

Strengthening Local Democracy

Submission to the BC Local Government Elections Task Force
by the Centre for Civic Governance at Columbia Institute

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Introduction

The Centre for Civic Governance appreciates this opportunity to present our perspectives and research on electoral and campaign finance reform to the BC Local Government Elections Taskforce.

About the Centre for Civic Governance

The Centre for Civic Governance is an initiative of the Columbia Institute, a charitable organization focused on nurturing leadership for inclusive, sustainable communities. Our goal is to support community leadership in meeting today's social and environmental challenges: global warming, Canada's increasing equity gap, the impact of technology and changing social trends. Our work focuses on strengthening Canadian communities through sharing best practices, providing tools for locally elected leaders, and innovative research and policy analysis.

The importance of local democracy

As noted in Task Force documents, in the media and in our own work with BC community and local leaders, controversies arising out of the 2008 local elections were a key catalyst for the launch of the Local Government Elections Task Force. Cases related to campaign finance and disclosure in Central Saanich, West Vancouver, and Summerland were particularly notable.¹ And while disclosure was not a contentious issue in the 2008 Vancouver municipal campaigns, public concerns have been raised regarding the growing scale of campaign spending in BC's largest municipality.² Rather than re-iterating the well-known facts of these cases, this submission will be framed by a short overview of the public stakes in fair and democratic local governance.

Municipal governments and school board make key decisions around education, core physical and social infrastructure, and the economic health and viability of our communities. Through zoning and land use permits, local governments are central to the very physical shape and scale of our communities. Growing awareness of dangers associated with global climate change and environmental degradation have made local government decisions significant in ways previously unconsidered, and the importance of this dimension is sure to grow in the coming decades. From housing density, to transit infrastructure, to local energy production, waste management and recycling programs, to efforts to mitigate the effects

¹ See journalist Daphne Bramham's series of articles for the *Vancouver Sun*, including:

- "Since when is democracy not in the public interest?; Justice branch refuses to proceed with charges recommended by RCMP in Central Saanich municipal election"(Sep. 16 2009, p. A4);
- "Municipal election reform long overdue, but timely change unlikely"(Nov. 7 2009, p. C5);
- "Citizens ask RCMP to investigate Summerland election donations" (Dec. 11 2009, p. A1);
- "It's time for the province to clean up our dirty little civic elections secret"(Aug. 13 2009, online at <http://www.vancouver.sun.com/news/time+province+clean+dirty+little+civic+elections+secret/1888243/story.html>)

² See Lori Culbert and Chad Skelton (March 19, 2009). "Civic election spending in Metro soars." *Vancouver Sun*: <http://www.vancouver.sun.com/news/Municipal+election+spending+Metro+Vancouver+soars/1403525/story.html>

of climate change, it is no exaggeration to say that cumulative decisions of local government will have critical impacts at the provincial, national and global levels.

Given these stakes, it is crucial that local governments be responsive to the desires and long-term needs of the whole community, and not skewed towards the interests of an influential few. Concerns regarding the disproportionate influence of private real estate developers on local government land use decisions and infrastructure planning, for example, have long been an issue in BC communities. A well-functioning, well-governed system of local elections is essential to ensure that local governments work in the best interests of the electorate they represent.

But despite the significance of local politics, participation and engagement has been very low in recent years. The total voter turnout in BC local elections was less than 28% in 2008, and less than 20% in a number of communities. In Vancouver, less than 31% went to the polls. Awareness of local politics is similarly low, indicating a lack of citizen engagement in local governance. A poll commissioned by the Centre for Civic Governance prior to the 2008 local elections found that less than 39% of respondents were able to name even one of their local councilors and only 35% could identify the correct month for BC local elections. Greater degrees of participation and engagement are needed for local democracy to be effective and representative. By encouraging public confidence in the fairness, effectiveness and accessibility of local electoral processes, electoral reform can play an important role in rejuvenating local democracy and public participation.

Principles guiding this submission

While our recommendations in this submission are outlined in relation to institutional and other practical considerations, they have been shaped by six underlying principles we believe are key to encouraging public participation and confidence in local governance.

Fairness: Elections need to be sufficiently well regulated to prevent unfair, fraudulent or unscrupulous campaign and voting practices, and to ensure that the votes of all community members are treated equally.

Accessibility: The ability to mount a viable, competitive election campaign and otherwise participate in local elections should not be limited to only those with the most financial resources, and nor should candidacy be restricted by unnecessary legal and bureaucratic barriers.

Transparency: Elections and campaign financing should be well documented and documentation readily accessible to researchers, campaigns and the general public.

Accountability: Effective oversight and enforcement of election rules and regulations require legally clear and publically well understood institutional lines of accountability, including effective powers of investigation and enforcement for the institution(s) responsible for oversight.

Consistency: Election standards, regulations and practices should be consistent in communities across the province and in harmony with BC provincial and general federal election regulations.

Effective and Efficient Governance: Governance of the local election system should not be unnecessarily cumbersome and should promote democratically representative, accountable and effective governance. While some extra expense may be required to ensure effective oversight and enforcement, the election system should not be unduly expensive to operate, nor so complex that it leads to confusion during election campaigns or frequent ambiguities regarding the legitimacy of election results.

General summary of Centre for Civic Governance recommendations:

- Reject the corporate vote. Voting rights for corporations conflict with core democratic principles and human rights.
- Extend municipal voting rights to more BC residents, including:
 - Landed immigrants and other permanent residents of BC
 - Enfranchising voters from the age of 16.
- Elections BC be made responsible for oversight of local election campaigns, including financial disclosure, compliance, monitoring, investigation of complaints, and be given the ability to launch independent investigations. Elections BC should play a key role in enforcement (working together with relevant law enforcement agencies).
- Administration of local elections, including voter registration, ballot counting, the management of election workers, setting up polling stations, etc. continue to be carried out by local authorities, but with Elections BC having an oversight role in regards to any complaints or irregularities.
- A four-year local elections cycle, with local elections scheduled in the middle of the fixed provincial cycle to avoid overlap with provincial election years.
- Municipal and school board candidate campaign spending limits, based on a per capita formula (with consideration given to the possibility of additional allowances for the geographical specificities of some dispersed rural communities).
- Third party campaign spending limits, disclosure and regulations applicable during the municipal election campaign period, with BC provincial regulations as a model.
- If restrictions on campaign contribution sources are implemented, a fair system of public campaign financing would become essential to ensure fairness and accessibility.
- Retain existing penalties and sanctions for non-compliance and violations of campaign financing rules, but with consistent enforcement and application of rules through Elections BC.
- Ensure that all disclosed material is available electronically online through Elections BC (and also by mail upon request), and that campaign finance records are retained permanently in a publicly accessible Elections BC electronic database.

- Clarify disclosure rules for third party “campaign organizers” and other non-candidate campaigners in local elections and give Elections BC power to actively monitor such campaigns (including the investigation and audits of third party campaigns). A disclosure system based on the model governing third-party participation in provincial campaigns would be appropriate.
- Require campaigner registration and full financial disclosure in “other voting” campaigns (referendums, elector assent matters, etc).
- Mandatory audits of campaigns with more than \$5,000 in donations or expenses.
- Disclosure deadlines be shortened to 90 days after Election Day (from the current deadline of 120 days plus a 30 day grace period).

I. Corporate voting in local elections

Summary of recommendations:

1. Reject the corporate vote. Extending voting rights to corporations conflicts with core democratic principles and human rights.
2. Encourage democratic participation and public engagement by extending municipal voting rights to more BC residents, including:
 - a. Landed immigrants and other permanent residents of BC
 - b. Enfranchising voters from the age of 16.

1. Corporate voting: a step backwards for democracy

The historical development of electoral democracy in Canada and other liberal democratic countries has been characterized by a progressive shift from unequal voting rights based on property ownership and other forms of privilege to enfranchisement as a human right open to all adult members of the population. In Canada, where the franchise was originally reserved only for property owning men of European extraction over the age of 21, reform movements fought long and hard to win voting rights for working people, women, First Nations people, Chinese and Japanese Canadians and others originally excluded from representation and participation in the electoral system. If there is a paradigmatic ideal shaping the long term development of our representative democratic system, it is the idea that each person's vote is equal – in short “one person, one vote.”

Viewed from this perspective, giving incorporated businesses a vote in elections would be a significant step backwards in the progress of Canadian democracy. Re-linking the franchise to property ownership would not only give a select population more than one vote, but also grant what is commonly understood as a democratic human right to a non-human, economic entity. In essence, such a move would mark the return of formal, institutionalized privilege in politics based on property ownership and economic power. Voting is a fundamental democratic human right, and re-linking voting to property and economic rights would be a step in the wrong direction.

Establishing a corporate vote at the local level in BC could also set problematic precedents for other levels of government. For example, should corporations be able to vote federally and provincially? And would trade agreements such as NAFTA and the FTAA legally oblige BC communities to treat foreign corporations ‘equally’, and give them the vote? And could enfranchising corporations even ultimately open the door to an economic entity running for political office? While this last scenario is (hopefully) far-fetched, it nonetheless points to a wide spectrum of potentially thorny legal and policy issues that could arise.

A final argument against the corporate vote is that it is unnecessary. Businesses exercise significant informal political power in BC, both because of their significance to the economic wellbeing of local communities and through the lobbying and public policy work of business and trade associations and local Chambers of Commerce. Individually and collectively, BC businesses are well equipped to work for their interests through lobbying, representation on political commissions and other official bodies,

political campaign donations, litigation and people from the business community running for political office. Business in BC is not a powerless constituency, excluded from the corridors of power.

Precedents for the corporate vote

To the best of our knowledge, the only contemporary jurisdiction within a liberal democracy with a corporate vote is the United Kingdom's 'City' of London, a geographically small financial district with a low resident population, situated in the historic core of the UK capital. The political arrangements in the City of London date back to medieval times, and there is a rising tide of sentiment in the UK to reform or abolish these isolated, pre-modern institutions and practices.³

2. Enfranchising more British Columbia residents

a. Local voting for non-citizen residents of BC

While corporate voting rights would mark a step backward on the path of democracy, extending the vote to include more of the people living in BC communities would be in keeping with Canada's democratic traditions.

In the year of the last BC municipal elections, almost 78,000 adult, economic-class landed immigrant BC residents were not yet eligible to vote.⁴ This was most significant in the City of Vancouver, where landed immigrants made up 14 -15 percent of the population during this period.⁵ If refugees, temporary foreign workers and family-class migrants are included, the number rises even higher.

This exclusion is problematic in a wide range of ways. As researchers from Canada's Maytree Foundation have noted, the denial of voting rights to non-citizen residents means that "...issues that are important to recent immigrants and visible minorities may be overlooked because they can't participate in local elections."⁶ This is particularly egregious in BC, where voting rights are currently extend to non-resident property owners. In effect, one can 'buy' a vote in BC communities through property ownership, while many residents who live, work and contribute to these same communities have no say in governance.

Relevant provincial legislation could be changed to extend municipal voting rights to all BC residents of legal voting age. As argued in Maytree Foundation research, such a change would:

³ For an overview see Andrew Stevens (2006), "The City of London offers on one square mile of history, feudal governance and global finance." *City Mayors* website: http://www.citymayors.com/government/london_corp.html

⁴ Citizenship and Immigration Canada (2009, p.28), *Facts And Figures 2008*.

⁵ Citizenship and Immigration Canada (2009, p.27), *Facts And Figures 2008*.

⁶ The Maytree Foundation (2007, p.1). "Extend the right to vote to non-citizen residents in Canada's diverse cities." *Maytree Policy in Focus*. Issue 1, September 2007, p. 1. Available online at http://maytree.com/PDF_Files/MaytreePolicyInFocusIssue1.pdf

- signal belonging and participation for newcomers;
- enhance accountability of municipal leaders because they would represent all the people they serve;
- encourage the political participation of newcomers early in the settlement process;
- put issues that are important to newcomers and visible minorities on the political agenda at the municipal level;
- invigorate and enhance a notion of city citizenship; and
- strengthen the voice of cities at the provincial and national level because once citizens, newcomers might be more likely to vote in these elections.⁷

Precedents for non-citizen residents voting in municipal elections

Internationally, many jurisdictions have extended municipal voting rights to non-citizen residents, including Ireland, Sweden, Denmark, Finland Norway and New Zealand and there are also similar efforts afoot in a number of US municipalities. There is already strong movement for extending voting rights to non-citizen residents in Toronto, with support from current Toronto Mayor David Miller and a number of city councilors and other community leaders.⁸

b. Lower the municipal voting age to 16

Enfranchising younger British Columbians would encourage wider political participation by engaging people in the political process at a younger age. It could also foster community cohesion and engagement by including younger people in the formal decision making processes of the community. Given falling participation rates and the importance of local political engagement discussed earlier in this submission, this recommendation is well worth considering.

Young people in BC are currently denied formal participation in local elections, despite having significant stakes in the education, transit, parks, recreation and other areas under local jurisdiction. By the age of 16, many people are already working, paying taxes and otherwise contributing to their communities. As a report prepared by the UK House of Commons Library notes:

“The arguments put forward for denying 16 and 17 year olds the vote are the same as those put forward previously for denying women and working classes the right to vote, that they were too innocent of the world and those who had the right knew what was best for them.”⁹

⁷ The Maytree Foundation (2007, p. 1). “Extend the right to vote to non-citizen residents in Canada’s diverse cities.” *Maytree Policy in Focus*. Issue 1, September 2007. Available online at http://maytree.com/PDF_Files/MaytreePolicyInFocusIssue1.pdf

⁸ Brodie Fenlon (June 12, 2009). “Mayor renews pledge to give landed immigrants the right to vote.” *The Globe and Mail*. Available online at: <http://www.theglobeandmail.com/news/national/mayor-renews-pledge-to-give-landed-immigrants-the-right-to-vote/article1179146/>

⁹ Isobel White (2009, p.5). *Reduction in Voting Age*. UK House of Commons Library, Parliament and Constitution Centre. Available online at: <http://www.parliament.uk/commons/lib/research/briefings/snpc-01747.pdf>

Precedents for lowering the voting age

There are numerous precedents for enfranchising people under the age of 18. 16 year olds can vote in municipal elections in 7 of the 16 states in Germany. Youth have been voting Austrian states since the 1990s, and in 2007 the voting age was moved to 16 for elections at all levels in that country. Brazil and several other Latin American countries also permit 16 and 17 year olds to vote, and selected municipalities in Norway will be participating in a youth voting pilot project in 2011.¹⁰

II. Oversight and enforcement: a role for Elections BC

Summary of recommendations

1. Elections BC be made responsible for oversight of local election campaigns, including financial disclosure, compliance, monitoring, investigation of complaints, the ability to launch independent investigations, and a key role in enforcement (working together with relevant law enforcement agencies).
2. Administration of local elections, such as voter registration, ballot counting, the management of election workers, setting up polling stations, etc. continue to be carried out by local authorities, but with Elections BC having an oversight role in regards to any complaints or irregularities about the conduct of election processes and administration.

1. Oversight of local election campaigns by Elections BC

Many of the problems arising out of the 2008 BC municipal campaigns involved a lack of clarity as to who exactly was responsible for overseeing, investigating and enforcing provisions of existing electoral legislation, especially in regards to campaign financing. The lack of any centralized oversight body and widely variable degrees of capacity and/or willingness to investigate and enforce municipal elections regulations meant that rules were not necessarily enforced consistently across the province, and monitoring was in effect left to the initiative of candidates and local citizens. The Local Government Act does not at present even provide local Chief Electoral Officers with the authority or tools necessary to take an active investigatory role in such matters. Some elements of campaign financing regulations, especially in regards to third party ‘campaign organizers’, were likely not well understood by the non-specialist officials tasked to oversee campaigns.

Where complaints were brought forward, citizens, local authorities and even law enforcement agencies were sometimes unclear as to who had ultimate authority regarding investigation and enforcement. Some observers have also raised concerns regarding potential or perceived conflict of interest when municipal employees are tasked with policing the campaigns of elected officials with supervisory power over the workplace and their electoral competitors.

Oversight of local elections campaign regulations by Elections BC is an effective way of addressing these problems. Elections BC is well positioned to provide:

¹⁰ National Youth Council of Ireland (2009). “What is happening in the rest of the world.” *A New Age in Voting* campaign website: <http://www.voteat16.ie/node/8>

- a. **Consistency:** Both in application of local election rules and regulations across the province, and with provincial election standards and procedures. This would be important both in terms of enforcement/compliance and in relation to training, education and provision of authoritative advice to candidates, local officials and campaign organizations.
- b. **Fairness, neutrality and objectivity:** As a centralized body, Elections BC is less likely to be unfairly influenced (or perceived to be influenced) by incumbent local officials, powerful local interests and individuals, or to be biased in relation to polarizing local issues or power struggles.
- c. **Expertise:** As a specialized agency, Elections BC is better equipped to interpret regulations and oversee campaigns than are local officials who take these tasks on part-time every several years, often concurrent with existing responsibilities.
- d. **Resources:** An adequately funded and staffed Elections BC is also better resourced to carry out detailed investigations related to campaign finance, especially in contrast to small and medium sized municipalities. At present, investigation is largely left in the hands of individual citizens or local authorities, which is both unfair and often inefficient.
- e. **Established Procedures:** Elections BC has an ongoing, clear and structured relationship with BC law enforcement agencies in regards to enforcement and prosecution of elections offences. Existing letters of understanding between Elections BC and law enforcement could be easily adapted to include local elections.

2. Administration of local elections

While the conduct and oversight of campaign participants, especially in regards to campaign finance rules, have been the focus of a number of concerns and complaints, very few problems or complaints have come to light regarding the administrative dimensions of recent BC local elections. Because this is the case, we recommend that administrative responsibilities such as voter registration, managing of polling stations, vote counting and related tasks continue to be carried out by local authorities. This seems the most efficient and cost-effective way of delivering these services. Election BC could play a role in relation to training of local election officials, and is well positioned to take on investigatory and enforcement responsibilities in the event of complaints or irregularities in the administration of local elections.

Precedents: The above recommendations are similar to the role played by provincial authorities in Quebec municipal elections, and are consistent with what the relevant Taskforce discussion paper refers to as a “medium” role for Elections BC in local elections.

II. Election cycles and terms of office

Summary of recommendations

1. Shift to a four-year local elections cycle, with local elections scheduled in the middle of the fixed provincial cycle to avoid overlap with provincial election years.

1. Four-year election cycle and terms of office

Shifting from BC's current three-year local election cycle to a four-year cycle and four-year terms of office makes sense for a range of reasons. In brief:

Four-year terms of office:

- Are a more efficient allocation of time and resources, in that they give new councilors, trustees and mayors more time to focus on their work after the steep learning curve of their first year in office and before the distractions of the next election campaign.
- Allow for longer-term planning and greater capacity of councils to follow lengthy and complex projects through to completion. This is becoming increasingly important in the context of rapidly growing urban centres with complicated infrastructure and planning needs

Four-year election cycle:

- If Elections BC takes over monitoring and enforcement of local elections, it makes practical sense to reduce the logistical burden, resource strain and expenses required for Elections BC to oversee both provincial and local elections in the same year. With the current four-year fixed provincial election cycle and three-year local election cycle, such an overlap occurs every 12 years.
- Overlapping or overly close-together elections are a factor in voter, volunteer and campaign worker fatigue, and likely lead to lower voter turnout and participation in electoral politics. Reports suggest that the strain of holding federal, local and provincial campaigns in the 8.5 month space between September 2008 and May 2009 made campaigning and fundraising difficult, reduced volunteer participation, reduced media interest, fatigued voters and was ultimately a major factor in record-low voter turnouts in all three elections.¹¹ While federal election cycles would of course remain unpredictable, regularizing provincial and local election cycles to avoid this type of overlap would go a long way in preventing a similar fatiguing 'marathon' of election campaigns in the future.

Precedents for four-year election cycles/terms of office

- Four-year terms of office for locally elected officials are already in place in most of Canada, including Ontario, Quebec, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, some urban communities in PEI and for urban centres and northern communities in Saskatchewan starting in 2010. Alberta, BC, Nunavut, The Yukon and Northwest Territories are currently the only jurisdictions still on 3 year (or less) election cycles.

¹¹ See for example CTV News (October 29, 2008), "Election fatigue an issue in Vancouver-Burrard": http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20081028/BC_vancouver_burrard_profile_081028/20081028/?hub=BritishColumbiaHome and also "Civic voter turnout low across province" *Nanaimo News Bulletin*, November 21, 2008, p.6.

III. Campaign finance: spending and donations

Summary of recommendations:

1. Introduce municipal and school board candidate campaign spending limits, based on a per capita formula (with consideration given to the possibility of additional allowances to accommodate the geographical specificities of some dispersed rural communities).
2. Spending limits, disclosure and regulations be applied to third-party campaigning during the municipal election campaign period. The limits and regulations applying to third party campaigning in BC provincial elections provide a good model, and could be almost directly transposed to the municipal level.
3. If restrictions on campaign contribution sources are implemented, a fair system of public campaign financing would become essential to ensure fairness and accessibility.

1. Campaign spending limits

To improve fairness and accessibility, the Centre for Civic Governance recommends the introduction of municipal campaign spending limits, using a per capita formula to scale these limits to the size of individual communities. The precise formula for spending limits would require further research and consultation, but needs to be high enough to allow for an effective campaign, but low enough to facilitate accessibility for all serious candidates and campaigns. In the interests of province-wide consistency and to avoid real or perceived conflicts of interest, consideration should be given to legislating these limits provincially, rather than leaving this to voluntary action by individual local governments, where incumbents could potentially devise rules that best suit their own interests. Campaign spending limits would be monitored and enforced by Elections BC.

Reasonable limits on campaign spending are one of the most effective and straightforward ways to ensure greater fairness and accessibility in local politics. Especially in larger BC communities, the ‘campaign spending race’ has escalated to the point that it is very difficult to mount a competitive campaign without a well established fundraising machine and/or large donations from businesses, real estate developers, wealthy individuals, trade unions or other well-resourced backers. Candidates without the financial resources to pay for large advertising buys, billboards, extensive signage and other costly forms of public exposure are simply unlikely to be noticed in this context. Escalating financial requirements driven by competition for media exposure also put a heavy strain on candidates and electoral organizations who must struggle to raise money, and for the donors who ultimately pay the costs. The public interest would be better served if electoral candidates and organizations could focus more on policy development and serving constituents, and less on how to raise money for advertising buys.

Common arguments against campaign spending limits – for example the argument that ‘spending doesn’t guarantee victory’ - don’t hold up well to scrutiny. While it is of course true that spending the most in a given campaign doesn’t guarantee victory, it is also common sense that a certain relative magnitude of spending is necessary to effectively ‘be in the race,’ particularly in large communities where voters are dependent on media coverage for knowledge about candidates and issues. If one municipal candidate spends \$100,000 on a campaign and the other \$85,000 chances are that both were able to mount relatively equal media and publicity campaigns and make their names and policies known to the public. On the other hand, if one candidate is able to spend \$100,000 and her opponent is only

able to spend \$8,000, there will almost surely be a qualitative difference in the degree to which the lower spending candidate is able to make herself and her policies known to voters. Spending the most doesn't guarantee an election victory, but there is a clear correlation between campaign spending and competitive elections performance. While there is no need to legislate absolute equality in campaign spending, both voters and candidates deserve an accessible electoral 'playing field' that doesn't 'price out' serious candidates, or allow one candidate to use financial resources to gain an insurmountable advantage in access to means of publicity.

The other common argument against spending limits is that they restrict 'free speech.' This argument is flawed at a deep level, in that it jumbles together the democratic political/human right of 'free speech' with a notion of 'freedom' drawn from ideas of consumer and property rights. Having unlimited capacity to spend on advertising and other campaign material is not in itself a right of expression; it is instead a right to dispose of one's property and financial resources in a specific way. Those who argue for the 'right' to unlimited campaign spending are in essence arguing that those who can pay for access to means of communication have the right to purchase space in the public sphere proportionate to their financial resources and willingness to use them in this way. Like the corporate vote, this is ultimately an argument for unequal political rights based on control of economic resources. It reduces communication to a property right (i.e. the right of those who have more money to be heard more), rather than the right of a community to a comprehensive public debate and expression. If fairness and accessibility are core principles of democratic elections, a regulatory framework is needed to ensure that unlimited campaign spending isn't used to in effect 'drown out' the voices of those with less access to economic resources.

Precedents for municipal campaign spending limits

Both Quebec and Ontario have provincially legislated expense limits for municipal campaigns, and this approach is also consistent with how campaign finance is regulated at the provincial and federal levels.

2. Third-party campaign spending

If spending limits are to be meaningful, they must also apply to third party campaigning during the election period. The limits and regulations applying to third party campaigning in BC provincial elections provide a proven model, and could be almost directly transposed to the municipal level. Provincial election caps of \$3,000 on advertising by third party organizations in individual ridings and \$150,000 provincially, could be transposed as \$3,000 per municipality and \$150,000 for province-wide campaigns. As in BC provincial elections, all third party advertising and publicity material would be required to include the names of sponsoring organizations or individuals, a BC mailing address and indicate that sponsors are registered with Elections BC and have authorized the material. The provincial system is a proven, workable model that allows for third-party campaigning, but maintains transparency and keeps spending within reasonable limits.

3. Public campaign financing

In the event that restrictions on contribution sources and/or ceilings on single-source donations are implemented, a fair system of public campaign financing would become essential to ensure fairness and accessibility. A public financing system based on property tax credits for donors (as some have proposed) would be unfair to renters and other voters who do not own property. As elector organizations and other 'party-like' systems are not widely established at the local level, the federal model of direct public financing based on vote share is clearly not applicable for BC local elections. Probably the only

workable and reasonably fair way provincially legislate public financing for municipal campaigns would be to make a set percentage of each campaign contribution deductible from provincial income tax.

IV. Campaign finance: disclosure and transparency

Summary of recommendations:

1. Elections BC as primary agency overseeing disclosure

- a. Elections BC assume oversight role and standardize the campaign finance reporting and disclosure process for BC local elections.
- b. Retain existing penalties and sanctions for non-compliance and violations of campaign financing rules, but with more consistent enforcement and application through Elections BC.
- c. Ensure that all disclosed material is available electronically online through Elections BC (and also by post upon request).
- d. Retain campaign finance records permanently in a publically accessible Elections BC electronic database.

2. Third-party campaigning and “other voting”

- a. Clarify disclosure rules for third-party “campaign organizers” and other non-candidate campaigners in local elections and give Elections BC power to actively monitor such campaigns (including the investigation and audits of third party campaigns). A disclosure system based on the model governing third-party participation in provincial campaigns would be appropriate.
- b. Require campaigner registration and full financial disclosure in “other voting” campaigns (referendums, elector assent matters, etc).

3. Disclosure thresholds and deadlines

- a. Mandatory audits of campaigns with more than \$5,000 in donations or expenses (as in Quebec).
- b. Disclosure deadlines be shortened to 90 days after Election Day (from the current 120 days and 30 day grace period).

1. Role of Elections BC

Issues around campaign disclosure (intertwined with related enforcement and accountability issues) were often at the centre of controversies that followed the 2008 BC local elections. We believe making Elections BC the oversight and regulatory institution for campaign finance disclosure is an effective and relatively straightforward means of addressing these problems. Elections BC is well positioned to provide campaigns with consistent and authoritative education and advice on disclosure, and to

implement standardized, province wide disclosure procedures. Elections BC is also well positioned to follow up on complaints and when necessary initiate impartial investigations of possible disclosure violations by candidates and campaign organizers. Existing sanctions and penalties for violations are in general appropriate, but would benefit from more consistent and effective enforcement under Elections BC as a specialized and central authority.

In this model, Elections BC would receive campaign finance disclosure documents and make them publically available online through a searchable database, as well as via mail upon request. Electronic versions of campaign finance records could be retained permanently in the interest of public accountability and transparency.

2. Third-party campaigning and “other voting”

Disclosure requirements and compliance pertaining to third party ‘campaign organizers’ were particularly contentious in 2008 and in some previous campaigns. Rules governing campaign organizers need to be clarified and made consistent with those governing third party campaigns in provincial election campaigns, including registration of third party campaigners and clear identification of sponsors’ identity in any advertising or other campaign material or events. Elections BC is well positioned to take over responsibility for oversight and enforcement of third party campaign disclosure, and would need independent investigative powers to probe possible irregularities or violations, as well as the authority to remove or destroy non-compliant material

We do not recommend annual reporting at the municipal level, as this would likely be impractical to enforce and probably unnecessary for smaller communities and independent candidates. We recommend retaining and clarifying disclosure regulations for nomination races for civic elector organizations, but not including nominations in election campaign spending limits. Disclosure of spending in ‘other voting’ (referendum campaigns, etc.) should similarly be supervised by Elections BC and relevant rules and regulations harmonized with those governing election candidates and third party campaigns.

3. Disclosure thresholds and deadlines

Several other Canadian provinces have set thresholds for mandatory campaign spending audits in local election campaigns. We recommend that BC local campaigns be subject to mandatory audits upon reaching \$5,000 of spending or expenses, as is already the case in Quebec. We also recommend that disclosure deadlines be shortened from the current 120 days (plus additional 30 day grace period) to 90 days after Election Day, and 30 days for third party campaigners, based on the precedent of the Province of Quebec’s disclosure regulations¹². Lengthier deadlines postpone disclosure further past the elections, which may have the effect of reducing public awareness and media scrutiny of potentially controversial campaign donations or spending.

¹² Manitoba also has a provincially mandated 90 day maximum for disclosure in local elections, but permits individual municipalities to set shorter deadlines. Nova Scotia has a 60 day disclosure deadline for local election, the shortest of Canadian provinces and territories.