



## **Budget 2026 Submission, House of Commons Standing Committee on Finance May 2026**

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First Call Child and Youth Advocacy Society is a registered charity in British Columbia that works with a non-partisan, cross-sectoral network of affiliate organizations to put children and youth first in public awareness and public policy. We conduct research and analysis on child and youth rights and well-being, offer education and training events, and make policy recommendations to promote, strengthen and defend the rights of children and youth in B.C.

We are committed to achieving the following 4 Keys to Success for B.C.'s children and youth:

1. A strong commitment to early childhood development
2. Support in transitions from childhood to youth and adulthood
3. Increased economic equality
4. Safe and caring communities

## Recommendations:

1. Ensure the Canada Child Benefit, in combination with other income measures, raises all families with children above the CFLIM after-tax poverty lines calculated through tax filer data and ensure access to this and other federal benefits for families in population groups with higher rates of poverty, such as newcomer and Indigenous families and children in lone-parent and kinship care families.
2. Restore Immigration, Refugees and Citizenship Canada (IRCC) program funding that was cut in 2025 to community agencies and programs supporting settlement and integration of newcomers to Canada which severely impacted the well-being of parents with young children.
3. Ensure maternity and parental leave benefits are universally available to all parents (regardless of work status) for at least 1 year, with a minimum benefit level of \$500 per week and an increased maximum benefit level of \$1,000 per week.
4. Scale up federal funding for social housing and ensure that federally financed housing is affordable for low-income families and reflects the diverse needs of families with children.
5. Increase the annual federal transfers to the provinces and territories to strengthen and significantly expand the Canada-Wide Early Learning and Child Care system and to provide sufficient funding to implement the Indigenous Early Learning and Child Care Framework.
6. Triple the Child Disability Benefit and create a caregivers benefit for those who lose work hours to care for their children with disabilities.

## What Federal Budget 2026 Can Do for Children in British Columbia and Canada

### 1. Enhance adequacy and extend eligibility of the Canada Child Benefit

Since its inception in 2016, the Canada Child Benefit (CCB) has become the most effective government transfer for families with children. In 2023, without CCB payments, the British Columbia child poverty rate would have been 23%, instead of 16.7%, using the CFLIM after-tax measure. Yet the after-tax average poverty gap<sup>1</sup> for a low-income BC lone parent with two children in that year was still \$17,109, and the poverty rate for BC children growing up in lone-parent households (which are mostly female-led) was 45.1% compared to the provincial average of 16.7% for all children.<sup>i</sup>

This illustrates that the CCB is only able to sustain a continued reduction in child poverty with significant additional investment because it is not large enough to reach families in deep poverty. Budget 2026 must increase investment in the CCB and target funds to families who have been left in deep poverty.

### 2. Restore IRCC funding to immigrant and refugee settlement programs that was cut in 2025

The unexpected, drastic funding cuts to settlement programs in British Columbia in early 2025 have decimated service delivery to newcomers across large and small communities in our province. These programs were supporting the settlement and integration of families with children who are already here in Canada. Communities have lost school-based supports for newcomer children and youth and literacy programs with child care for mothers. Some communities have been left with no dedicated services for immigrants and refugees at all.

These cuts were short-sighted. Pulling the rug out from under new Canadian families who need help making connections and getting established will result in hardship and slow their transitions to becoming productive, contributing citizens, while undermining the health and well-being of their children.

We are calling for immediate reinstatement of the lost funding for these settlement programs that were serving the needs of refugees and immigrant families, especially those with young children.

### 3. Reform parental leave benefits

Canada's parental leave program compares poorly to most other high-income countries, more than half of which provide more than six months of fully paid parental leave. International evidence suggests an 80% wage replacement rate is necessary to support children's essential needs and encourage paternal/secondary parent leave.<sup>ii</sup>

Low-wage workers cannot afford to take advantage of Canada's 52 weeks of parental leave benefits, or the extended 18 months, as advertised, because their benefits are too low. Outside of Quebec, about 30% of new parents are ineligible for parental leave, including around 60% of those in low-income and 40% of Indigenous parents.<sup>iii</sup>

Every newborn in Canada should have the right to protected time with a parent or caregiver in the first 12 months (52 weeks) of life.

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<sup>1</sup> This is the amount that a family's income falls below the Census Family Low Income After-Tax measure.

We recommend that maternity and parental leave benefits be made universally available to all parents (regardless of work status) for at least 1 year, with a minimum benefit level of \$500 per week and an increased maximum benefit level of \$1,000 per week.

#### **4. Scale up social housing investments to meet the needs of low-income families with children**

Budget 2026 must scale up federal funding to build thousands of new social and affordable rental housing units and maintain existing affordable housing stock to reduce the number of families in core housing need and to eliminate homelessness.

The new funding commitments in the 2025 budget were welcome, but federal investments need a stronger focus on improving affordability criteria across all federal housing programs, subsidies, and tax benefits. We recommend that affordability requirements in federal rental housing financing and co-investment funding be changed to ensure that any supported housing development includes enough units and a range of unit types that are affordable for, and meet the adequacy needs of, low-income families with children.

#### **5. Increase Early Learning and Child Care Investments**

Significant progress has been made to begin building the Canada-Wide Early Learning and Child Care system (CWELCC). However, government must continue to increase the annual federal transfers to the provinces and territories to strengthen and significantly expand the system and to provide sufficient funding to implement the Indigenous Early Learning and Child Care Framework.

The federal spending plan set out in the 2026 Economic Update will flatline operational funding. We recommend increasing federal transfers for the operation of the system each year as of 2027-28 by 11%. We recommend that operational funding increase by 13% in 2026-27 (over 2025-26) to partially fund the operational funding gap that has arisen in all provinces and territories over the last several years.<sup>iv</sup>

We recommend that in addition to the federal transfers for operational and capital CWELCC funding, Budget 2026 allocate sufficient funding for the continued implementation of the Indigenous Early Learning and Child Care Framework co-developed by First Nations, Métis and Inuit partners and the Government of Canada.<sup>v</sup>

#### **6. Increase income support for children with disabilities**

The Child Disability Benefit (CDB) is much too low to significantly improve the quality of life for families and children with disabilities. Families with eligible children with disabilities will receive up to \$3,411 for the 2025-2026 tax year through the CDB. In 2019, the Minister of Disability Inclusion was given a mandate to double the CDB. This mandate has not been met. We support the recommendation from BC Complex Kids Society and other self-advocates to triple the CDB, and create a caregivers benefit for those who lose work hours to care for their children with disabilities.

## **Endnotes:**

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<sup>i</sup> First Call Child and Youth Advocacy Society, *2025 BC Child Poverty Report Card*. November 2025. [https://firstcallbc.org/wp-content/uploads/2026/03/First\\_Call\\_Report\\_Card\\_2025\\_revised\\_Feb\\_28\\_2026.pdf](https://firstcallbc.org/wp-content/uploads/2026/03/First_Call_Report_Card_2025_revised_Feb_28_2026.pdf)

<sup>ii</sup> UNICEF Canada, *Parental Leave: For Every Child* (2024). [https://www.unicef.ca/sites/default/files/2024-06/UNICEF\\_Canada\\_Parental\\_Leave\\_Policy\\_Discussion\\_Paper\\_0.pdf](https://www.unicef.ca/sites/default/files/2024-06/UNICEF_Canada_Parental_Leave_Policy_Discussion_Paper_0.pdf).

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iii Ibid.

iv Child Care Now, *Submission to FINA's Pre-Budget Consultations on the 2026 Budget* (2026).  
<https://childcarenow.ca/wp-content/uploads/sites/9/2026/05/Revised-May-20-Child-Care-Now-2026-prebudget-submission-to-FINA.docx.pdf>

v Ibid.