

2025 Provincial Budget Highlights

Budget 2025 was created during tariff threats from the United States (US). In 2024, BC exported nearly 75% of its softwood lumber, along with all its natural gas and electricity to the US, which also supplied 34.5% of BC's imports. Budget 2025 assumes 10% tariffs on Canadian energy products and 25% tariffs on other goods from Canada and Mexico, with partial retaliation from Canada. Potential impacts include:

- \$43 billion decrease to real gross domestic product (GDP) by 2029
- 45,000 fewer jobs by 2029
- Unemployment rate increase to 6.4% in 2025, and 6.7% in 2026
- \$3.2 billion to \$5 billion annual decline in corporate profits
- Up to \$1.4 billion annual loss in revenue

The 2025 budget now estimates 2024 to 2025 fiscal year deficit to be \$6.9B compared to a prior forecast of \$7.9B.

For the next three years the province is projecting the following deficits:

- 2025/26 \$10.9B deficit (including \$4.0B in contingencies)
- 2026/27 \$10.2B deficit (including \$4.0B in contingencies)
- 2027/28 \$9.9B deficit (including \$4.0B in contingencies)

Forecasted debt at the end of this three-year budget is \$208B, approximately \$82B higher than the last budget and more than four times higher than pre-pandemic levels.

Other 2024/25 key economic metrics:

- Nominal GDP growth is forecasted to be 4.1% (compared to 3.2% in 2024)
- Provincial unemployment rate is expected to be 5.7% in 2025 and 5.4% in 2026
- Consumer Price Index forecasted to be 1.8% (compared to 2.4% in 2024)

Provincial Budget Themes

1. Strengthening Health Care and Other Services

Budget 2025 invests \$7.7 billion over three years to support health, education and social services.

Health Care

- \$4.2 billion over three years to increase capacity, improve patient outcomes and support a growing demand for services. **[supports for residents – municipal impacts?]**
 - includes \$443 million to support the primary care and
 - \$870 million toward the opening and operation of new facilities
- \$15.5 billion over three years for new and upgraded acute care, long-term care and cancer care facilities throughout the province. **[CRHD]**

Mental Health and Addictions

- \$500 million in new funding over three years for addictions treatment and recovery programs. These include Road to Recovery, Foundry, secure care, supports for children and youth and Indigenous-led treatment, recovery and aftercare services.

K-12 Education

- \$370 million over three years to help give children and youth supportive and inclusive learning environments. This includes hiring more teachers and supporting the growing number of children with special needs.
- \$17 million for First Nations reciprocal tuition for students attending First Nations schools.
- \$4.6 billion over three years for building, renovating and seismically upgrading schools.
 - including \$392 million in prefabricated projects that will create 6,485 new seats across 16 school districts.

First Nations Language Preservation and Revitalization

- \$45 million in new funding over three years for First Nation-led programming including critical language preservation and revitalization. **[FNR]**

Post-Secondary Education and Skills Training

- More than \$700 million over three years through the StrongerBC: Future Ready Action Plan to improve access to post-secondary education to prepare people for the jobs of tomorrow, while helping close the skills gaps that employers are facing.
- \$4.7 billion in capital for post-secondary institutions.
 - Including \$108 million for the West Shore Learning Centre Campus for Royal Roads University in Langford **[municipality – in region highlight]**

Children and Youth in Care and Alternative Care

- \$821 million over three years to support children in government care or alternative care arrangements such as foster care, specialized homes, independent living programs, etc.

Children and Youth with Support Needs

- An additional \$172 million over three years for children and youth with autism, severe disability or complex health care needs. New funding will provide supports to 2,700 more children, for an estimated total of nearly 30,400 children in youth in 2025-26.

Income and Disability Supports, and Supplementary Assistance

- \$1.6 billion more over three years for income, disability and supplementary assistance. Approximately 253,000 people receive assistance, including the financial, transportation and crisis supplements, as well as counselling and health supports.

Community Living BC

- An additional \$380 million over three years to Community Living BC to support more than 29,000 adults with developmental disabilities.

2. A Strong, Diversified Economy

Budget 2025 supports growth as Canada faces the threat of US tariffs including fast-tracking major critical mineral and energy projects worth approximately \$20 billion.

Encouraging Innovation and Investment to Create Good Jobs

- \$30 million over three years in the Integrated Marketplace Initiative to connect tech companies with commercial partners to test products and services in real-world environments. **[municipal/EA economic development?]**
- Increases the Interactive digital media tax credit from 17.5% to 25% and makes the credit permanent. **[municipal/EA economic development?]**
- Increase to the investment limit for individuals through the small business venture capital tax credit and a temporary \$15 million increase to the program's budget for 2025-27. **[municipal/EA economic development?]**

Supporting Canadian Content and Made-in-BC Productions

- Film Incentive BC credits increase from 35% to 40% retroactive to January 1, 2025, to support Canadian content. To support international projects made in BC, the production services tax credit is increasing from 28% to 36%. **[municipal/EA economic development?]**

Keeping Goods and People Moving Through Transportation and Transit Upgrades

- \$142 million over three years to maintain highways, bridges and to support critical transit services to ensure the safe and efficient movement of goods and people. **[municipal infrastructure?]**
 - \$95 million in additional funding for critical highway and bridge maintenance throughout the province
 - \$47 million toward BC Transit to ensure reliable bus and handyDART services in 130 communities outside the Lower Mainland. **[regional transit commission]**
- \$15.9 billion in capital funding to improve transportation networks throughout BC **[transportation infrastructure]**

3. Lowering Costs, Providing Affordable Homes

Budget 2025 builds on affordability measures with \$1.1 billion over four years beginning in 2024-25 to tackle housing affordability and provide a one-time ICBC rebate.

BC Builds

- An additional \$318 million investment in BC Builds over three years to deliver more middle-income rental units. **[CRHC?]**

Speculation and Vacancy Tax

- Increases to the speculation and vacancy tax rates. The rate for foreign owners rises from 2% to 3% of their home's value, and from 0.5% to 1% for Canadian citizens and permanent residents. The increase takes effect January 1, 2026, and will generate an estimated additional \$47 million in revenue in 2027-28. **[Housing]**

Support for Low- and Moderate-Income Seniors and Families

- Increase monthly supports and nearly double the number of lower income working families eligible for help through the Rental Assistance Program by raising the income threshold for the program from \$40,000 to \$60,000. The average supplement families receive will increase from \$400 to \$700 per month. [CRHC?]
- Increases the income threshold from \$37,240 to \$40,000 for the Shelter Aid for Elderly Renters program. The average supplement will go from \$261 to \$337. [CRHC?]

ICBC Rebate

- A one-time relief rebate of \$110 in 2025. In total, the rebate is expected to return \$410 million to personal and commercial policy holders. [CRD/CRHC]

Climate Action Tax Credit

- On April 1, 2025, carbon tax revenues will go back to people through the tax credit

4. Making Communities Stronger, Safer

Budget 2025 invests \$325 million in new funding over three years to; [PPS/municipalities]

- provide housing options for people living outdoors and resolve encampments
- address public safety concerns about robbery, shoplifting and other property crimes
- provide more resources to law enforcement to fight crime, and
- to build capacity in the legal system to ensure timely access to justice and to continue to support other public safety programs.

Closing Encampments and Supporting Those Most Vulnerable

- Additional \$90 million over three years to expand the Homeless Encampment Action Response Team (HEART) and Homeless Encampment Action Response Temporary Housing (HEARTH) programs into new communities. [PPS/municipalities]
 - These programs work with local governments and First Nations, non-profit organizations and health-care providers to connect people living outdoors and in encampments with better access to support services, shelter and housing options so they can move inside and encampments can close.

Keeping Communities Safe

- \$235 million in new investments to keep people and communities safe through justice and public safety programs. [PPS/municipalities]
 - \$24 million in new funding to improve timely access to justice, including improved capacity at the BC Supreme Court. It will also continue the expansion of virtual bail, improving access to justice and community safety.
 - \$15 million over three years in new funding to support assistance for victims, immediate family members and witnesses, as well as
 - \$24 million for the BC Coroners Service, electronic supervision under BC Corrections and increased fire inspections.

Providing Resources for Law Enforcement and Training More Officers

- \$67 million over three years will go toward community safety programs, including a new community safety and targeted enforcement program pilot that will specifically target robbery, shoplifting and other property crimes, providing police with tools to tackle street disorder and support safer downtowns and commercial areas. **[PPS/municipalities]**
- New funding for the Justice Institute of BC that will expand police academy training capacity from 192 to 288 officers per year.
- \$104 million over three years will go toward policing programs, including the First Nations and Inuit Policing Program, and for negotiated wage increases for provincial RCMP detachments. It will also support the National Body Worn Camera Program initiated in 2024 to improve transparency and accountability.