



November 3, 2014

Special Committee on Local Elections Expense Limits
Attn: Jackie Tegart, MLA (Fraser-Nicola), Chair
Selina Robinson, MLA (Coquitlam-Maillardville), Deputy Chair
Parliamentary Committees Office
Room 224, Parliament Buildings
Victoria BC
V8V 1X4

Dear Special Committee Members:

Re: UBCM Submission to Special Committee on Local Elections Expense Limits

Thank you for the opportunity to provide input into your phase 1 deliberations.

We understand the focus of phase 1 to be consideration of:

- a. *Principles for the relationship between elector organizations and their endorsed candidates with respect to expense limits, including how elector organizations and endorsed candidates share accountability for expense limits, with consideration for fairness between independent candidates and candidates endorsed by elector organizations.*
- b. *Principles for establishing expense limits for third party advertisers, including whether there should be an overarching, cumulative limit on third party spending such as exists in provincial general elections.*

Unfortunately due to the concurrent timing of local government elections and the Special Committee's phase 1 consultation, our Presidents Committee agreed to provide this letter as UBCM's submission in lieu of a formal presentation. As well, recognizing the narrow focus on principles for this phase, our Presidents Committee has directed that we seek an opportunity to meet with the Special Committee as part of the broader phase 2 consultation on expense limit amounts.

As you are aware, UBCM representatives served as co-chair and members of the Local Elections Task Force that was established in 2009. That Task Force reported out in May 2010, identifying 31 recommendations related to improving local government elections in BC. The work of that Task Force was guided by the following principles; principles that UBCM feels would assist this Special Committee in its deliberations. These principles include:

- *consistency* with provincial and federal election rules, where practical;
- *flexibility* to accommodate particular attributes of local government elections and balance *consistency* with the unique needs of local governments;

- *transparency, accessibility, fairness and honesty*, are hallmarks of democratic elections, to be preserved and promoted;
- *efficiency* of the elections process, in both cost and operational resources needed;
- *balance*, among the interests of local government, the provincial government and the public.

These principles are key in understanding the recommendations that came forward from the Task Force and they provide the basis for this submission to the Special Committee. UBCM supported the 31 recommendations and continued to be consulted in the process leading up to the implementation of the recently enacted elections legislation, *Local Elections Campaign Financing Act* (LECFA) and the *Local Elections Statutes Amendment Act* (LESAA).

While this recent legislation has focused on enhancing accountability and greater transparency with respect to campaign finance disclosure, the piece of unfinished business is establishing election expense limits. Recognizing the complexity of this task, the Province, with the support of UBCM, agreed that this work should be deferred, in part, to wait for the financial reporting from the 2014 local elections. By waiting, better information could be reviewed to ensure that the direction taken with respect to expense limits is reflective of the current local election environment. Now that the Special Committee has been tasked with this duty, we assume that this information will be shared with the Committee members as part of your phase 2 deliberations.

It is important to note that UBCM has engaged with the Province at both a staff, and elected level on numerous occasions since the Task Force report to look at various options for setting expense limits. Jointly with Ministry staff we have considered various scenarios including formulas, tiers, per capita amounts, base amounts combined with per capita formulas, as well as other combinations. Again, we assume that this information will be shared with the Special Committee as part of its deliberations in phase 2.

One of our most recent discussions related to expense limits occurred this past April between the UBCM Executive and Minister Oakes. The Minister advised UBCM of her targeted consultation process on setting expense limits, including the issuance of a white paper on options and approaches. Specifically, the white paper put forward two approaches – provincially or locally-set expense limits. The UBCM Executive discussed the two approaches and in follow-up to the April 3rd meeting conveyed a letter to the Minister indicating UBCM support for a provincially mandated approach. A copy of the letter is attached but the following provides our reasoning and rationale for this position:

The Executive noted that the recommendation coming forward from the Elections Task Force in 2010 did envision the Province setting those limits to ensure consistency and fairness, key principles underlying the Task Force's work. Executive members were not comfortable with a local approach that would result in a patchwork of expense limits

across the province creating confusion, leading to inconsistent limits, set by incumbents, thereby questioning the fairness and transparency of the process.

Executive members supported continuing to work with the Province on finding an approach to setting expense limits that would meet the needs of local governments but also respect the guiding principles of the Task Force's work.

As the Special Committee members deliberate on the principles regarding setting expense limits, we would specifically refer members to pg. 22-23 of the Local Elections Task Force report on the section entitled Increase Accessibility. This section specifically addresses the rationale and thought behind the following Task Force recommendations related to expense limits.

Recommendations:

- **Implement expense limits for all campaign participants (e.g. electors, elector organizations, and third party advertisers.)**
- **Development of the expense limits should be guided by some key considerations:**
 - **Expense limits should be high enough for campaign participants to mount reasonable campaigns and express their views, but not so high as to allow a few participants to dominate election discourse.**
 - **Expense limits need to work in different-sized communities (i.e. formula cannot be based only on an amount per number of electors or population).**
 - **Expense limits for elector organizations should have a neutral effect on decisions to create elector organizations or not (i.e. formula should be based on a number of candidates supported.)**

On the matter of third parties specifically, the Task Force was quite clear in its desire to enhance accountability provisions. Task Force members were concerned that the current rules did not provide sufficient clarity on obligations of third party advertisers. It was also acknowledged that by establishing rules for third parties it would make local elections rules consistent with provincial rules; and make them more accountable, similar to candidates and elector organizations. And, by making third parties subject to an expense limit, it would reduce the likelihood of candidates and elector organizations reallocating spending to third parties as a way to 'work around' the expense limit rules.

In response the following recommendations were put forward by the Task Force with respect to third parties.

Recommendations:

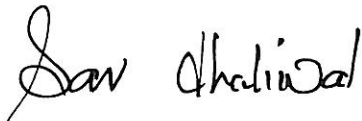
- Establish that third party advertisers must register and must disclose what they spent on ads and who contributed to them (possibly for advertising expenditures over a certain threshold)
- Prohibit advertising by unregistered third parties
- Explore establishing some automatic (administrative) penalties for failure to comply with third party advertising rules, such as exceeding expense limits or failing to file a disclosure statement.
- Continue to regulate people or organizations (currently referred to as "campaign organizers") that undertake election campaigns that support (or operate in place of) a candidate or elector organization's campaign and conduct political activity such as collecting campaign contributions.

As the Special Committee deliberates on the principles as they relate to candidates, elector organizations and third parties, UBCM would direct the members of the Special Committee back to the principles that guided the Elections Task Force. These principles provide a solid foundation for considering a way forward with respect to setting local election expense limits.

Thank you for this opportunity to provide our input into the Special Committee's deliberations. We look forward to participating in the discussion related to setting the expense limits as part of your phase 2 deliberations.

If you have any questions, please feel free to contact our UBCM staff at: gmacisaac@ubcm.ca or mcrawford@ubcm.ca.

Yours truly,



Councillor Sav Dhaliwal
UBCM President

Attach. (1)

• April 10 letter to Minister Onkes from UBCM President Rhona Martin



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April 10, 2014

The Honourable Coralee Oakes
Minister of Community, Sport and Cultural Development
PO Box 9056, STN PROV GOVT
Victoria, BC
V8W 9E2

COPY

Dear Minister:

RE: ELECTIONS LEGISLATION – CAMPAIGN EXPENSE LIMITS

On behalf of the UBCM Executive I would like to extend our thanks for meeting with us last week in Victoria as part of our April 2-4 meeting schedule. It was a great opportunity for our board members to not only meet with you but also personally meet many of the key staff within your ministry.

At our meeting we had an opportunity to briefly discuss the ministry's draft discussion paper on setting campaign expense limits. During our discussion we indicated that our Executive would be considering the matter on Friday and that we would get back to you with their preferred direction. I can advise that the Executive considered the two options proposed – local or provincial – and advised of its support for a provincially mandated approach to local government elections expense limits.

The Executive noted that the recommendation coming forward from the Elections Task Force in 2010 did envision the Province setting those limits to ensure consistency and fairness, key principles underlying the Task Force's work. Executive members were not comfortable with a local approach that would result in a patchwork of expense limits across the province creating confusion, leading to inconsistent limits, set by incumbents, thereby questioning the fairness and transparency of the process.

Executive members supported continuing to work with the Province on finding an approach to setting expense limits that would meet the needs of local governments but also respect the guiding principles of the Task Force's work.

Executive members also wanted to take the opportunity to reiterate the 2013 resolution from the City of Vancouver that requested amendments to the Vancouver Charter to not only deal with expense limits, but also contribution limits, and to provide for greater disclosure. As noted this resolution was endorsed by the membership at the 2013 UBCM Convention.

We recognize that establishing a provincially mandated approach can be a challenging exercise but we offer our assistance in continuing to work with you and your staff in finding an approach that will work for all of our membership.

We look forward to continuing our discussion on this matter.

Yours truly,

A handwritten signature in black ink, appearing to read "Rhona Martin". The signature is fluid and cursive, with the first name "Rhona" written in a larger, more prominent script than the last name "Martin".

Rhona Martin
UBCM President