BIABC Urges Province to Put Small Business at the Centre of Budget Planning Process

Association Calls for Action on Small Business Costs, Safety, and Tax Burden in Pre-Budget Submission

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Vancouver, BC – As the Province begins shaping Budget 2027, the Business Improvement Areas of British Columbia (BIABC) is urging government to make small business affordability, public safety, and economic competitiveness top priorities. BIABC submitted three key recommendations to the Select Standing Committee on Finance and Government Services today, as part of the pre-budget consultation process.

During her presentation, Patricia Barnes, Executive Director of the East Village Business Improvement Association, emphasized the growing challenges facing the more than 55,000 businesses BIAs represent.

"Small businesses across the province are facing mounting pressures from rising costs and growing safety concerns in their communities," said Barnes. "From increasing taxes and operating expenses to theft, vandalism, and property damage, business owners are being challenged on multiple fronts. We need coordinated provincial leadership that addresses both affordability and public safety so businesses can continue to serve and invest in their communities."

BIABC's three key recommendations include:

1. **Address the rising cost of doing business, including a reversal of the Provincial Sales Tax (PST) expansion.** Several policy decisions across different levels of government – including the expanded PST - have added cumulative cost pressures, placing significant strain on small businesses operating on narrow margins. Effective October 1, 2026, the PST expansion to essential services will further increase costs at a time of heightened financial pressure. The PST expansion would apply to security services, universally required professional services such as accounting, payroll, and compliance support.

BIABC recommends the province scrap the planned PST expansion to professional services and work collaboratively with the business community on a more balanced approach to revenue generation, affordability, and long-term economic competitiveness.

2. **Stronger leadership around public safety and commercial district security.** Public safety has become a critical issue for BIABC members across the province, with businesses reporting rising incidents of retail theft, vandalism, and property damage. These challenges create real and ongoing safety risks for both employees and customers and threaten the viability of many commercial districts.

   While the broader issues of crime and public safety are well documented, and BIABC continues to advocate for stronger bail and sentencing conditions, it is important to recognize that non-violent offences still have significant impacts. The notion that harm only occurs in cases of violence overlooks the cumulative effects that repeat non-violent offences have on small businesses, their employees, and surrounding communities.

   BIABC recommends stronger provincial leadership and improved coordination across government departments and partner agencies to address repeat violent and non-violent offending, alongside continued collaboration with police, courts, municipalities, and community organizations. BIABC also calls for investment in a comprehensive Non-Violent Repeat Offender Program, including funding for restorative justice and diversion initiatives that focus on repairing harm, supporting rehabilitation, and reducing repeat offences impacting local businesses.

3. **Improve cross-government coordination on small business policies.** BIAs and their member businesses frequently engage with multiple ministries on a range of issues, often through separate channels. This fragmented approach can create unintentional disconnects across ministries that complicate collaboration, slow problem-solving, and limit government's ability to draw on valuable, on-the-ground insights.

   BIABC recommends creating a Minister of State for Small Business to establish clear engagement pathways between government and the small business community, improve coordination across government, and

ensure small business impacts are considered early and consistently in policy development.

Barnes also referenced additional policy recommendations:

- Amid tariffs, trade disruption, and broader economic uncertainty, BIABC urges the provincial government to make meaningful progress to remove interprovincial trade barriers, expand the Buy BC program, and support local sourcing and procurement.
- Establish a dedicated funding stream, like the former Fairs, Festivals and Events Program, to help offset escalating public safety and operational costs for community events and festivals, while also working collaboratively with local governments and event organizers to develop practical and scalable safety frameworks for these events.

About BIABC:

The Business Improvement Areas of BC (BIABC) is the provincial champion of strong, vibrant, and successful downtowns, main streets, and commercial districts throughout our province. Members represent more than 80 business districts that employ hundreds of thousands of retail, service, and office employees within defined business districts.

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