

Special Committee to Review Provisions of the Election Act

# REPORT

August 2021



Second Session, 42nd Parliament



August 9, 2021

To the Honourable Legislative Assembly of the Province of British Columbia

Honourable Members:

I have the honour to present herewith the Report of the Special Committee to Review Provisions of the Election Act. The report covers the work of the Committee on its review of the annual allowance paid to political parties and was approved by the Committee on July 19, 2021.

Respectfully submitted on behalf of the Committee,

Jagrup Brar, MLA Chair

# **CONTENTS**

Composition of the Committee	4
Terms of Reference	5
Committee Process	6
Briefing by Elections BC	8
Public Consultations	10
Other Matters	14
Conclusions and Recommendations	16
Appendix A: Public Hearing Presentations	19
Appendix B: Written and Video Submissions	20



# **Members**

Jagrup Brar, MLA, Chair Surrey-Fleetwood

Peter Milobar, MLA, Deputy Chair Kamloops-North Thompson

Brittny Anderson, MLA Nelson-Creston

Greg Kyllo, MLA Shuswap

# **Committee Staff**

Susan Sourial, Clerk Assistant, Committees and Interparliamentary Relations

Ron Wall, Manager, Committee Research Services

Jesse Gordon, Committee Researcher

Stephanie Raymond, Committees Assistant

Mai Nguyen, Administrative Assistant (Co-op)

Ronna-Rae Leonard, MLA Courtenay-Comox

Andrew Mercier, MLA Langley

Adam Olsen, MLA Saanich North and the Islands



On March 2, 2021 and April 13 2021, the Legislative Assembly agreed that, pursuant to section 215.03 of the *Election Act* (R.S.B.C. 1996, c. 106), a Special Committee to Review Provisions of the Election Act be appointed to conduct a review of the annual allowance paid to political parties under section 215.02 of the Act, including, but not limited to, a review of the following:

- 1. Whether an annual allowance paid to political parties should be continued to be paid after 2022.
- 2. If an annual allowance to political parties is to be continued,
  - a. the amount of the annual allowance; and
  - b. the number of years the annual allowance is to be paid.

That any information or evidence previously under consideration by the Special Committee appointed by order of the House on March 2, 2021 be referred to the Special Committee.

That the Special Committee have all the powers of a Select Standing Committee and in addition be empowered to:

- a. appoint of its number, one or more subcommittees and to refer to such subcommittees any of the matters referred to the Special Committee and to delegate to the subcommittees all or any of its powers except the power to report directly to the House;
- b. sit during a period in which the House is adjourned, during the recess after prorogation until the next following Session and during any sitting of the House;
- c. conduct consultations by any means the Special Committee considers appropriate;
- d. adjourn from place to place as may be convenient; and
- e. retain personnel as required to assist the Special Committee.

That the Special Committee report to the House by September 1, 2021; and that during a period of adjournment, the Special Committee deposit its reports with the Clerk of the Legislative Assembly, and upon resumption of the sittings of the House, or in the next following Session, as the case may be, the Chair present all reports to the House.



# Organization and Planning

As noted in its terms of reference, on March 2 and April 13, 2021 the Legislative Assembly agreed that the Special Committee to Review Provisions of the Election Act (the Committee) be appointed to conduct a review of the annual allowance paid to political parties under section 215.02 of the *Election Act*, including, but not limited to, a review of whether an annual allowance paid to political parties should be continued to be paid after 2022 and, if an annual allowance to political parties is to be continued, the amount of the annual allowance; and the number of years the annual allowance is to be paid. Section 215.03 requires that within six months of being appointed, the Committee must submit a report to the Legislative Assembly respecting the results of the review, i.e., by September 1, 2021.

The Committee met on March 10, March 24 and April 16, 2021 to organize and plan its work.

### **Public Consultation**

On April 20, 2021, the Committee launched a public consultation inviting British Columbians to provide a written, audio or video submission prior to May 28, 2021 focused on the following questions:

- 1. Whether the annual allowance to political parties should continue after 2022; and
- 2. If so:
  - a. The amount of the annual allowance; and
  - b. The number of years it should be paid.

An advertisement was subsequently placed in major provincial and community newspapers and the Legislative Assembly's social media accounts and the Committee's website were also used to promote the consultation.

The Committee held three public hearings May 25 to 27, 2021 to hear from invited academics, stakeholders and individual British Columbians regarding the annual allowance. The names of the individuals and organizations that made presentations and those that submitted written and video submissions are listed in Appendices A and B.

### **Meeting Schedule**

The Committee met on the following dates for the purposes described below:

### 1st Session, 42nd Parliament

Wednesday, March 10, 2021

Organization and planning

Wednesday, March 24, 2021

Planning

### 2nd Session, 42nd Parliament

Friday, April 16, 2021

Organization

Wednesday, April 21, 2021

Briefing by Elections BC

Tuesday, May 25, 2021

Public Hearing

Wednesday, May 26, 2021

- Public Hearing
- Deliberations

Thursday, May 27, 2021

Public Hearing

Friday, June 11, 2021

Deliberations

Tuesday, June 29, 2021

- Deliberations
- Approval of Report

The Committee's documents, proceedings and this report are available at: <a href="https://www.leg.bc.ca/cmt/rpea">https://www.leg.bc.ca/cmt/rpea</a>



# **Statutory Framework**

The Chief Electoral Officer, Anton Boegman, and officials from Elections BC appeared before the Committee on April 21, 2021 and provided a briefing on the statutory framework and administration of the annual allowance paid to political parties.

The Chief Electoral Officer noted that the Legislative Assembly adopted the *Election Amendment Act, 2017* in November 2017. Section 215.02 authorizes annual allowance payments to eligible political parties. To be eligible, section 215.02(1) provides that a political party must receive at least 2 percent of the total valid votes cast in all electoral districts in the province, or 5 percent of the total valid votes cast in the electoral districts in which the party endorsed candidates in the most recent provincial general election.

Section 215.02(2) provides that the allowance is calculated as follows:

- In 2018, \$2.50 per vote received;
- In 2019, \$2.25 per vote received;
- In 2020, \$2.00 per vote received;
- In 2021, \$1.75 per vote received; and
- In 2022, \$1.75 per vote received.

Under section 215.02(3), the Chief Electoral Officer must pay the allowance in two equal installments on January 1 and July 1 in each applicable year.

# **Administration**

The Chief Electoral Officer advised the Committee that the requirement in section 215.02(3) to pay both installments on statutory holidays had resulted in some administrative challenges, but these were minimal. Elections BC deposits installment payments into the designated recipient's financial account the next business

day following the statutory holiday. Elections BC indicated that, to date, no complaints have been received regarding the timing of these deposits.

The annual allowance installment amounts paid since 2018 are listed below.

	BC Green Party	BC Liberal Party	BC NDP	Conservative	Rural BC Party
July 1, 2021	\$248,632.12	\$556,629.50	\$786,086.00	\$31,414.25	\$659.75
January 1, 2021	\$248,632.12	\$556,629.50	\$786,086.00	\$31,414.25	\$659.75
July 1, 2020	\$332,331.00	\$797,194.00	\$795,527.00	_	_
January 1, 2020	\$332,331.00	\$797,194.00	\$795,527.00	_	_
July 1, 2019	\$373,872.37	\$896,843.25	\$894,967.87	_	_
January 1, 2019	\$373,872.38	\$896,843.25	\$894,967.88	_	_
July 1, 2018	\$415,413.75	\$996,492.50	\$994,408.75	_	_
January 1, 2018	\$415,413.75	\$996,492.50	\$994,408.75	_	_

Source: Elections BC, <a href="https://elections.bc.ca/provincial-elections/provincial-financing/annual-allowances/">https://elections.bc.ca/provincial-elections/provincial-financing/annual-allowances/</a>

## Other Jurisdictions

The Committee received information from Elections BC officials and public hearing presentations on annual allowances for political parties in other jurisdictions. Annual allowances range from \$1.60 per vote in New Brunswick to \$2.54 in Ontario. Elections BC officials described Ontario's annual allowance system as being most like that of British Columbia — Ontario's Legislative Assembly recently adopted legislation to extend the province's annual allowance at a rate of \$2.54 per vote until 2024 and maintained eligibility criteria which mirror those in British Columbia. Most jurisdictions with an annual allowance provide annual adjustments to the per vote amount to reflect changes in the Consumer Price Index.



The Committee's spring 2021 public consultation process engaged academic experts, stakeholders and individual British Columbians in the Committee's mandate to review the annual allowance paid to political parties in the province. The Committee heard a total of 11 presentations and received 103 written submissions and one video submission, providing input on whether the annual allowance to political parties should continue to be paid after 2022 and, if so, the amount of the annual allowance and the number of years it is to be paid. Committee Members also received numerous email messages from individuals who supported the Canadian Taxpayers Federation's presentation to end the annual allowance after 2022.

# Parliamentary Democracy and Political Parties in British Columbia

Input received during the Committee's public consultations affirmed the importance of political parties to the functioning of democracy. In their presentations, Dr. Dennis Pilon, Professor of Political Science at York University, Dr. Gerald Baier, Professor of Political Science at the University of British Columbia, Dr. Avigail Eisengberg, Professor of Political Science at the University of Victoria, and Stefan MacLeod, PhD political science student at the University of Toronto, noted that well-funded, well-organized, broadly-based and stable political parties are instrumentally valuable to parliamentary democracy in British Columbia. Historically, well-organized and well-financed parties have been effective in appealing to a broad cross-section of the electorate through political compromise and the articulation of common policies. Dr. Maxwell Cameron, Professor of Political Science at the University of British Columbia, suggested that the strong contribution which political parties make to democracy constitutes an important public service — political parties are like electric utilities in that both are public goods: "electric utilities supply power; parties supply democracy."

In a presentation, Michael Roy described the work of political parties as crucial in engaging British Columbians on policy issues, recruiting candidates to run for public office, and providing training and support for their efforts to secure votes.

Academic experts also outlined evolving approaches to electoral financing frameworks across Canada. Overall, there has been a general trend of eliminating corporate and union donations and reducing individual contribution limits, although such limits differ across the country. A number of jurisdictions have implemented hybrid approaches which allow for individual contributions and provide an annual allowance to political parties. At the federal level, a per vote annual allowance was established in 2004 and phased out by 2015, and individual contribution limits were increased thereafter. Quebec and Nova Scotia have had per vote annual allowances for many years. Ontario implemented a per vote annual allowance in 2017 and recently adopted legislation to maintain it until 2024. New Brunswick authorizes a fixed sum for an annual allowance which is distributed to political parties based on their share of votes in the preceding provincial general election.

# Question 1: Should the Annual Allowance to Political Parties Continue after 2022?

The Committee sought input on the question of whether the per vote annual allowance to political parties should continue after 2022. Eight public hearing presentations and 70 written submissions supported the continuation of the annual allowance. On the other hand, three public hearing presentations, 33 written submissions and one video submission called for an end to the annual allowance after 2022. As noted above, Committee Members also received numerous email messages from individuals who supported the Canadian Taxpayers Federation's presentation to end the annual allowance after 2022.

In their presentations, academic experts advocated the continuation of the annual allowance. Based on their assessments of the experience of British Columbia and other jurisdictions in Canada and abroad, they indicated that a hybrid electoral financing approach involving an annual allowance and low individual contribution limits promotes equity to a greater extent than frameworks which rely on individual contributions, since public funds are distributed more equally under a per vote allowance than under individual contributions, where income affects the capacity to donate to political parties. An annual allowance also promotes equity because funding is based on eligibility criteria which reflect demonstrated support for political parties in the last provincial general election. Academic experts indicated that a hybrid approach enhances transparency because annual allowance payments are audited and reported. Dr. Pilon and other submitters suggested that the concerns in 2017 which gave rise to the adoption of legislation to establish an annual allowance continue to exist in the province and therefore the annual allowance should be maintained after 2022.

BC NDP President Craig Keating and Provincial Director Heather Stoutenburg noted that an annual allowance provided stability for political parties during periods of economic difficulty and uncertainty such as during the COVID-19 pandemic. Since the pandemic began, political parties have been able, with the support of the annual allowance, to maintain recruitment and training activities for potential candidates and volunteers. Michael Roy stated that when political parties do not have stable funding, their focus becomes internal — on cutting costs and fundraising — rather than on talking about issues, recruiting candidates and engaging British Columbians; by enhancing the stability of political parties, the annual allowance encourages multiple strong voices in the

province's political debate. Dr. Baier indicated that this stability strengthens democracy by encouraging diverse candidate pools and sustaining political party functions between elections.

Among those who called for an end to the annual allowance after 2022, the Canadian Taxpayers Federation's BC Director, Kris Sims, stated that direct funding to political parties is not necessary because of income tax credits for individual donations and the reimbursement of election expenses under the *Election Act*. Smaller donations are feasible in a fair and equitable manner that is democratic and by choice. BC Libertarian Party representative Keith MacIntyre felt that if a political party cannot operate on the donations of party supporters, it should not be able to rely on direct public financing.

# Question 2: If the Annual Allowance Should Continue after 2022, What Should the Amount of the Annual Allowance Be?

Those who supported the continuation of the annual allowance after 2022 provided the Committee with input on what the per vote amount of the annual allowance should be.

Of the eight public hearing presentations which favoured continuation, two proposed a per vote amount of \$2.50 plus an annual adjustment to reflect changes in the Consumer Price Index, pointing to the amount of \$2.54 in Ontario, where political parties face conditions similar to those in British Columbia. One presentation proposed a rate of either \$2.00 or between \$1.60 and \$2.50 plus a Consumer Price Index adjustment, reflecting the range of allowances across Canada. Five presentations did not identify an amount, noting that this matter was beyond their expertise.

The BC Federation of Labour's Director of Political Action and Government Relations, Denise Moffatt, and Secretary-Treasurer, Sussanne Skidmore, noted that indexation to the Consumer Price Index was provided for in other provisions in the *Election Act* and recommended that such an approach be applied to the annual allowance to political parties. BC NDP representatives advised that the Consumer Price Index was a widely accepted and non-partisan metric linked to changes in inflation and its use would avoid the risk of uncertain and unpredictable adjustments which would occur if there were no automatic adjustment mechanism or if adjustments only took place after a legislative review.

Among the 70 written submissions which supported the continuation of the annual allowance, 41 identified a per vote amount of \$2.50, with 36 of those also calling for a Consumer Price Index adjustment; four proposed the existing amount of \$1.75; three suggested a rate between \$1.60 and \$2.50; and 21 did not identify an amount, although three of these called for adjustments to reflect changes in the Consumer Price Index. Like the public hearing presentations, submissions calling for an amount of \$2.50 or between \$1.60 and \$2.50 noted similar amounts across Canada. They also indicated that an annual adjustment to the per vote amount to reflect changes in the Consumer Price Index would be reasonable and consistent with indexation for other statutory provisions.

# Question 3: If the Annual Allowance Should Continue after 2022, For How Many Years Should It Be Paid?

The Committee also sought input from those who advocated the continuation of the annual allowance after 2022 with respect to how long it should continue to be paid.

Of the eight public hearing presentations supporting the continuation of the annual allowance, five recommended that it be made permanent, based on their assessments that an annual allowance enhances equity and contributes to a strong democracy. Three of the public hearing presentations did not identify a length of time, noting that this was beyond their expertise.

Michael Roy proposed a permanent annual allowance to ensure a stable electoral financing framework. BC Federation of Labour representatives stated that a permanent annual allowance would enable political parties to effectively communicate with voters throughout the election cycle. BC NDP officials stated that a permanent annual allowance would support political parties in sustaining public engagement throughout the election cycle. Fair Vote Canada BC representative Ryan Campbell recommended a permanent annual allowance to maintain equality between voters. Dr. Pilon advocated a permanent annual allowance based on cross jurisdictional research on public funding and the benefit for political party activities.

The predominant response of the 70 written submissions favouring continuation – encompassing 47 of the submissions – was that the annual allowance should be made permanent after 2022. Two submissions proposed an extension for four or five years followed by a parliamentary committee review; and 21 did not identify a length of time. Those calling for a permanent annual allowance felt that it would strengthen equity, transparency and democracy in the province.



# **Eligibility Criteria**

A number of presentations and written submissions commented on the requirement in the *Election Act* that a political party's eligibility for an annual allowance is subject to it receiving at least 2 percent of the total valid votes in all electoral districts in the province, or 5 percent of the total valid votes cast in the electoral districts in which the party endorsed candidates in the most recent provincial general election.

Dr. Baier indicated that annual allowance systems are typically based on the share of the popular vote received in the last general election. A number of written submissions felt that this performance-based approach to eligibility was appropriate for political parties receiving direct public funding.

BC Federation of Labour representatives supported the existing eligibility criteria as a relatively low threshold which enabled new parties to qualify and have the means to communicate their vision to the public. BC NDP officials stated that the current criteria provide reassurance that the allowance will go to political parties that intend to elect Members to the Legislative Assembly. Dr. Eisenberg also supported a threshold which resulted in the provision of annual allowance payments to broadly-based political parties.

A few written submissions advocated lower eligibility criteria to provide access to small parties and independent candidates. However, Dr. Pilon suggested that the existing thresholds were reasonable because most voters support political parties rather than independent candidates. Dr. Baier noted that political parties can adjust their campaign strategies to become eligible for the annual allowance.

# **Equity-Seeking Measures**

Support for the principle that British Columbia's elected representatives should reflect the evolving diversity of the province was a common theme in the submissions received.

Academic experts suggested that an annual allowance intrinsically supports diversity among candidates by reducing financial barriers to participation in the political process.

Although the public consultation process did not directly call for input on equity-seeking measures, some presentations and written submissions commented on the possibility of changing the annual allowance to encourage a diverse selection of candidates for public office.

Presenters from the BC Federation of Labour noted that New Brunswick recently amended its annual allowance legislation to provide an additional per vote amount for votes received by women candidates in order to encourage political parties to put forward women candidates in winnable ridings, and proposed that the Committee explore how allowances could be used to promote candidates who reflect the diversity of the province.

BC NDP officials indicated that the promotion of diversity was an important responsibility and a priority for political parties. From a practical perspective, categories for rewarding particular groups could be complex and difficult to establish. Formal equity-seeking measures could also be challenging for a body such as Elections BC to administer. The officials pointed to internal party recruitment and training initiatives which have been effective in providing candidates from diverse backgrounds with confidence and skills to enter the political system.

Overall, support for diversity among the province's elected representatives was an important priority and merited continued attention by political parties and public institutions.



Committee Members expressed their appreciation to those that participated in the Committee's consultation. Their submissions and range of perspectives provided valuable input into the Committee's deliberations on whether the annual allowance to political parties should continue to be paid after 2022 and, if so, the amount of the annual allowance and the number of years it is to be paid. Members were also appreciative of the briefing provided by the Chief Electoral Officer and Elections BC officials on the statutory framework and administration of the annual allowance.

# Question 1: Should the Annual Allowance for Political Parties Continue after 2022?

Committee Members shared the view expressed in presentations and submissions that well-functioning political parties play a vitally important role within our democratic system and their ongoing activities between elections contribute to a robust democracy in British Columbia.

Members acknowledged that while some respondents expressed concern about providing direct public funding to political parties, there was support for the continuation of an annual allowance to political parties based on its benefits for equity and democracy.

Members felt that the experience of British Columbia and other jurisdictions demonstrated that an annual allowance has a levelling effect on the provision of funding to political parties and strengthens democracy by promoting stability and security for ongoing political party activities.

# **RECOMMENDATION**

The Committee recommends to the Legislative Assembly that:

1. An annual allowance paid to political parties be continued to be paid after 2022.

# Question 2: If the Annual Allowance Should Continue after 2022, What Should the Amount of the Annual Allowance Be?

The Committee noted that, of the presentations and written submissions in favour of a continued annual allowance, the most common recommendation was a per vote amount of \$2.50, as exists in Ontario (the jurisdiction described by Elections BC officials as having an electoral financing framework most like that of British Columbia). Other suggestions varied between \$1.60 and \$2.50, reflecting the range across Canadian jurisdictions with an annual allowance. Among these submissions, there was support for an annual adjustment to the per vote amount of the annual allowance to reflect the change in the Consumer Price Index.

Notwithstanding input received calling for a per vote amount of \$2.50, Members felt that this amount was too high. Although the annual allowance had commenced in 2018 at a level of \$2.50, an amount of \$1.75 had been set for 2021 and 2022. The continuation of the \$1.75 per vote amount after 2022 would be a fiscally prudent approach to supporting the province's electoral financing framework. It would also provide stability for political parties with respect to their activities between elections. An adjustment to an annual allowance to reflect changes to the Consumer Price Index would be consistent with indexation for other electoral provisions and the approach taken by most jurisdictions with an annual allowance.

## RECOMMENDATION

The Committee recommends to the Legislative Assembly that:

- 2. The annual allowance paid to political parties be calculated as follows:
  - a) In 2023, \$1.75 per vote received in accordance with section 215.02(1) of the Election Act; and
  - b) In 2024 and each following year, by adjusting the per vote amount by the change in the Consumer Price Index for the previous year.

# Question 3: If the Annual Allowance Should Continue after 2022, For How Many Years Should It Be Paid?

Members recognized that the presentations and written submissions which supported a continued annual allowance tended to favour making it permanent. Five public hearing presentations calling for continuation advocated permanence, as did 47 written submissions. The submitters also felt that a permanent annual allowance would be consistent with other electoral financing provisions and the experience of most other jurisdictions with an annual allowance.

Committee Members shared the view that a permanent annual allowance would be in line with other provisions in the *Election Act*, which are not time limited. A permanent annual allowance would also provide a stable and sustainable framework for the funding of ongoing activities by political parties in the province.

# **RECOMMENDATION**

The Committee recommends to the Legislative Assembly that:

3. The annual allowance paid to political parties be made permanent.



Dr. Gerald Baier, Associate Professor, Department of Political Science, University of British Columbia (Tuesday, May 25, 2021)

BC Federation of Labour, Denise Moffatt, Director, Political Action and Government Relations, and Sussanne Skidmore, Secretary-Treasurer (Wednesday, May 26, 2021)

BC Libertarian Party, Keith MacIntyre (Wednesday, May 26, 2021)

BC NDP, Craig Keating, President, and Heather Stoutenburg, Provincial Director (Thursday, May 27, 2021)

Dr. Maxwell Cameron, Professor, Department of Political Science, University of British Columbia (Tuesday, May 25, 2021)

Canadian Taxpayers Federation, Kris Sims, B.C. Director (Thursday, May 27, 2021)

Dr. Avigail Eisenberg, Professor, Political Science, University of Victoria, and Stefan Macleod, PhD Candidate, Political Science, University of Toronto (Thursday, May 27, 2021) Fair Vote Canada BC, Ryan Campbell (Tuesday, May 25, 2021)

Dr. Dennis Pilon, Associate Professor, Department of Politics, York University (Tuesday, May 25, 2021)

Michael Roy (Thursday, May 27, 2021)

Clayton Whitman (Thursday, May 27, 2021)

# APPENDIX B: WRITTEN AND VIDEO SUBMISSIONS

Megan Ardyche

Maureen Bader

Brett Barden

Geoff Battimelli

Helm Behlke

Brynn Bourke

Kristofer Burger

Sasha Cameron

Captus Advertising Ltd

Belinda Cardoso

Pat Carl

Melissa Chirino

City of Williams Lake

Andy Cleven

**Brett Collins** 

Steve Cooley

Suzanne Crawford

Seamus Damstrom

Caitlin Davidson-King

Jenelle Davies

Fair Voting BC

Lise Fenton

Ken Forman

Michael Gauld

Grant Halcomb-Smith

David Heinimann

Alexander Hemingway

Ainsleigh Hill

Tracy Ho

Peter Holuboff

**David Hunter** 

James Infante

Shideh (Ashraf) Javadi

David Johl

Ron Johnson

Peter King

Sean Konrad

Jessie Lane

Tina Lee

Bryan Loewen

Nathan Lusignan

Stephanie Lynn

Sandra Macpherson

Ezra Mandel

Sue Maxwell

Lachlan McAdam

Brent McEachen

Elsie McMurphy

Karan Mehta

Blair Mirau

Morgane Oger

Foundation

Pam Munroe

Larry Neilson

Alex E.H. Ng

Kenneth Olynyk

Laura Parent

**Emily-Anne Paul** 

Savanna Pelech

Penticton NDP

**Constituency Association** 

Tim Peterson

Teale Phelps Bondaroff

Shamus Reid

Sarah Rose

Jeffrey Rueger

Heather Sapergia

Jonathon Sopotiuk

**Craig Speirs** 

Mark Stewart

Ryan Stewart

Gary Stoutenburg

Sue Stroud

Katherine Taylor

Byron Theriault

Thinkific

Sylvia Treptow

Cameron Van Driel

Scott Weir

John Whistler

Clayton Whitman

Jim Williams

William Willson