

Chief Electoral Officer Report
on Election Finance

Mount Pearl North By-Election

November 21, 2017

Table of Contents

Introduction	1
Filing of Financial Statements	2
November 21, 2017 By-Election Filings	2
Political Contributions	3
Election Expenses	3
Candidate Expense Subsidy	4
Late Filing	6
Compliance Issues and Recommendations	6
Appendix A: Candidate and Party Income and Expense Statements	9
Appendix B: Listing of Political Contributions Valued at Greater than \$100 in Total	10

INTRODUCTION

This Election Finance Report is prepared to report on the financial activities of candidates and political parties in the Mount Pearl North By-Election held on November 21, 2017

The original of this report has been forwarded to the Queen's Printer for the purpose of reproduction. Also, a copy has been supplied to the Legislative Librarian for further reference by Members of the House of Assembly. This report and the summary financial information are available for viewing on the Elections Newfoundland and Labrador (Elections NL) website at www.elections.gov.nl.ca.

Election finance provisions of the *Elections Act, 1991* (the Act) deal with the registration of candidates in election events and the conduct of both political parties and candidates with respect to receipt of political contributions, limitations on election expenditures and the filing of required financial statements and reports.

This report contains a summary of the financial information submitted under these provisions. The actual financial statements on which this summary is based can be accessed through the Elections Newfoundland and Labrador website (www.elections.gov.nl.ca) or at the Elections NL office during normal business hours.

FILING OF FINANCIAL STATEMENTS

Section 304 of the Act specifies that the Chief Financial Officer (CFO) of every registered political party or candidate shall, within four months after polling day, file with the Chief Electoral Officer a financial statement of income and expenses of the party or candidate for which he or she acts relating to the election, together with the auditor's report as required by subsection 302(6). Elections NL has responsibility for conducting a review of these filings with a view to determining compliance with election finance legislation.

The Act also provides that a CFO who willfully, or through neglect, fails to file a financial return with the Chief Electoral Officer within the required time frame is liable on summary conviction to a fine of \$50 per day for each day until the filing is received.

While it is recognized that issues other than wilful intent or neglect can contribute to campaign filing delays, late filing of required returns is troubling because it negatively impacts the ability of this office to produce timely and useful financial reports for public viewing.

Political party and candidate financial returns are now made available on the Elections NL website as they are received. Stakeholders will be able to view these documents in an 'As Filed' state and determine the status of outstanding returns. Elections NL will continue to issue final reports on election financing when all filings are received and reviewed.

NOVEMBER 21, 2017 BY-ELECTION FILINGS

The total number of candidate filings for the November 21, 2017 Mount Pearl North by-election was four; consisting of a candidate from each of the Liberals, Progressive Conservatives, New Democrats, and one non-affiliated candidate.

In addition to candidate filings, Elections NL received reports on campaign income and expenses from the Liberal Party and the New Democratic Party who had nominated candidates for the by-election.

Appendix A to this report presents a summary of the income and expense statements for the two registered political parties who incurred election related expenses and a summary of the income

and expense statements for all candidates. As previously noted, the actual financial statements on which this summary is based may be viewed at the Elections NL office during normal business hours, or online at www.elections.gov.nl.ca.

POLITICAL CONTRIBUTIONS

Subsection 299(4) of the Act requires that a registered party and a candidate in an election shall, along with the statements of income and expenses for the election required by Section 304, file a listing with respect to contributions received in a campaign period that either individually or in sum exceed \$100 together with the name and address of the contributor(s).

In addition, Subsection 299(3) of the Act provides that a registered political party shall file an annual return and listing with respect to contributions made to the party in a calendar year.

To avoid duplication of these listings, **Appendix B** to this report contains a comprehensive listing of political contributions for the November 21, 2017 Mount Pearl North by-election made to the reporting candidates only. Contributions made to the reporting political parties during this period will be included in the “**ANNUAL REPORT ON ELECTION FINANCES JANUARY 1, 2017 TO DECEMBER 31, 2017.**”

ELECTION EXPENSES

The eligible expenditure limit for the Mount Pearl North By-Election was \$44,868. Both candidates and political parties can individually spend up to this amount during the campaign. The expenditure limit calculates as the number of electors on the revised list of electors multiplied by a specified factor for the year. The factor for 2017 is \$4.498 per elector, and there were 9,975 electors on the revised list of electors in Mount Pearl North when the by-election was called.

The political parties and candidates who filed returns did not exceed the expenditure limit for the by-election.

Each of the political parties and all of the candidates who filed returns relating to the November 21, 2017 Mount Pearl North by-election were found to be in compliance with the expenditure limit of \$44,868.

CANDIDATE EXPENSE SUBSIDY

Section 312 of the Act entitles a candidate who receives at least 15 per cent of the popular vote in his or her electoral district to a reimbursement of election expenses from the Provincial Treasury equal to the lesser of one-third of the expense limit for the district or one-third of actual qualifying expenses. In addition to the election expense subsidy, Subsection 302(9) provides for the subsidization of the cost of auditor services in an election to a maximum of \$500 for all candidates.

For the November 21, 2017 Mount Pearl North by-election, the total election expense subsidy payments (including auditor services) was \$31,716. Of the four candidates in the by-election, three received at least 15 per cent of the popular vote in their district thereby qualifying for subsidy payments. The subsidies paid to candidates are detailed in the following chart.

Candidate	Expense Subsidy	Audit Subsidy	Total Subsidy
Burton, Jim (LIB)	13,427	500	13,927
Kieley, Nicole (NDP)	7,362	500	7,862
Lester, Jim (PC)	8,927	500	9,427
Stratton, Hudson (NA)	0	500	500
TOTAL	29,716	2,000	31,716

All of the candidates filed their financial returns prior to the March 21, 2018 deadline, thus no eligible expense subsidies or nomination fees were forfeited by the candidates in this by-election.

Section 313 of the Act provides that any campaign surplus created either from political contributions, transfers or the payment of election expense subsidies be, in the case of a candidate whose political affiliation appears on the ballot, remitted to his or her party, and in all other cases remitted to the Chief Electoral Officer who shall hold the money in trust on behalf of the candidate to be used in the next general or by-election. If the candidate does not run in the next election, the surplus funds held in trust are remitted to the Provincial Consolidated Revenue Fund.

If a campaign with a surplus balance is entitled to a subsidy payment under Section 312, this surplus balance is deducted from the subsidy payable and remitted directly to the candidate's affiliated party.

All of the candidates eligible for election expense subsidy payments reported a campaign surplus remaining after payment of expenses. These surplus amounts were deducted from subsidy payments and remitted directly to the eligible candidate's affiliated political parties as follows:

Liberal Party	\$ 13,427
New Democratic Party	\$ 7,362
Progressive Conservative Party	\$ <u>3,437</u>
Total	\$ 24,226

In addition to surplus funds deducted from subsidy payments and paid directly to affiliated political parties, Elections Newfoundland and Labrador also directs that any other surplus funds remaining in campaign accounts be transferred to the candidate's affiliated party.

Additional surplus funds transferable by campaigns to their affiliated parties under this directive totalled as follows:

Liberal Party	\$ 8,885
New Democratic Party	\$ 243
Progressive Conservative Party	\$ <u>--</u>
Total	\$ 9,127

Total auditor subsidy payments for all candidates amounted to \$2,000. These subsidies are paid directly to the candidate's auditor after a candidate has filed their election returns.

LATE FILING

The filing deadline for the required financial statements was March 21, 2018.

Failure by a candidate to file their returns prior to the required deadline results in a forfeiture of their entitlement to a refund of the \$200 nomination fee deposit, as well as forfeiture of any election expense subsidy for candidates who received 15 per cent of the popular vote in their districts. All candidates in the November 21, 2017 Mount Pearl North by-election filed their returns prior to the filing deadline.

Political parties that incurred election expenditures during the by-election were also required to file financial returns by the filing deadline of March 21, 2018. The Liberal Party filed their by-election return with Elections NL prior to the filing deadline. The New Democratic Party filed their by-election returns late. A portion of the schedules were filed on May 22, 2018, and the audited financial statements were filed with this office on June 14, 2018.

As mentioned above, the Act provides for fines and/or penalties on summary conviction for a CFO who either willfully, or through neglect, fails to file a financial return with Elections NL within the time required by legislation.

Elections NL completed a review of the circumstances concerning all late filings to determine whether proceedings should be instituted on the grounds of willful intent or negligence by the respective CFOs. The conclusion of this office as to the reasons for the late filings is that there was no willful or negligent action on the part of the CFOs and the decision was made not to pursue charges.

COMPLIANCE ISSUES AND RECOMMENDATIONS

As part of the powers and duties under the Act, the Chief Electoral Officer is responsible for ensuring compliance by registered entities with the provisions of Part III which specifically addresses election finance issues and the disclosure and reporting requirements for financial information. The spirit and intent of these legislative provisions are to promote fairness and equality with respect to spending by campaigns and openness with respect to reporting of

contributions and other money sources.

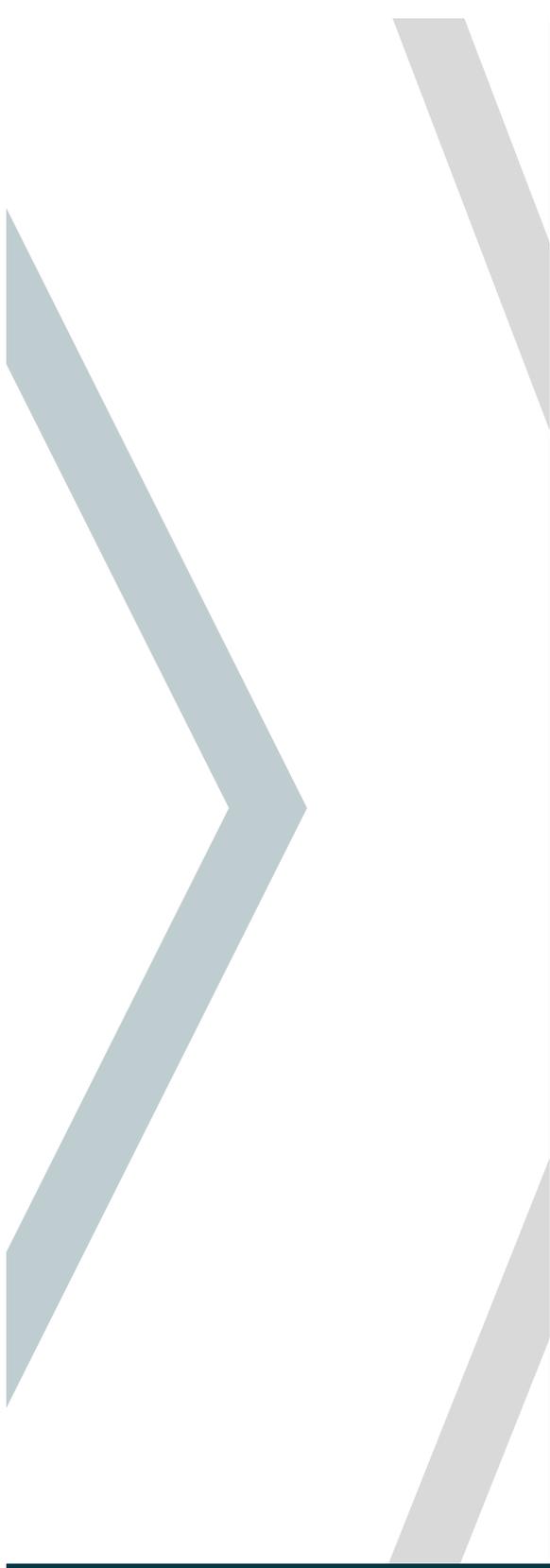
With respect to the review of campaign filings for the 2017 Mount Pearl North by-election, Elections NL encountered only a few compliance issues. While the issues encountered were of a nature that did not compromise the principles of fairness, equality and openness and all issues have been resolved, some of the more serious issues that this office faces with respect to election finances have been presented below.

It should be noted that, with the exception of fraudulent activity, Elections NL does not have the legislative authority to intervene or disallow a particular expenditure relating to an election. It does, however, have the ability to classify election expenses as ineligible for subsidy reimbursement.

The CFO for a party or a candidate has primary responsibility for authorizing and incurring election expenses during an electoral event. Further, the CFO is required to report all expenditures to Elections NL. Those expenditures are then incorporated into an election finance report and become a matter of public record. Provided that all campaign expenditures are within the expenditure spending limit, a CFO is entitled to spend campaign money in whatever manner is deemed acceptable for the purpose of securing the election of their candidate.

Late filing of returns continues to be a problem for Elections NL. This is despite efforts to ensure that parties, candidates, and CFOs are aware of the filing deadline and the provisions of Section 320 of the Act months in advance of the filing deadline. Late filings hinder this office's ability to report on election finances in a timely manner. The Chief Electoral Officer did not fine or prosecute any campaign CFO pursuant to Section 320 of the Act, as the circumstances surrounding each of the late filings by the candidates did not constitute willfulness or neglect to file the returns on behalf of each respective CFO.

Elections NL recognizes that many of the campaign and political party CFOs are acting on a volunteer basis. This does not, however, absolve CFOs from their duty to ensure they file candidate and political party returns on time and in accordance with the Act. As late filing of returns, or filing of incomplete returns continues to be an issue, Elections NL will be enforcing section 320 of the Act for non-compliant returns filed in 2019. CFOs will be liable for fines of \$50 per day that any campaign or political party return is late or



incomplete. At the beginning of each campaign CFOs will be issued notice of the filing date for campaign returns and the penalty for non-compliant returns. In addition, reminders will be sent to CFOs during the reporting period of the deadline to file returns to ensure compliance.

Elections NL looks forward to discussing these identified problem areas with the Political Advisory Committee established under the Act, and to working toward establishing procedures and guidelines acceptable to all parties that will further alleviate any concerns with respect to maintaining the principles of fairness, equality, and transparency of election finances.

Appendix A: Candidate and Political Party and Income and Expense Statements for the November 21, 2017 Mount Pearl North By-Election

	Jim Burton (Lib)	Nicole Kieley (NDP)	Jim Lester (PC)	Hudson Stratton (NA)	Liberal Party	New Democratic Party
Income	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Contributions	11,000	18,645	8,650	2,400	-	50
Fundraising (net of contributions)	-	-	-	-	-	-
Transfers Received	38,360	5,887	12,442	-	7,000	-
Opening Inventory	-	-	2,869	-	-	-
Nomination Fee Reimbursement	200	200	200	200	-	-
Candidate Expense Subsidy	13,427	7,362	8,927	-	-	-
Other	-	-	-	-	-	-
Total Income	62,988	32,093	33,089	2,600	7,000	50
Expenses						
Expenses Subject To Statutory Limit						
Accounting/Professional Fees	650	-	650	190	-	-
Advertising/Printing	27,896	9,795	12,473	2,090	552	-
Bank Charges/Interest	33	176	36	15	-	-
Fundraising	-	-	-	-	-	-
Insurance	-	-	-	-	708	-
Meetings/Social Functions	3,006	72	513	-	150	-
Office and Equipment Purchased	-	-	-	-	-	-
Office and Equipment Rental	1,120	3,200	575	-	14,105	-
Office Supplies	1,167	1,311	244	-	5,141	-
Opening Inventory	-	-	2,869	-	-	-
Postage	1,246	98	244	208	-	-
Research and Polling	3,374	-	4,407	-	-	-
Salaries & Benefits	-	8,060	5,225	-	3,500	-
Telephone/Utilities	1,211	420	877	-	1,271	-
Campaign Worker Travel	580	-	1,538	-	-	-
Other	-	39	-	-	-	-
Subtotal	40,282	23,171	29,652	2,502	25,427	-
Expenses not subject to statutory spending limit						
Candidate's Travel/Personal Expenses						
Meals	-	-	-	-	-	-
Accommodations	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Salary/Other	-	1,000	-	-	-	-
Transfers Paid Out	-	-	-	-	38,360	5,887
Thank You Party	193	118	-	-	-	-
Nomination Fee	200	200	200	200	-	-
Other	-	-	-	-	-	-
Subtotal	393	1,318	200	200	38,360	5,887
Total Expenses	40,675	24,489	29,852	2,702	63,787	5,887
Campaign Surplus (Deficit)	22,313	7,604	3,237	(102)	(56,787)	(5,837)

Appendix B: Listing of Political Contributions Valued at Greater than \$100 in Total for the November 21, 2017 Mount Pearl North By-Election

Contributor	City/Town, Province	Candidate/Party	District	Amount
55402 Newfoundland and Labrador Inc.	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	400.00
A Cut Above Painting & Plastering	Mount Pearl, NL	Stratton, Hudson (NA)	Mount Pearl North	2,200.00
Andrews, Raymond	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	250.00
Atlantic Leasing Ltd.	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	250.00
Boulder Publications Ltd.	Portugal Cove-St. Philip's, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Brazil, David	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	200.00
Buckingham, Robert	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	250.00
Cheeks, Marion	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	400.00
City Tire & Auto Ltd.	Mount Pearl, NL	Lester, Jim (PC)	Mount Pearl North	500.00
Connors, Kathleen	Pouch Cove, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Cooper Consulting Inc.	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	250.00
Corner Brook Distric Labour Council	Corner Brook, NL	Kieley, Nicole (NDP)	Mount Pearl North	250.00
Crosbie, Chesley	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	1,000.00
Crosbie, John C.	Portugal Cove-St. Philip's, NL	Lester, Jim (PC)	Mount Pearl North	1,000.00
Crosbie, Nicholas	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	500.00
CUPE NL Division	Conception Bay South, NL	Kieley, Nicole (NDP)	Mount Pearl North	500.00
Davis, Paul	Conception Bay South, NL	Lester, Jim (PC)	Mount Pearl North	200.00
Furey, Andrew	Portugal Cove-St. Philip's, NL	Burton, Jim (Lib)	Mount Pearl North	300.00
Geoffrey E. Budden PLC Inc.	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	500.00
Gladiator Holdings Inc.	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	250.00
Goulding, Allan	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Harvey's Travel Limited	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	500.00
Hood, Karen	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	200.00
Hutchings, Keith	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	200.00
Jones, Yvonne	Mary's Harbour, NL	Burton, Jim (Lib)	Mount Pearl North	3,000.00
Kieley, Donald	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	1,000.00
Kieley, William F.	Mount Pearl, NL	Kieley, Nicole (NDP)	Mount Pearl North	150.00
Long, Gene	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Lucas, Wayne	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Manning, Eugene	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	300.00
Mercer, Greg	Humber Village, NL	Burton, Jim (Lib)	Mount Pearl North	1,100.00
Mercer, Greg	Humber Village, NL	Burton, Jim (Lib)	Mount Pearl North	1,100.00
Michael, Lorraine	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Mila Foods Inc.	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	300.00
Moore, Lisa	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	110.00
NL Federation of Labour	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	2,000.00
Noseworthy, George	Mount Pearl, NL	Kieley, Nicole (NDP)	Mount Pearl North	1,000.00
Oram, Paul	Glovertown, NL	Lester, Jim (PC)	Mount Pearl North	1,000.00
Parsons, Kevin Jr.	Torbay, NL	Lester, Jim (PC)	Mount Pearl North	200.00
Pearl Entertainment Promotions Inc.	Mount Pearl, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Perennial Management Limited	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	1,150.00
Peter Pan Sales	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	200.00
Petten, Barry	Conception Bay South, NL	Lester, Jim (PC)	Mount Pearl North	200.00
Pike, E Holly	Corner Brook, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Pretty, Tina	Mount Pearl, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Quikprint Services Limited	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	200.00
Regal Realty Limited	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	200.00
Remax Realty Specialists	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	1,150.00
Rice, Gerry	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	200.00

Appendix B: Listing of Political Contributions Valued at Greater than \$100 in Total for the November 21, 2017 Mount Pearl North By-Election

Contributor	City/Town, Province	Candidate/Party	District	Amount
Riche, John	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	500.00
RJG Construction	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	1,000.00
Road Ghost Productions Inc.	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	1,000.00
Rossiter, Mona	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
Shortall, Mary	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	200.00
St. John's and District Labour Council	St. John's, NL	Kieley, Nicole (NDP)	Mount Pearl North	500.00
Sullivan, Loyola	St. John's, NL	Lester, Jim (PC)	Mount Pearl North	250.00
Tols Time Out Holdings (2014) Inc.	Mount Pearl, NL	Lester, Jim (PC)	Mount Pearl North	300.00
UNIFOR	Toronto, ON	Kieley, Nicole (NDP)	Mount Pearl North	3,000.00
Walsh, Brian F.	Holyrood, NL	Lester, Jim (PC)	Mount Pearl North	500.00
Wicks, Brad	St. John's, NL	Burton, Jim (Lib)	Mount Pearl North	1,000.00

