PRE-BUDGET SUBMISSION

Select Standing Committee on Finance and Government Services

Legislative Assembly of British Columbia | Budget 2027 Consultation

Submitted by: Kelowna Chamber of Commerce

Representing 1,000 member businesses in the Okanagan

June 15, 2026

Opening Remarks

Thank you, Chair, and members of the Committee. My name is George Greenwood, and I am the CEO of the Kelowna Chamber of Commerce representing 1,000 member businesses across the central Okanagan. We appreciate the opportunity to present today.

Our members are the backbone of BC's economy — retailers, tourism operators including wineries, accommodation providers, restaurateurs, agri-food producers, trades, professional services, and small manufacturers and businesses in the aerospace sector, mining and forestry. They employ tens of thousands of British Columbians, pay local, provincial and federal taxes, and anchor community economic life. They are also on the front lines of the pressures facing our province today.

We have chosen to focus our submission on three priorities where provincial budget action can make the most material difference for our members: the economic impacts of US tariffs and a sluggish business environment; the critical electricity capacity gap constraining investment and housing; and the direct costs of street crime and disorder on businesses.

We recognize the government is navigating a difficult fiscal environment. Our recommendations are intended to be targeted, practical, and proportionate.

Priority 1: Economic Resilience in the Face of US Tariffs

The Challenge

The US tariff regime has introduced significant uncertainty across our member base. Export-dependent sectors — forestry, mining supply chains, agriculture, and advanced manufacturing — face compressed margins, deferred investment decisions, and in some cases, layoffs. But the effects are not limited to exporters. Reduced household confidence is suppressing retail and service spending. Business investment is pausing while operators wait for clarity.

BC's GDP growth is projected to underperform relative to earlier forecasts, and we have seen GDP drop for three successive quarters: our members are feeling this slump directly. We hear regularly from owners who have postponed equipment purchases, scaled back hiring plans, or drawn down reserves to maintain operations.

What We Are Asking For

1. TARGETED BUSINESS CONTINUITY SUPPORT

- Establish a BC Tariff Impact Fund of at least $150 million to provide bridge financing and working capital support to small and medium enterprises in directly affected sectors.
- Prioritize businesses with 5 to 100 employees — large enough to be significant employers, but too small to access capital markets independently.

2. REGULATORY COST RELIEF

- Implement a 24-month moratorium on new regulatory compliance costs for businesses with under $10 million in annual revenue, with no exceptions for changes that do not directly protect health or public safety.
- Accelerate the permit and licensing review timelines that are currently adding cost and delay to business investment decisions.
- Roll back or cancel the increase in PST scheduled to take effect October 1, 2026.

3. EAST-WEST TRADE ACTIVATION

- The Canadian Mutual Recognition Agreement and BC's Trade Recognition Act are positive steps. We ask the Province to accelerate implementation, with a specific focus on removing remaining barriers to labour mobility across provincial borders — the single most impactful trade friction our members identify.
- Dedicate $10 million in capacity funding to assist small businesses in identifying and entering new interprovincial markets to reduce reliance on US export channels.

This is a moment for the Province to be a genuine partner to the business community — not merely a regulator. A resilient BC economy requires a resilient small business sector.

Priority 2: Electricity Capacity — The Hidden Constraint on Growth

The Challenge

Your committee will hear a great deal about housing supply. We want to draw your attention to a constraint that is receiving insufficient focus: the electricity grid cannot currently support the housing, industrial, and commercial development that BC needs and that the Province has committed to.

BC Hydro's own data shows that electricity demand is projected to rise by 15% by 2030, driven by population growth, housing construction, industrial expansion, and electrification. In 2024, BC Hydro was a net importer of electricity — spending approximately $1.8 billion on power it could not generate domestically. The grid is not an abstraction; it is the physical constraint on our capacity to build, operate, and grow.

Our members encounter this in concrete ways: connection delays for new commercial developments that are adding 12 to 24 months to project timelines; industrial customers being told that the power they need for expansion is unavailable or years away; housing developers discovering that electrical servicing for new subdivisions is not budgeted or scheduled.

What We Are Asking For

1. TRANSMISSION INFRASTRUCTURE FUNDING

- The Province must treat transmission line upgrades as an economic infrastructure priority on par with highways and transit. We support BC Hydro's $36 billion 10-year capital plan and ask the government to ensure permitting and regulatory approvals are not the bottleneck.
- Establish a dedicated expedited permitting stream for grid infrastructure projects, with a 6-month target for approvals on projects already identified both in BC Hydro's resource plan and Fortis BC's grid expansion project strategy.

2. CONNECTION TIMELINES FOR DEVELOPERS AND INDUSTRY

- Direct Fortis BC and the BC Utilities Commission to establish binding service standards for new connection timelines — 12 months maximum for residential and small commercial developments, 18 months for industrial.
- Publish a public dashboard showing connection queue status by region so that businesses and municipalities can plan accordingly.

3. DISTRIBUTED GENERATION INCENTIVES

- Offer tax incentives and streamlined permitting for on-site solar, battery storage, and cogeneration for commercial and industrial facilities, reducing demand pressure on the grid while lowering operating costs for businesses.

Electricity is no longer invisible infrastructure — it is the binding constraint of economic growth in BC. The Province cannot credibly commit to housing targets, industrial development, or climate-aligned investment attraction without solving the capacity question. We ask this Committee to treat it as the urgent infrastructure priority it has become. Our Chamber has a policy dealing with electric capacity growth in front of both the BC Chamber and the Canadian Chamber in 2026 to take effect in 2027.

Priority 3: Street Crime and the Cost to Small Business

The Challenge

Theft, vandalism, and intimidation of staff are not nuisances — they are existential pressures for retailers, restaurants, and service businesses. Our members report that retail theft has become endemic in commercial corridors across BC, with some operators losing 3 to 8 percent of annual revenue to shrinkage. Organized retail crime — coordinated, repeat theft by professional rings — accounts for a growing share of these losses.

The costs are not only financial. Staff are experiencing trauma, turnover, and burnout. Customers are staying away. Businesses are spending on private security and repeated repairs and rising insurance premiums which they cannot afford. Some are closing, leaving gaps in commercial districts that reduce foot traffic for neighbouring businesses and erode the tax base.

We recognize that the government has identified public safety as a priority for Budget 2026, and we welcome that signal. Budget 2027 must follow through with measurable action.

What We Are Asking For

1. ORGANIZED RETAIL CRIME UNIT

- Fund and establish a dedicated BC Organized Retail Crime Unit within the provincial policing structure, with a mandate to target repeat, high-volume offenders and the fencing networks that profit from stolen goods.
- Coordinate with municipal police services and retailers to implement a shared intelligence system for tracking chronic offenders.

2. VICTIM SUPPORT FOR SMALL BUSINESS

- Create a permanent Small Business Crime Recovery Fund — a grants program of at least $25 million annually — to reimburse eligible small businesses for a portion of verified theft losses above $5,000 per year, with priority access for businesses in high-incidence commercial areas.
- Extend the existing Small Business BC advisory services to include crime prevention planning and security audits at no cost.

3. COURT PROCESS AND CONSEQUENCES

- Work with the federal government and BC Prosecution Service to advocate for case processing timelines that create genuine deterrence. A system where chronic retail offenders cycle through without consequence is not a justice system — it is a cost externalized onto small business owners.
- Fund 50 additional dedicated Crown counsel positions specifically for property crime prosecutions.

Our members are not asking for zero-tolerance policies or to criminalize poverty. They are asking for a basic level of protection that allows them to operate a business, support employees, and serve their communities without absorbing losses that threaten their survival. Our Chamber has a policy dealing with the effects of street crime on small business in front of both the BC Chamber and the Canadian Chamber in 2026 to take effect in 2027.

Closing Remarks

To summarize our three asks:

- On economic resilience: establish a Tariff Impact Fund, impose a regulatory cost moratorium, and activate east-west trade support for small businesses.
- On electricity capacity: fund grid transmission as economic infrastructure, set binding connection timelines, and incentivize distributed generation.
- On street crime: create a dedicated Organized Retail Crime Unit, establish a Small Business Crime Recovery Fund, and fund Crown counsel resources to address property crime.

Each of these asks lies within the Province's direct mandate. Each addresses a real, documented harm to BC's business community. And each, if acted upon, will produce measurable economic returns — in retained businesses, new investment, employment, and tax revenue.

We represent 1,000 members who are optimistic about BC's economic future, but who need a provincial partner that takes their operating environment seriously. We are grateful for this Committee's work and happy to answer any questions.

— End of Submission —

Appendix: Notes on Issues Not Addressed in Detail

The following issues were raised by our membership and are noted for the Committee's awareness, though we have concentrated our formal recommendations on the three priorities above.

HOUSING AFFORDABILITY

Our members are directly affected by housing costs through their impact on labour supply and wage pressure. We support the government's housing targets and ask that workforce housing — proximity to employment centres — receive explicit priority in any density or zoning policy that flows from provincial funding. We did not lead with this issue because it is extensively covered by other submitters and we believe our energy focus above addresses a constraint that housing policy alone cannot solve.

TRANSPORTATION AND LABOUR MARKETS

Inadequate transit to employment centres, particularly in suburban and smaller urban areas, is a persistent barrier to filling open positions. We support BC's transportation initiatives and ask that future capital investment prioritize interior cities — particularly the Kelowna census metropolitan area, one of the fastest-growing in Canada. Kelowna is home to two large post-secondary institutions requiring extensive transit connectivity, and to the ninth-busiest international airport in the country. These are not small-city needs; they are regional economic infrastructure demands.

We encourage the Province to also examine first-and-last-mile solutions for workers in industrial and commercial zones currently underserved by transit.

INTERPROVINCIAL TRADE

Bill 5: The Trade Recognition Act is a genuine step forward. Ohe primary remaining concern is in labour mobility — the mutual recognition of professional credentials and trades certifications — which continues to create hiring barriers for our members. Products in our distillery and wine industry continue to be penalized and underperform nationally due to interprovincial regulatory constraints. We urge the government to use the forthcoming Committee on Internal Trade negotiations to prioritize credential recognition timelines and reduce the administrative burden on applicants, as well as working with the various liquor control boards across our provinces and territories.

Kelowna Chamber of Commerce

544 Harvey Ave Kelowna BC V1Y 6C9

250 861 3627

hello@kelownachamber.org