

**Report of the Chief Electoral Officer
on the Proceedings of the
Halifax Needham By-Election
August 30, 2016**

Volume II: Financial Information
and Statistics



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April 5, 2017

The Honourable Kevin Murphy
Speaker of the House of Assembly Province of Nova Scotia
1726 Hollis Street, Province House Halifax, NS, B3J 2Y3
Dear Mr. Speaker,

I have the honour to present the Report of the Chief Electoral Officer, *Volume II, Financial Information & Statistics* on the proceedings of the Halifax-Needham by-election held on August 30, 2016.

Volume I, entitled *Statement of Votes and Statistics*, was published in January, 2016.

Volume II may only be compiled when the statutory deadline for the submission of all finance related accounts has passed. The due date for filing an audited report was January 9 2017, for all parties with candidates contesting the election. Volume II provides information related to the candidate, registered party, and third party expenses as well as the reimbursements made to the candidates for election expenses. Election administration costs are included as are comparative statistics (comparisons to recent provincial general elections and by-elections) where available. For the first time, a report on Elections Nova Scotia's advertising expenses has been compiled. The advertising landscape is shifting and alternatives to traditional advertising are increasingly available, so reporting this information provides a baseline for future comparison and ensures accountability and transparency on how taxpayers dollars are spent on advertising. It is my intention to offer similar reports when reporting on future electoral events, and in the Annual Report.

I respectfully request that you table Volume II of the Halifax-Needham by-election report to the House of Assembly at the next sitting.

This report is submitted to the House of Assembly in accordance with section 163 of the *Elections Act*.

Respectfully submitted,



Richard Temporale, Chief Electoral Officer

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Introduction

The report of the Chief Electoral Officer on the proceedings of the Halifax Needham by-election held on August 30, 2016 is presented in two volumes. *Volume I, Statement of Votes & Statistics*, published January 6, 2017, provided a recapitulation on the election, identified the nominated candidates, the elected member and official agents, and summarized election results, provided detailed results and statistics by polling division (poll-by-poll results) and recommended legislative changes arising out of an internal assessment of the by-election as delivered. *Volume II, Financial Information & Statistics*, published following completion of accounts, provides financial information on election expenses, candidate reimbursement, election administration costs and financial and comparative statistics. Both reports are available on the ENS website: electionsnovascotia.ca/election-data/past-results section.

Four candidates stood for election on August 30, 2016: one each from the Green Party of Nova Scotia (GPNS), the Nova Scotia Liberal Party (NSLP), the Nova Scotia New Democratic Party (NSNDP), and the Progressive Conservative Association of Nova Scotia (PC).

Three of four candidates achieved the required threshold of 10% of the valid votes qualifying them for reimbursement from public funds of their election expenses to a maximum of \$23,993.46 plus \$782.00 for audit fees. Total reimbursement paid to these 3 candidates amounted to \$72,441.30. See Table 6, Candidate Election Expenses and Reimbursements for details.

Election related expenses reported by the four registered parties totaled \$5,700.92. These expenses are not eligible for reimbursement from public funds.

Administrative costs for the by-election, excluding reimbursement of candidate election expenses and audit fees, were \$183,883.41. This figure includes all direct costs incurred by the electoral district returning office and costs incurred by Elections Nova Scotia to administer the election. Costs incurred prior to the issuance of the writ of election for supplies, materials, computer equipment, software, consulting services and any other related expenses which are expended between elections to ensure ongoing election readiness are not included.

The cost per elector of delivering the election including candidate reimbursements from public funds was \$16.67, compared to \$13.13 in the July 14, 2015 by-elections, \$12.89 in the general election of 2013. The difference in cost per elector is largely attributable to increased operational spending moving from two to seven days of advance voting totaling \$8,500. Poll supervisors were also added to each poll that had over 3 polls voting in one election day location. Four seasoned returning officers filled these positions to gain knowledge and provide input for process improvements. The additional costs for this initiative was approximately \$10,000. Advertising costs were also higher than expected by \$15,000. A vigorous campaign was initiated to promote the new opportunities for early voting.

Table 1 • Cost Per Elector

Cost per Elector (comparative 2016 by-election and the average cost per district for 2015, 2013 and 2009)**				
Description	1 By-election August 30, 2016	3 By-elections July 14, 2015	PGE October 8, 2013	PGE June 9, 2009
Candidate Election Expenses**	\$70,095.30	\$212,141.32	\$2,932,344.02	\$2,699,458.09
Candidate Audit Fee reimbursement	\$2,346.00	\$5,851.19	\$86,024.67	\$100,778.03
Returning Office Costs	\$183,883.41	\$418,760.37	\$6,261,607.77	\$4,607,981.93
Total Election Cost	\$256,924.71	\$636,752.88	\$9,279,976.46	\$7,408,218.05
Number of Electors on List	15,372	48,480	720,077	714,675
Total Cost per elector	\$16.67	\$13.13	\$12.89*	\$10.37
Operation Cost per elector	\$11.96	\$8.64	\$8.70	\$6.45

* The 2013 cost per elector of \$12.89 reflects the final costs. The June 2014 report indicated a cost per elector of \$13.02 that included estimates that were subsequently amended as final invoices were processed.

** Nomination deposits are not included in candidate election expenses or in the cost per elector calculation, as this money is most often returned to the candidate.

Registered Parties

Registered Parties' and Candidates' Expense Limits

Determination of spending limits for election campaigns and reporting of registered party election expenses are important components of the electoral finance regime in Nova Scotia. The *Elections Act* sets out a formula by which registered party spending limits are established. Within 120 days of the date fixed for the return of the writs of election, the official agent of each registered party is required to file a report of election expenses with supporting receipts and an independent auditor's opinion respecting the report. There are no provisions in the *Elections Act* for the reimbursement of registered party election expenses. The votes cast per party candidate in a by-election does not alter the amount of public funding a registered party receives each year; the amount is based on the votes cast per party candidate throughout the province in the last general election.

Registered Parties Expense Limits

The maximum amount for by-election expenses that a registered party could have incurred as prescribed by subsections 259(2) and 260(3) of the *Elections Act* was \$6,182.96.

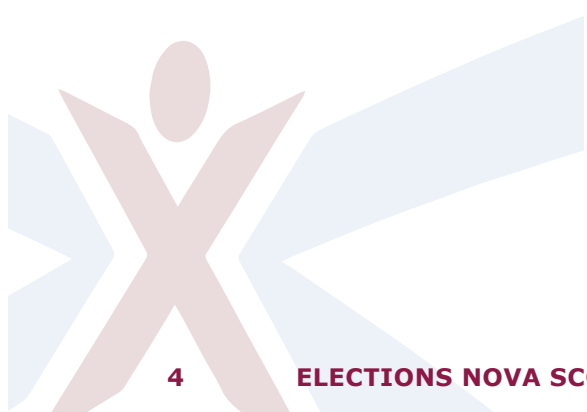
At the time of the by-election, there were five registered parties in Nova Scotia. At 2pm on August 10, 2016 when the nomination of candidates concluded, four registered parties had endorsed candidates in the electoral district. The fifth, the Atlantica Party Association did not field a candidate and no independent candidate chose to run.

The due date for filing an audited report was January 9 2017, for all parties with candidates contesting the election. Three parties met the deadline. Table 2 shows the registered party elections expenses.

Table 2 • Registered Party Spending Limits, Filing Dates and Election Expenses

Description	Green Party of Nova Scotia	Nova Scotia Liberal Party	Nova Scotia New Democratic Party	The Progressive Conservative Association of Nova Scotia
Election Expense Limits		\$6,182.96	\$6,182.96	\$6,182.96
Date Report Filed	*	January 9, 2017	January 6, 2017	December 28, 2016
Headquarter Expenses		\$96.99	\$114.47	\$1,522.61
Worker remuneration		-	\$2,000.00	-
Publicity/Advertising		\$715.59	\$23.75	\$4,204.83
Travel		\$1,588.26	-	\$70.00
Campaign Functions		-	-	-
Other		-	-	-
Subtotal		\$2,400.84	\$2,138.22	\$5,797.44
Less: Amounts invoiced to candidates		-	-	\$4,635.78
Net Election Expenses		\$2,400.84	\$2,138.22	\$1,161.66

* Green Party of Nova Scotia did not file a report. They confirmed that they did not incur any expenses during the by-election.



Candidates

Candidate Expense Limits

Section 260 of the *Elections Act* provides the formula for calculating the maximum amount that a candidate may incur for election expenses as defined in section 166(j). Table 3 shows the calculation of the maximum was \$82,783.69. The limit is based on the number of electors on either the preliminary or final list, whichever is greater. The final list of electors at 15,372 was 159 electors less than the preliminary list. There was no change to the estimated candidate spending or reimbursement limits.

A candidate who receives not less than 10% of the valid votes cast is eligible to receive reimbursement of some or all election expenses. The amount of reimbursement is the lesser of the maximum reimbursement amount, as prescribed in Section 267 of the *Elections Act*, or the candidate's actual election expenses. The maximum amount of reimbursement which a candidate could have received was \$23,993.46 as shown in Table 3.

Table 3 • Candidate Election Expense and Reimbursement Limits

Electoral District	Halifax Needham
Number of Electors August 10, 2016	15,531
\$6.18/elector times the number of electors for the first 5,000 electors	\$30,897.50
\$5.25/elector times the number of electors exceeding 5,000, not exceeding 10,000	\$26,252.07
\$4.63/elector times the number of electors exceeding 10,000	\$25,634.11
Total Candidate Spending Limit (s.260)	\$82,783.69
Candidate Reimbursement (s.267)	\$23,993.46

Candidates, Official Agents & Report Filing

Subsection 65(3) of the *Elections Act* requires each candidate to appoint an official agent and provide their name and address on their nomination papers. Table 4 lists each candidate and their official agent as well as the date on which the official agent initially filed their candidate's reports relating to the by-election. Section 229 of the *Elections Act* outlines the filing deadlines. All but the report dealing with disposal of excess contributions were due on or before November 28, 2016. An extension of up to 30 days was permitted if requested and one extension was approved by the CEO. A new penalty was introduced under section 314A of the *Elections Act* in 2016 of \$50.00 per day for late filing fees. The maximum amount for the penalty is either the amount of expenses eligible for reimbursement, or \$500.00. It is also important to note that candidates who are elected are disqualified from sitting or voting in the House of Assembly under Section 263 of the *Elections Act* until their official agent has filed their required reports.

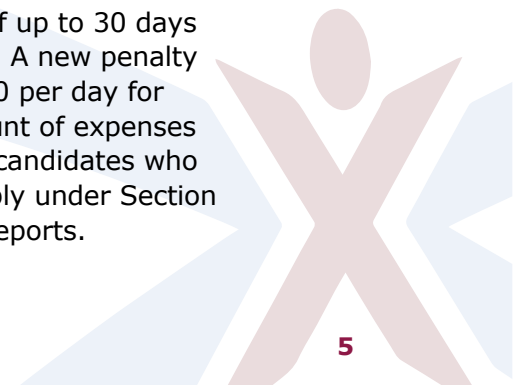


Table 4 • Registered Candidates, Official Agents & Report Filing Dates

Electoral District	Party	Name as on ballot	Official Agent Name	Report due	Extension granted due date	Date received at ENS	Date deemed complete at ENS
28 Halifax Needham	PC	Andy Arsenault	John Grice	Nov 28		Nov 4	Dec 8
	NSNDP	Lisa Roberts	Jeff Woods	Nov 28		Nov 16	Jan 9
	NSGP	Thomas Trappenberg	Shari-Lynn Hiltz	Nov 28		Sept 29	Nov 30
	NSLP	Rod Wilson	Stephen Hiscock	Nov 28	Dec 20	Jan 25	*

* At time of printing, ENS was awaiting final report of Disposal of Excess Contribution (S.268)

Responsibilities of the Official Agent

The official agent of a candidate is responsible for all financial aspects of the campaign and is required to file reports with the Chief Electoral Officer detailing election expenses, political contributions and tax receipts. Certain reports must include an opinion provided by an auditor appointed by the candidate. Section 173 of the *Elections Act* requires the auditor appointed by the candidate to be a public accountant licensed under the Public Accountants Act. Table 5 provides a listing of reports that must be filed by the official agent of a candidate including the statutory reference, the audit requirement and the filing deadlines (September 29 for the return of tax receipts and November 28 for the submission of the audited financial report).

In August 2016, Elections Nova Scotia staff offered two training sessions to assist the Official Agents in understanding their duties and the preparations of the required reports.

Table 5 • Reporting Requirements of the Official Agent of a Candidate

Report Name	Legislative Reference	Audit Requirement	Filing Deadline
Report of Candidate’s Election Expenses (Form 2 series)	<i>Elections Act</i> ss. 229(1)	Audit opinion respecting report	80 days after return of the writ (November 28, 2016)
Candidate’s Statement of Contributions for Which Official Tax Receipts Issued (Form 2-5)	<i>Elections Act</i> ss. 240(3)	Audit opinion respecting report	80 days after return of the writ (November 28, 2016)
Notification by Official Agent of Disposal of Excess Contributions (Form 2-6)	<i>Elections Act</i> S. 268	Audit opinion not required	Within 30 days of receiving final reimbursement of election expense or in the case where the candidate is not eligible for reimbursement within 60 days of filing reports

Candidate Nomination Deposit

When a candidate files their nomination papers with the returning officer, they are required to provide a deposit of \$200. In changes to the *Elections Act*, effective January 1, 2016, all nomination deposits became refundable if the official agent submitted the candidate’s financial report before the deadline, and signed an affidavit confirming all copies of the lists of electors have been destroyed or returned. In the by-election held August 30, 2016, of the four candidates who were officially nominated, three official agents submitted their financial report on time (Table 4) and had their candidate’s nomination deposit returned.

Candidate Audit Fee

Under Section 18 of the Tariff, the official agent of a candidate can be reimbursed for all or a portion of their costs for audit fees. Where a candidate’s election expenses amount to less than \$500, an audit report is not required. A candidate’s eligibility to be reimbursed for audit costs is not conditional on receiving a minimum threshold of the valid votes cast. The amount of reimbursement a candidate may receive is the lessor of \$782.00 or the auditor’s fee. The audit fee reimbursed to each candidate is shown in Table 6.



Summary of Candidate Election Expenses and Reimbursements

The election expenses report filed by the official agent of a candidate receives a detailed compliance review by the Chief Electoral Officer and his financial staff. All expenses reported must meet the definition of election expenses in Section 166(i) of the *Elections Act*. Pursuant to Section 262(1) of the *Elections Act* any payment of \$25 or more for election expenses must be evidenced by a receipt. Table 6 on this page shows each candidate's expenses as categorized in the election expenses report (Form 2-3E and 2-3F) as amended by the detailed compliance review. The financial report from the NSLP candidate, Rod Wilson, was 36 days late from his extended deadline of December 20. This resulted in a fine of \$50.00 per day or \$1,800.00. His nomination deposit of \$200.00 was also not returned to him. Election expenses as originally filed, or as amended (if necessary) following the detailed compliance review and the total election expenses and audit fee reimbursements that were made to the official agent are shown in Table 6.

Table 6 • Candidate Election Expenses and Reimbursements

Expense Category	Party and Candidate Name as on Ballot			
	PC Andy Arsenault	NSNDP Lisa Roberts	NSGP Thomas Trappenberg	NSLP Rod Wilson
Headquarters	5,951.16	4,821.55	-	7,479.87
Worker Remuneration	7,368.08	17,346.83	-	113.37
Publicity Advertising	10,224.17	10,390.17	-	25,376.42
Travel	329.60	874.53	-	-
Campaign Functions	-	147.55	-	1,096.47
Other	35.37	174.34	-	123.20
Personal Expenses of Candidate	-	110.88	-	-
Total Amended Election Expenses	23,908.38	33,865.85	-	34,189.33
Election Expense Reimbursement	23,908.38	23,993.46	-	23,993.46
Audit Fee	782.00	782.00	-	782.00
Penalty for Late Filing	-	-	-	1,800.00
Total Reimbursements	24,690.38	24,775.46	Nil Note	22,975.46

Note: NSGP candidate Thomas Trappenberg did not incur election expenses.

Third Party Advertising

A third party is an individual or group that is not a candidate, registered party or electoral district association. The *Elections Act* requires third parties to register and report spending activity once they have spent \$500 on election advertising. Election advertising is a message that promotes or opposes a registered party, the election of a candidate, or takes a position on an issue associated with a registered party or candidate.

The *Act* limits the amount a third party could spend to \$2,135.02 for this by-election. No third party registered during the by-election.



Returning Offices

Establishing Returning Offices

A returning officer is responsible for identifying potential returning office locations when directed to do so by the Chief Electoral Officer. A lease for the returning office is typically executed following the issuance of the writ of election.

Returning Office Costs

Elections Nova Scotia makes every effort to record and report all costs associated with the delivery of a by-election. Costs associated with election service delivery can be categorized as direct costs and indirect costs. Direct costs are costs that can be specifically identified with the returning office. For reporting purposes, costs are consolidated into various categories. Table 7 shows these categories and the types of expenditure that are consolidated within each.

Table 7 • Returning Office Direct Costs

Category	Description
Poll Workers	<ul style="list-style-type: none">• Ballot Box Messenger• Constable• Supervising Deputy Returning Officer• Deputy Returning Officer• Election Officer to Count Ballot• Information Officer• Poll Clerk• Standby Election Worker• Supervising Deputy Returning Officer• Witness
Enumerators	<ul style="list-style-type: none">• Enumerator fees
Polling Stations	<ul style="list-style-type: none">• Advance polling station fees• Mobile poll polling station fees• Election day polling station fees
Postage, Courier and Shipping	<ul style="list-style-type: none">• Postage costs incurred by returning offices• Postage for voter information cards allocated based on final list of electors• Courier fees for write-in ballots• Shipping fees to ship election supplies to returning office headquarters from ENS
Ballot and Voter Information Card	<ul style="list-style-type: none">• Printing• Fees for printing and binding of ballot papers• Fees for printing voter information cards

Office and Equipment Leases	<ul style="list-style-type: none"> • Furniture and equipment rental • Office rental
Office Expenses	<ul style="list-style-type: none"> • Travel and meal expenses • Miscellaneous office expenses
Salaries	<ul style="list-style-type: none"> • Returning officer and assistant returning officer • Election clerk and assistant election clerk • Revision assistant/deputy presiding officer • Presiding officer • Deputy presiding officer • Write-in ballot coordinator • Assistant write-in ballot coordinator • Returning Office Clerical Support
Telephone and Internet	<ul style="list-style-type: none"> • Telephone, cell phone and internet services

Returning Office Indirect Costs

Indirect costs are those overhead costs associated with election administration and election operations that are incurred by Elections Nova Scotia as part of election service delivery. Typically, these costs are prorated based on the list of electors and allocated to each electoral district returning office that is involved in a by-election or general election. Table 8 shows the type of expense categories which are reported as ENS Overhead in the second last column in Table 9.

Table 8 • Returning Office Indirect Costs

Category	Description
ENS Headquarters	<ul style="list-style-type: none"> • ENS staff overtime (accounts for less than 1% of total by-election expenses) • IT Consulting • Advertising • Election debrief • Travel • Payroll processing fees • Printing (other than ballot and voter information card printing) • Freight and Postage • Communication initiatives



Categorized Returning Office Costs

Table 9 summarizes all direct and indirect costs using the categories detailed in Tables 7 and 8.

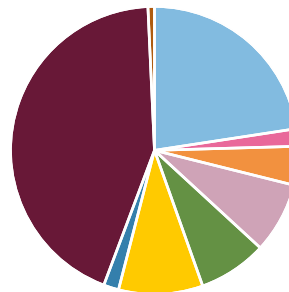
Table 9 • Categorized Returning Office Cost

Electoral District • 28 Halifax Needham	
Poll Workers	31,894.69
Enumerators	2,771.02
Polling Stations	6,140.68
Postage, Courier, and Shipping	11,227.95
Ballot and Voter Information Card Printing	10,892.94
Office and Equipment Leases	13,362.00
Office Expenses	2,405.46
Salaries	61,491.96
Telephone and Internet	1,030.43
Total RO HQ Cost	141,217.13
ENS Overhead	42,666.28
Total Cost Per Electoral District (RO HQ Cost + ENS Overhead)	183,883.41

Figure 1 reflects the breakdown of costs incurred by the returning officer in delivering the by-election.

Figure 1 • By-election Administration Costs

- Poll Workers 22.6%
- Enumerators 2%
- Polling Stations 4.3%
- Postage, Courier, and Shipping 8%
- Ballot and Voter Information Card Printing 7.7%
- Office and Equipment Leases 9.5%
- Office Expenses 1.7%
- Salaries 43.5%
- Telephone and Internet 0.7%



Total Advertising Costs

This is the first report on Elections Nova Scotia's advertising expenses. The advertising landscape is shifting and alternatives to traditional advertising are increasingly available, so reporting this information provides a baseline for future comparison and ensures accountability and transparency on how taxpayer's dollars are spent on advertising.

The reporting format presented here is consistent with that used by Communications Nova Scotia in its annual *Government Advertising Report 2015-2016*. In that report, Elections Nova Scotia was second-highest only to Tourism Nova Scotia in advertising spending among Agencies, Boards and Commissions. Spending is reported in seven categories; television, radio, print, social, online, out-of-home, and ad design/development. In that report, ENS was reported as spending \$15,043,73 in radio, \$77,544.95 in print, and \$3,990.00 on ad design/development, totaling \$96,578.68 in 2015-2016.

Elections Nova Scotia will report all advertising through Communications Nova Scotia and other sources, in its *Annual Report*, and in the *Financial Information & Statistics* following each election or by-election.

As seen in Table 10, advertising costs in the Halifax Needham by-election totalled \$36,414.42.

Table 10 • Summary of By-election advertising costs

Television	Radio	Print	Social	Online	Out-of-Home	Ad Design & Development	TOTAL
	\$9,327.42	\$26,787.00	\$300.00				\$36,414.42

As outlined in Volume I, the Chief Electoral Officer recommends rescinding the requirement to publish the notice of election and the grant of poll in a newspaper.

In this by-election, the portion of printing costs resulting from the notice of election and the grant of poll totalled \$4,603. It is not known how many of the 15,372 electors in the district subscribe to or read newspapers. By comparison, a direct mail of an ENS branded notice of election to all 11,659 residences in the electoral district would have cost under \$3,000.

Total Cost

The total election costs are composed of three components:

- Returning office costs
- ENS Overhead
- Candidate election expenses reimbursements

Table 11 summarizes the total cost of delivering the August 30th by-election.

Table 11 • Summary of Total By-election costs

By-election Cost	Halifax Needham
Total RO HQ Cost	\$141,217.13
ENS Overhead	\$42,666.28
Candidate Reimbursement*	\$72,441.30
Total Cost	\$256,924.71

* includes expense reimbursement and audit fee but not nomination deposit

Figure 2 • Total Election Costs & Candidate Reimbursements

