <https://www2.gov.bc.ca/gov/content/employment-business/strong-economy>

Four backgrounders follow.

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