

Baie Verte - Green Bay By-Election
Report on Election Finances
Office of the Chief Electoral Officer
May 27, 2024



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INTRODUCTION

This Election Finance Report is an addendum document to the Report on the Baie Verte – Green Bay By-Election May 27, 2024 that was submitted to the Speaker of the House of Assembly on February 5, 2025.

Section III of the Elections Act, 1991 (the Act) outlines the election finance provisions that are applicable to candidates and parties in an election event. This includes the registration requirements of candidates in an election and the conduct of both political parties and candidates with respect to receipt of political contributions, election expenditures and the filing of financial statements and reports. The election finance provisions of the Act also determine the amount of any applicable subsidies paid to candidates for election expenses and audit fees.

This report contains a summary of the financial information submitted under these provisions for the Baie Verte – Green Bay By-Election of May 27, 2024.

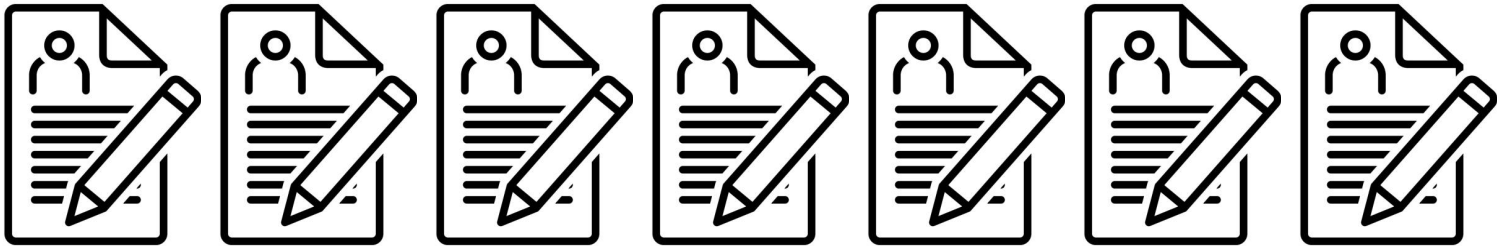
FILING OF FINANCIAL STATEMENTS

Within four months after polling day, each candidate in an election must file with the Office of the Chief Electoral Officer a financial filing of income and expenses along with an audited set of financial statements. Registered political parties must also file a separate financial filing of income and expenses, along with an audited set of financial statements if they incur expenses on behalf of a candidate in an election. The Office of the Chief Electoral officer reviews these filings to determine compliance with the applicable election finance legislation.

BY-ELECTION FILINGS FROM CANDIDATES AND PARTIES

The filing deadline for candidates and political party financial reporting for the Baie Verte – Green Bay by-election was September 28, 2024. All campaigns filed their financial reports prior to the deadline. The Liberal Party filed their financial reports prior to the deadline, while the remaining registered political parties did not incur expenses in the by-election and therefore were not required to make any filing with this office.

Appendix A to this report summarizes the income and expense statements for the candidates and registered political parties who incurred election expenses in this by-election.



REIMBURSEMENT OF CANDIDATE EXPENSES

Any candidate in an election who receives at least 15 per cent of the popular vote in their electoral district is eligible for a reimbursement equal to one-third of their eligible expenses, up to the maximum expenditure limit for the district. In addition to the election reimbursement, all candidates in an election are eligible for a subsidy of up to \$500 for audit services. These subsidies are paid directly to the candidate’s auditor after a candidate has filed their financial returns.

Political parties are not eligible for a reimbursement of election expenses or audit subsidies.

For the Baie Verte – Green Bay by-election, the total election expense reimbursements (including auditor services) for the event was \$25,869.64. Of the three candidates in the by-election, two received at least 15 per cent of the popular vote thereby qualifying for an election expense reimbursement. The amounts paid to candidates are detailed in the following chart:

CANDIDATE	POLITICAL PARTY	EXPENSE REIMBURSEMENT	AUDIT SUBSIDY	TOTAL SUBSIDY
BURT, OWEN	LIBERAL PARTY	\$16,701.92	\$500.00	\$17,201.92
HARNETT, RILEY	NEW DEMOCRATIC PARTY	-	\$500.00	\$500.00
PADDOCK, LIN	PROGRESSIVE CONSERVATIVE PARTY	\$7,667.72	\$500.00	\$8,167.72
TOTAL		\$24,369.00	\$1500.00	\$25,869.64

LATE FILING

The filing deadline for financial reporting of campaign and party activities was September 28, 2024. All candidates and parties filed their reports with the Office of the Chief Electoral Officer in accordance with that deadline.

While all financial reports were received by the filing deadline for this by-election, the Office of the Chief Electoral Officer reminds candidates and parties that there are financial penalties associated with late filing that are outlined in the Act. These penalties include:

- The forfeiture of the election expense subsidy for candidates who received 15 per cent of the popular vote in their districts.
- The forfeiture of a candidate’s nomination deposit.
- Fines and/or penalties on summary conviction for a CFO who fails to file a financial return by the filing deadline.

RECOMMENDATIONS

Elections NL is responsible for ensuring candidates and political parties comply with campaign finance regulations. Candidates and parties are conducting modern political campaigns while adhering to finance regulations that are over 30 years old. There are several compliance and policy related issues that Elections NL recommends to enhance the fairness and transparency in political financing activities.

Non-compliance with Time Limit

Currently the Act stipulates that a CFO may be charged \$50 per day that a financial return is not filed, or they may pay to the office a fine of equal value in the absence of being charged. There are several issues with this penalty regime that makes the enforcement challenging for this office.

The first issue associated with this penalty regime is that even after a relatively short time-span, the \$50 per day charge can balloon to a penalty that is not reflective of filing an incomplete or late set of financial records. For example, if a CFO files a set of financial records 30 days late, they are subject to either being charged or fined \$1,500. The more the \$50 per day amount accrues, the more the penalty is no longer reflective of the offense. Elections NL recommends that the penalty should have a cap at a reasonable amount whereby it acts as a deterrent for late or incomplete filing, but also as a penalty that is not financially detrimental to a CFO or Party.

The second issue related with the penalty regime is that the Act contemplates a CFO being charged through the courts. The enforcement of the penalty regime should not be a judicial action.

Recommendation: Elections NL recommends that any penalty should be an administrative action by the office in relation to the filing of financial records. As in the issue above, the penalty continues to be a deterrent, but it does not affect the CFO detrimentally. Having administrative penalties that are capped at a reasonable amount balances the requirement for ensuring financial returns are filed in a timely manner, and that candidates have access to CFOs that might otherwise not accept the financial risk of participating in a campaign.



Penalties

As part of the financial review process for campaigns and political parties, Elections NL may request additional information from a CFO to verify the accuracy of their financial schedules, to satisfy reporting requirements such as donors greater than \$100, or ensure compliance with the finance provisions of the Act. Receiving timely responses from CFOs is key to providing public disclosure and transparency of election financing activities of campaigns and political parties. Section 275 of the Act considers a 30-day period for a response from a CFO, but the Act does not clearly specify what action can be taken if a response is not given within 30 days. Elections NL requires clear administrative penalties to enforce timely responses from political parties and campaigns.

Delays in responding to requests for financial information by campaigns or parties ultimately delay the preparation of the corresponding reports on Election Finances, and thus the timely public disclosure of election financing activities for those events.

Recommendation: Elections NL recommends that the Act should allow for administrative penalties, similar to those proposed for failure to file financial schedules by the deadline. The penalties should be based on length of time that a request has been outstanding and capped at a certain dollar figure. Having administrative penalties that are capped at a reasonable amount balances the requirement for ensuring requests are returned in a timely manner. The administrative penalties should be clearly applicable to both political parties and candidates.



Reduction of Audit Requirements

The Act requires each campaign in an election event to file a set of audited financial statements. The Act also provides an audit subsidy of \$500 to each campaign.

For those campaigns that do not earn enough in contributions, funding an audit can be a significant financial burden, and the requirement to fund an audited set of financial statements can be a barrier for individuals to nominate themselves as candidates. Audited services are increasingly expensive and campaigns now have to budget campaign funds over the \$500 subsidy.

While audited statements provide value for larger campaigns ensuring that their financial activities are in accordance with provisions in the Elections Act, the value of an audit diminishes when a campaign spends little or no money during the election period.

For example, in the 2021 General Election 33 of the 127 candidates (26%) spent \$2,500 or less on their campaigns, yet each is required to obtain an audited set of financial statements. Even candidates who spend no money on their campaign must provide an audited set of financial statements, which are then subsidized up to \$500. The value that an audit provides to the reporting of those campaigns financial statements is limited and more costly than having those filings reviewed internally by Elections NL.

Recommendation: Elections NL recommends a review of the requirement for all candidates to file an audited set of financial statements at the end of an election event. One alternative to requiring audited financial statements from all candidates could instead be based on a tiered scale that is equitable to all candidates. An audited set of financial statements would only be required if a candidate met certain criteria, such as:

- 1) Being the successful candidate,
- 2) Being eligible for an election expense subsidy,
- 3) Spending more than a pre-set percentage of a district expenditure limit or base expense amount,
- 4) Spending in a defined expense category.

For any candidates that do not meet any of those criteria, an audit should not be required. Campaigns that are not subject to an audit can still file a set of financial schedules as part of their financial disclosure, and Elections NL may conduct any additional follow-up as necessary.

By removing the audit requirement for campaigns that do not meet the threshold, this allows for an increase in the per-campaign subsidy amount for those campaigns that are required to obtain an audit. As noted above, campaigns are required to budget more to obtain audit services, and an increase in the subsidy amount should be considered as part of any modernization of the Elections Act.

APPENDIX A
CANDIDATE AND POLITICAL PARTY
INCOME AND EXPENSE STATEMENTS

FOR

BY-ELECTION HELD IN THE
ELECTORAL DISTRICT OF

BAIE VERTE – GREEN BAY

ON

MAY 27, 2024

BAIE VERTE - GREEN BAY
CANDIDATE AND PARTY STATEMENT OF INCOME AND EXPENSES
BY-ELECTION CAMPAIGN, MAY 27, 2024

	Owen Burt (Lib) (\$)	Riley Harnett (NDP) (\$)	Lin Paddok (PC) (\$)	Liberal Party (\$)
Income				
Contributions	45,100	-	14,898	-
Fundraising (net of contributions)	-	-	-	-
Transfers Received	7,000	-	6,491	-
Opening Inventory	-	-	1,763	-
Nomination Deposit Reimbursement	200	200	200	-
Candidate Expense Subsidy	16,702	-	8,109	-
Other	66	-	-	-
Total Income	69,068	200	31,461	-
Expenses				
Expenses Subject To Statutory Limit				
Accounting/Professional Fees	-	-	-	
Advertising/Printing	12,148	-	6,214	11
Bank Charges/Interest	106	-	173	
Fundraising	-	-	-	
Insurance	-	-	-	
Meetings/Social Functions	2,738	-	1,893	
Office and Equipment Purchased	-	-	-	
Office and Equipment Rental	7,863	-	-	
Office Supplies	709	-	-	6,899
Opening Inventory	-	-	1,763	
Postage	-	-	669	
Research and Polling	-	-	2,105	
Salaries & Benefits	12,000	-	-	
Telephone/Utilities	-	-	-	
Campaign Worker Travel	14,542	-	10,185	5,223
Other	-	-	-	-
Subtotal	50,106	-	23,003	12,133
Expenses not subject to statutory spending limit				
Candidate's Travel/Personal Expenses				
Meals	1,361	-	446	
Accommodations	-	-	995	
Transportation	1,073	-	2,109	
Audit Fees	2,950	-	823	
Transfers Paid Out	-	-	-	7,000
Thank You Party	-	-	-	
Nomination Deposit	200	200	200	
Other			235	
Subtotal	5,585	200	4,808	7,000
Total Expenses	55,691	200	27,811	19,133
Campaign Surplus (Deficit)	13,377	-	3,650	(19,133)

APPENDIX B

LISTING OF POLITICAL CONTRIBUTIONS

VALUED AT GREATER THAN \$100 IN TOTAL

FOR BY-ELECTION HELD IN THE

ELECTORAL DISTRICT OF

BAIE VERTE – GREEN BAY

ON

MAY 27, 2024

POLITICAL CONTRIBUTIONS
For the Baie Vert - Green Bay By-Election May 27, 2024
“either individually or in sum, in excess of \$100”

Contributor	City/Town, Province	Candidate/Party	District	Amount
Adkins, Dr. John	Oromedonte, ON	Burt, Owen (LIB)	Baie Verte - Green Bay	1,000.00
Barker, Joy	Baie Verte, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	500.00
Budgell's Equipment and Rentals Ltd.	Triton, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	500.00
Burton's Auto and Recreation Inc.	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	400.00
Burton's Farms c/o Philip Burton	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	400.00
Croucher, Terry	South Brook, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	2,000.00
Green Bay Drugs	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	1,000.00
Guy Bailey Ltd.	Baie Verte, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	1,000.00
J&J Paving Ltd.	Corner Brook, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	2,000.00
L'N'D Enterprises Ltd.	King's Point, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	300.00
Mid Island Marinne and Fabrication Ltd.	Triton, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	300.00
Morgan Rentals Ltd.	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	500.00
Noble, Sylvia	King's Point, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	400.00
P&B Trucking and Rentals Inc.	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	400.00
Pelleys Inn Ltd.	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	200.00
Smith, Robert	King's Point, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	200.00
Springdale Forest Resources Ltd.	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	8,000.00
St. Marys Bay Fisheries	Mount Pearl, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	20,000.00
Watkins, Bradley	Baie Verte, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	500.00
Wimbleton's Investments Inc.	Baie Verte, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	500.00
Young, Todd	Springdale, NL	Burt, Owen (LIB)	Baie Verte - Green Bay	5,000.00
Bath's Enterprises	La Scie, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	300.00
Bell, John	Conception Bay South, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	250.00
Croucher, Terry	South Brook, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	2,000.00
Knight, Morley	Silverdale, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	500.00
Langdon, Derek	St. John's, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	797.73
Moores, Douglas	Bay Roberts, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	2,000.00
Morgan, Chris	Springdale, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	500.00
Paddock, Arlanda (Lin)	St. John's, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	2,000.00
Paddock, Arlanda (Lin)	St. John's, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	600.00
Paddock, James	Robert's Arm, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	1,000.00
Paddock, Raymond	Robert's Arm, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	1,000.00
Property Wealth Management Inc.	Springdale, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	500.00
Rice, Jerry	Mount Pearl, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	200.00
Rideout, Thomas	Fluer de Lys, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	250.00
Toms, Paul	La Scie, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	150.00
Tubrett, Denise	St. John's, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	742.85
Walsh, Ronald	Robert's Arm, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	500.00
Wimbleton's Investments Inc.	Baie Verte, NL	Paddock, Lin (PC)	Baie Verte - Green Bay	500.00

