



BC Budget 2026 Consultation

A submission from the Association for Reformed Political Action (ARPA) Canada

to

The British Columbia Select Standing Committee on Finance and Government Services

regarding

Budget 2026 Consultation

Recommendation 1: Balance the budget over the next three-year fiscal plan.

Governments must steward the public purse carefully. When governments run excessive deficits on a regular basis, they commit two faults: they feed the selfish desires of those who elected them to power by providing services that society could not otherwise afford, and they steal from future generations by forcing these future taxpayers to finance the increased debt without their consent.

Budget 2025 forecasts excessive deficits for the foreseeable future. It projects operating deficits of \$9.9-10.9 billion for the next three fiscal years, ranging from 2.0-2.5% of GDP. Those are record-breaking deficits by almost any measure. Before 2023-24, no deficit had exceeded \$6 billion in nominal dollars (or \$6.5 billion in 2025 dollars) since 1969-70. British Columbia's deficit has only exceeded 2% of GDP five times in the last 65 years. When capital spending is included, the total provincial debt will cumulatively increase by \$75.8 billion, from \$133 billion in 2024-25 to \$209 billion by 2027-28. Total debt as a percentage of GDP is projected to rise from 25.4% of GDP to in 2023-24 to 42.2% of GDP by 2027-28.

This exorbitant deficit spending is unsustainable, reckless, and wasteful. The Parliamentary Budget Office (PBO) called out this level of spending as unsustainable in its Fiscal Sustainability Report 2024. British Columbia's fiscal gap of 1.8% of GDP is the highest of any Canadian province. Consequently, S&P has downgraded British Columbia's credit rating four times in the last four years. Such massive deficit spending increases the proportion of the budget required to pay interest on the debt, raises the cost of borrowing as lenders demand a higher interest rate to compensate for a riskier investment, and increases risk of a default.

Recommendation 2: As much as possible, make families rather than individuals the basic unit of taxation; for example, allow all children under the age of 18 to be claimed as dependents for tax purposes.

Currently, federal and provincial tax policies consider the individual the basic unit of taxation in Canada. Despite the presence of some credits, benefits, and deductions that are based on total family income, the fundamental principle of making individuals the basic unit of taxation ignores the fact that most British Columbians live in households that share earnings and expenses.

To better reflect this lived reality, the provincial government should make families the basic unit of taxation, as recommended in 1962 by the Royal Commission on Taxation.

Unfortunately, the tax agreements between the provinces and the federal government require provinces to use the same tax base as the federal government, making it impossible for the provincial government to switch directly to taxing households rather than individuals. However, the province can build on existing federal and provincial tax credits and introduce new credits that would better account for family structure.

For example, the federal-provincial amount for an eligible dependent allows parents who are single or separated to claim children under 18 years of age (as well as some other extended family members) who are living with them as dependents. This credit can only be claimed once, regardless of the number of dependents. In effect, the amount for an eligible dependent allows the adult to claim all or most of the dependent's basic personal amount on their own tax return, reducing their overall taxable income by the lowest income tax bracket.

The provincial government could build on this tax credit by introducing a new dependent tax credit. This new credit could be claimed by both two-parent and single parent families for each child under the age of 18 (as well as elderly parents, grandparents, and grandchildren, brothers, or sisters under 18 years). While not entirely making the family the basic unit of taxation, such a policy would account for family structure far more than the tax system.

Recommendation 3: Cease public funding for non-medically necessary and morally fraught procedures like abortion, MAiD, and medical gender transitioning.

Neither abortion, medical assistance in dying (MAiD), nor medical transitioning are medically necessary procedures that improve human health. In fact, each of these procedures causes significant harms, violating one of the fundamental principles of medical ethics: do no harm. Abortion ends the life of a pre-born human being before they are born. MAiD, a form of non-culpable homicide, also deliberately ends a human life. Medical gender transitioning permanently impacts healthy bodies and ignores the fact that over 80% of pre-pubescent children with gender dysphoria naturally outgrow this dysphoria by the time that they reach

adulthood. As Finland, Norway, the United Kingdom, and the United States have all documented, there are many known harms (e.g. diminished bone density, cardiovascular disease, infertility) and unknown harms related to the administration of puberty blockers, cross-sex hormones, and gender-related surgeries.

These non-medically necessary procedures also touch on fundamental and deeply held moral, conscientious, or religious convictions. Hundreds of thousands of Christians across the province believe that human beings are made in the image of God and that human lives should not be taken through either abortion or euthanasia. Each person is also born as male or female – that genetic code is implanted in every single cell. Our bodies are not ultimately our own to be shaped (much less mutilated) to fit our desired identities but are always to be nurtured and safeguarded from harm.

Provincial governments only have a legal duty under the *Canada Health Act* to fund medically necessary health care procedures. They also have a moral duty to incentivize what is good and to disincentivize what is bad. Provincial governments should therefore refrain from using tax dollars to fund abortion, MAiD, and medical transitioning.

Respectfully submitted,



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