



Statement on Municipal Campaign Finance Accountability Review

Our HRM Alliance calls on the municipality to take a strong stance on promoting fairness, accountability, and public participation in the new by-law on election campaign financing regulations.

In the 2016 Halifax Regional Municipal election, Councillors received 34% of their donations from corporations.^[i] This means that over $\frac{1}{3}$ of total donations came not from individuals, but from industries. Many of these industries, from developers to snow clearing companies, may have significant financial decisions made for them by Council. At the very least, this creates the perception of conflict of interest.

Research from thirteen municipalities in Ontario shows that lack of regulation, like that in HRM, for campaign financing has a negative impact on public confidence in municipal government and on the competitiveness of the elections.^[ii] While similar research has not yet been done in Halifax, voter turnout dwindled to 29.7% in the 2016 election, down from 36.9% in the 2012 election.^[iii] We need to have a spotless democracy that people have confidence in to reverse this downward trend. Simply put, citizens do not feel that their vote will make a difference in HRM elections. It is crucial that the new by-law works to encourage public engagement and participation in municipal government

Banning corporate and union donations cannot be a standalone rule. There are four key policies that we believe the by-law should contain.

Ban corporate and union donations. Council regularly makes decisions on contracts, development rights and other matters that can have million-dollar implications for on businesses and organizations. Concurrently, research has shown candidates who accept corporate funding are more than twice as likely to win. The public is correct in thinking there is a strong incentive for businesses and other organizations to attempt to influence the decisions of Council by donating to their campaigns, and indeed, in 2016, one third of HRM election donations came from entities that do not have the right to vote or run for office.

Even if donations do not, in fact, influence the decisions of specific Councillors, the public has no way to know the true basis for their decisions, and the perception of integrity in the process is equally marred in either case. Allowing corporate donations means those with access to or ties to the business community, are more likely to win.

Limit the total amount that any one individual can donate. This limit should be \$500 to prevent wealthier citizens from having a greater influence than other citizens on the outcome of elections.

Restrict donations to individuals who are eligible to vote in the election. This rule is important in ensuring that the outcome of municipal elections remains in the hands of the constituents. It will prevent any person under the age of 18 from donating, since this is often a method used to break the limit on individual donors (i.e. by submitting donations on behalf of children). This rule also prevents any individual from outside of the municipality from donating to a campaign. People who do not live in our municipality should not be able to change the outcome of our elections.

Introduce a donation rebate program to encourage public participation. Less than 650 individuals donated to a municipal campaign in 2016, or about 0.001% of our population. A rebate program could help increase the number of individual donors and, therefore, the proportion of residents directly engaged in helping choose our next government. This program has been successfully implemented in other jurisdictions, like the City of Toronto, where donors are eligible to get back up to 75% of their donation value.^[iv]



[i] Julian, Jack. "Find out who gave \$478k to candidates in Halifax's last election." *CBC News*. March 20, 2017. [URL](#).

[ii] Macdermid, Robert, *et al.* "If It's Broke, Fix It: A report on the Money in Municipal Campaign Finances of 2014." Campaign Fairness Ontario: 2016. [URL](#).

[iii] Ward, Rachel. "Voter turnout drops in 'uncompetitive' Halifax election." *CBC News*. October 16, 2016. [URL](#).

[iv] City of Toronto. "Contribution Rebate Program." [URL](#).