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**Official Report
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(Hansard)**

Wednesday 8 June 2016

**Journal
des débats
(Hansard)**

Mercredi 8 juin 2016

**Standing Committee on
General Government**

Election Finances Statute Law
Amendment Act, 2016

**Comité permanent des
affaires gouvernementales**

Loi de 2016 modifiant des lois
en ce qui concerne
le financement électoral

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Hansard Reporting and Interpretation Services
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Téléphone, 416-325-7400; télécopieur, 416-325-7430
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
GENERAL GOVERNMENTCOMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES

Wednesday 8 June 2016

Mercredi 8 juin 2016

The committee met at 1602 in committee room 2.

SUBCOMMITTEE REPORT

The Chair (Mr. Grant Crack): Good afternoon, everyone. Members of the committee, legislative research, Clerk, Hansard, ladies and gentlemen, I'd like to call the Standing Committee on General Government to order. We're here this afternoon to discuss the subcommittee report that was compiled on Tuesday, December 7. For discussion purposes, perhaps could we—

Mr. Mike Colle: December?

The Chair (Mr. Grant Crack): Tuesday, June 7, 2016. I stand corrected.

I would ask: Is there any member from the subcommittee who would be interested in reading that into the record? Ms. Fife.

Ms. Catherine Fife: Report of the subcommittee, Tuesday, June 7:

Your subcommittee on committee business met on Tuesday, June 7, 2016, to consider the method of proceeding on Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007, and recommends the following:

(1) That the committee hold public hearings on Bill 201 for one day in Kingston and for up to three days in Ottawa, the week of Monday, June 27, 2016.

(2) That the committee hold public hearings on Bill 201 for up to four days in Toronto, at Queen's Park, the week of Monday, July 11, 2016.

(3) That the committee hold public hearings on Bill 201 in Hamilton, Kitchener-Waterloo, London and Windsor, the week of Monday, July 25, 2016.

(4) That the committee hold public hearings on Bill 201 in Thunder Bay, Sudbury, North Bay and Toronto, the week of Monday, August 8, 2016.

(5) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the committee's business with respect to Bill 201 on the Ontario parliamentary channel, on the Legislative Assembly website and with the CNW newswire service.

(6) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement as soon as possible in a major newspaper in each of the cities outside of Toronto to which the committee intends to travel on Bill 201, and that the advertisements be placed in both English and French papers where possible.

(7) That interested people who wish to be considered to appear before the committee on Bill 201 the week of June 27, 2016, contact the committee Clerk by 5 p.m. on Friday, June 17, 2016.

(8) That interested people who wish to be considered to appear before the committee on Bill 201 on all other weeks contact the committee Clerk by 5 p.m. on Thursday, July 7, 2016.

(9) That late requests be accommodated, if possible; and that this be stated in any posted notice respecting Bill 201.

(10) That witnesses be scheduled on a first-come, first-served basis.

(11) That, on each day of public hearings, the committee may meet from 9 a.m. to 11:30 a.m.; from 1:30 p.m. to 4 p.m.; and from 4:30 p.m. to 6 p.m.

(12) That, in the event of oversubscription to the public hearing for a given day, the subcommittee may determine whether to extend the sitting of the committee to 9 p.m. that day.

(13) That groups and individuals be offered 10 minutes for their presentations, followed by up to 15 minutes of discussion with the committee, moderated by the Chair.

(14) That the current or any former Chief Electoral Officer of Canada, any current or former provincial Chief Electoral Officer, any officer of the Legislative Assembly of Ontario, former legislators, former judges and academics be offered 20 minutes for their presentations, followed by 40 minutes of discussion with the committee, moderated by the Chair.

(15) That a minimum of two hours' worth of scheduled presentations in a location be required to warrant the committee's travel to that location.

(16) That one staff person from each recognized party be authorized to travel with the committee, as per the order of the House dated Tuesday, May 31, 2016.

(17) That the Chief Electoral Officer of Ontario be offered the last witness spot on Thursday, August 11, 2016, and that he be offered up to two hours for his presentation, followed by up to two hours of discussion with the committee, moderated by the Chair.

(18) That, if possible, the committee meet in committee room 151 when meeting at Queen's Park, Toronto, during the summer.

(19) That the deadline for written submissions be 1 p.m. on Monday, August 15, 2016, as per the order of the House dated Tuesday, May 31, 2016.

(20) That the research officer provide the committee with a summary of witness presentations by 5 p.m. on Thursday, August 18, 2016.

(21) That amendments to the bill be filed with the Clerk of the Committee by 4 p.m. on Monday, August 22, 2016, as per the order of the House dated Tuesday, May 31, 2016.

(22) That the committee meet in Toronto from Monday, August 29 to Thursday, September 1, 2016, from 9 a.m. to 6 p.m., for clause-by-clause consideration of the bill, as per the order of the House dated Tuesday, May 31, 2016.

(23) That the committee Clerk, in consultation with the Chair, be authorized to commence making any preliminary arrangements necessary to facilitate the committee's proceedings prior to the adoption of this report.

The Chair (Mr. Grant Crack): Further discussion? Mr. Clark.

Mr. Steve Clark: In regard to number (18) and the use of committee room 151, this evening and tomorrow are we going to be using those rooms if they are available?

The Chair (Mr. Grant Crack): No. I think the schedule was for here for those two particular meetings.

Mr. Steve Clark: Are those rooms available? Can we check, with the consensus of the committee?

Mr. Lou Rinaldi: And the purpose is? I'm just curious.

Mr. Steve Clark: It allows live-streaming. We can live-stream in that room.

Mr. Mike Colle: Let's check and see if they're available.

Mr. Steve Clark: I just want the consensus of the committee that if they are available tonight or tomorrow, that we use them.

Interjections.

Interjection: Ms. Fife?

Ms. Catherine Fife: I completely agree.

The Chair (Mr. Grant Crack): Okay. It looks like we have the consensus of the committee that the Clerk look into the availability of committee room 151, and if available, the committee agrees that the meetings this evening and tomorrow be held in that particular location.

Mr. Rinaldi?

Mr. Lou Rinaldi: I know it's not a big burden, but we have two presenters coming at 6:45 and after. They've probably been told to come here.

Mr. Mike Colle: We'll have someone at the door.

Mr. Lou Rinaldi: Okay.

The Chair (Mr. Grant Crack): Very good. There is really one presenter this evening, physically. The other is by teleconference.

Any further discussion? Mr. Colle.

Mr. Mike Colle: Yes. There's a typo in—the Standing Committee on Finance. It should be Standing Committee on—

Interjections.

The Chair (Mr. Grant Crack): I would like to thank Mr. Colle for pointing that out. However, the Clerk has redistributed it with the correct committee on there.

Mr. Mike Colle: Oh. I didn't get the up-to-date one. I stand corrected.

The Chair (Mr. Grant Crack): Thank you for bringing that to our attention.

Ms. Fife?

Ms. Catherine Fife: Just on point (22)—this didn't come up in subcommittee discussion—the clause-by-clause, that's in an open meeting? It's not in camera, right?

The Chair (Mr. Grant Crack): No. It would be an open meeting as per the order of the House.

Ms. Catherine Fife: Thank you.

The Chair (Mr. Grant Crack): Ms. Malhi?

Ms. Harinder Malhi: On behalf of Mr. Fraser, I just want to thank the members of the subcommittee for a productive meeting. The last time this committee met to discuss the organization of this bill, we put a proposal on the table. I wanted to thank everybody for coming to consensus so quickly so that we're able to move forward. As you know, we thought that this was a bill of high importance, and we wanted to bring this bill to committee shortly after first reading. I thank you all for the consensus and for working collaboratively in subcommittee to make this happen.

The Chair (Mr. Grant Crack): Thank you very much. Further discussion on the report from the subcommittee?

Mr. Randy Hillier: Even the Chair did a marvellous job on the subcommittee as well.

The Chair (Mr. Grant Crack): Excuse me, could you repeat that? I don't think Hansard quite picked that up.

Any further discussion? There being none, I'm going to call for the vote on the report from the subcommittee on general government. Those in favour of the report? There are none opposed. I declare the report of the subcommittee, dated Tuesday, June 7, 2016, carried.

There being no further business of the committee at this point, I declare the meeting recessed—right, Madam Clerk?—until 6:45 p.m. The Clerk may have some information for you after the meeting concludes.

I declare this meeting recessed.

The committee recessed from 1610 to 1845.

The Chair (Mr. Grant Crack): Good evening, everyone. I will call the Standing Committee on General Government back to order, following our 4 p.m. meeting where we adopted the subcommittee report.

Tonight, we have two individuals on the agenda. I would like to remind members of the committee that presenters have up to 10 minutes for their presentation, followed by 15 minutes of comments and questions.

I have been noticing a trend where it appears that once questioning begins by a specific party—and all three have done it—they would like to take the whole 15 minutes. Although it's more of a free type of discussion, it appears that I'm going to have to control it a little bit,

to ensure that there is some fairness in and around the five-minute mark.

Ms. Fife?

Ms. Catherine Fife: I'd just like to say I fully support that decision made by the Chair.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate that.

ELECTION FINANCES STATUTE LAW
AMENDMENT ACT, 2016

LOI DE 2016 MODIFIANT DES LOIS
EN CE QUI CONCERNE
LE FINANCEMENT ÉLECTORAL

Consideration of the following bill:

Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007 / Projet de loi 201, Loi visant à modifier la Loi sur le financement des élections et la Loi de 2007 sur les impôts.

CUPE ONTARIO

The Chair (Mr. Grant Crack): Without further ado, we have the distinct pleasure of having the president of CUPE Ontario, Mr. Fred Hahn, with us tonight. We welcome you, sir. You have up to 10 minutes for your presentation.

The floor is yours, sir.

Mr. Fred Hahn: Thanks very much. My name is Fred Hahn. I am the president of CUPE Ontario. CUPE represents 250,000 members across the broader public sector in the province. As a union committed to improving the lives of our members—not just our members, but all workers. As a result, we're very interested in all forms of political activity and we take all very seriously. That includes a keen interest in electoral politics and making sure that people are engaged with important issues and promoting policies that will benefit working people across the province.

I want to thank the committee for the opportunity to speak today. We appreciate that there will be multiple opportunities to provide input into Bill 201. We're going to provide some comments on important provisions of the bill today, but we will also be submitting a more comprehensive written submission before the August 15 deadline.

The goal of creating a fairer election financing and election spending regime is laudable. There is, at the very least, a perception that big money is tainting electoral politics and that access to government officials can be purchased. Most people in Ontario couldn't come anywhere near close to the maximum contribution limits in the current legislation. Lowering contribution limits to \$1,550 for individual candidates or riding associations and \$3,100 for two or more candidates or riding associations per year is a step in the right direction. This limit is still higher than most people in the province would ever afford to contribute. We would ask, therefore,

that those limits be reviewed on a regular basis with the goal of ensuring that there is a level playing field for all Ontarians.

There are, however, still too many loopholes in this legislation. The bill allows for additional donations during election periods, either general elections or by-elections, which significantly increase maximum contributions. We're recommending that there should be an annual hard cap of \$3,100 a year, with no contributions to individuals exceeding \$1,500. Anything short of a hard cap undermines the goal of limiting the influence of money in politics.

We also recommend that provisions be added to the act to ensure greater transparency in tracking contributions. In particular, information on campaign contributions should include the name of the employer of the contributor to ensure that businesses are not skirting the rules by giving money to their employees to funnel to parties.

We object to provisions that allow individuals to contribute up to \$5,000 to their own campaign. Individuals running for office should not be afforded a greater ability to contribute than anyone else.

In Bill 201, the definition of "contribution" doesn't include voluntary labour, so long as that person performing this voluntary labour doesn't receive any remuneration greater than they would normally receive for those services performed.

1850

We agree that there's value in encouraging people to participate in the electoral process, which this provision does. We would, however, like to recommend that the use of paid employees not include professional services, like polling or advertising or research. Professional services provide a higher value to campaigns than other forms of volunteer activity, like answering phones or making calls on behalf of a candidate or distributing leaflets.

Regarding contribution limits, it's inappropriate to allow individuals to contribute up to \$25,000 to their own party leadership campaign. Establishing a limit this high gives an unacceptable advantage to relatively affluent candidates. All leadership contestants should be on the same footing, should have the same obligation to raise money for their campaign and should face the same restrictions on contributions as the rest of us.

Bill 201 also needs to include strict rules to prohibit cash-for-access fundraisers. Cash-for-access fundraisers are one of the principal reasons we're having this discussion right now. People are rightfully concerned that access to ministers and the Premier can be purchased. In the absence of such a restriction, this legislation is insufficient to protect the public's need to get money out of politics.

Lowering the cap on campaign contributions can also be matched with a lower cap on campaign expenditures for political parties during elections. We recommend that Bill 201 be amended to include provisions that would lower expenditure limits. Parties' ceaseless drive to raise

money is, in part, caused by an exceedingly high spending limit during elections. With a lower cap on party spending, the need to raise massive sums of money would be reduced. Lowering the spending cap by three quarters of its current level would still allow parties to spend over \$5.5 million on elections, which is a substantial sum.

It should be noted that the majority of parties' expenditures go toward advertising. Anywhere from 55% to over 85% of party election budgets have gone to advertising costs. While we recognize that there is a place for advertising in elections, spending more than \$6 million on advertising in one election campaign, as one party did in 2014, seems to us to be excessive.

In an age of social media and innovative communications strategies, parties can be less reliant on expensive television advertising. Messaging through Facebook, YouTube and other sites can significantly reduce these costs. And let's face it: Fewer people are watching broadcast television, and that means that expensive television ads are less useful than they were in the past.

Election advertising costs for parties could be further reduced if there was a requirement that television stations, as a condition of their CRTC licence, would provide free election advertising to all parties on an equitable basis. Now, we know this is outside of the powers of provincial government, but we'd ask the government to press their federal counterparts for legislation that would make it mandatory for free-time election advertising. The airwaves, after all, are public. Requiring TV stations to contribute to the democratic process seems a very low price to pay for access to this important public asset.

CUPE Ontario is also supportive of a move to prohibit contributions from corporations and unions. This will bring Ontario in line with similar kinds of prohibitions in other provinces and at the federal level. We believe that it will be important, with these changes, to require public subsidies for parties.

We'd also like to comment on the proposed restrictions for third-party advertising. It's important for third parties to have the right to communicate issues of importance during election campaigns. Political parties are not the only entities that have an interest in shaping and contributing to the public discourse. In a healthy democracy, there must be room for a multiplicity of voices.

That being said, we do recognize that limiting third-party advertising at the federal level has been used to strike a reasonable balance between the interests of third parties to advertise and the public interest to ensure that some voices don't overshadow others. The Supreme Court recognized that in *Harper v. Canada*, in which it upheld the federal legislation on third-party advertising.

CUPE does want to maintain the right to engage in third-party advertising during elections, but we agree that limits are appropriate. We want to maintain the right to engage in campaigns to raise awareness on public policy issues like health care, post-secondary education and tax policy, and even issues like the sell-off of public assets, and labour rights and anti-poverty strategies.

We believe that we'd be able to continue to engage in this practice so long as Bill 201 is in line with and interpreted like federal legislation. The definition of advertisement in Bill 201 includes "advertising that takes a position on an issue with which a registered party or candidate is associated." Interpreted too broadly, this could mean that third parties couldn't advertise on any issue if a candidate or a party took any position on it. This kind of interpretation would be too restrictive.

The federal legislation has been interpreted in a way that allows for broad-based issues to be discussed, but still restricts ads that clearly favour or oppose one party or candidate. It would be appropriate for that federal interpretation to be adopted here.

If third parties are limited in their ability to advocate during elections and, indeed, six months prior to an election, then it's also necessary to limit government advertising during this period. People identify advertisements by government with the party that holds office at the time. It's clearly an advantage for incumbent parties that cannot possibly be shared by other parties. Government advertising only focuses on messages that are favoured by the people who hold office. It would be laughable and completely unexpected that government advertising would be critical of a government policy. By extension, the party that holds office gets the benefit.

Since government advertising can only possibly benefit one political party—the party that forms government—access to public dollars for advertisements constitutes an unfair advantage. It must therefore be curtailed during elections and for the six-month period prior to elections.

Thanks for your time. I am happy to take any questions. We will be looking forward to a written submission to you all by the deadline in August.

The Chair (Mr. Grant Crack): We'll start with Ms. Hoggarth, then Mr. Clark and then Ms. Fife.

Ms. Ann Hoggarth: Hi, Fred. It's nice to see you again. Thanks for coming here tonight.

Ontario is taking steps to even the playing field. We feel that this is very important, and one of the ways is by limiting the role of third parties in elections. Bill 201 accomplishes this by taking the important step of limiting the amount of third-party advertising during the election.

Some things aren't included right now in the cap, such as: transmission to the public of editorial news or op-eds, mailings to union members or company employees or shareholders, and making telephone calls to electors, along with day-to-day political operations. Should the proposed bill make these activities subject to the spending limit to further even the playing field? If so, should the spending limit be increased? If not, why?

Mr. Fred Hahn: I think that what would be best here and what we try to articulate is that what we adopt here should be consistent with what the federal government has done and what the interpretation of the federal legislation is. What that allows for is for people to do all of the things that you articulated to not be considered under the spending cap. It makes sense for us to be

consistent in that way. It actually makes it easier, I think, when the same rules apply for elections at different levels.

Ms. Ann Hoggarth: Okay. The union donation ban: Of course, I've been involved in unions and you, of course, are the leader of a union. What is the organization's position on the ban?

Mr. Fred Hahn: We're in favour of banning both corporate and union donations. We know well that when you compare the amount of money that unions donate to political parties versus the amount of money that corporations and banks donate to political parties, we're a small fish in a very big pond. But to level the playing field in the interests of enhancing the democratic process, making sure that politics isn't about money but it is about ideas—it's why we're not only in favour of the ban but why we're also advocating to allow third parties to continue to campaign on issues that are important public policy issues so that that can form part of the debate that happens around an election.

Ms. Ann Hoggarth: Should we ban corporate and union donations to third parties? If not, should there be a limit? If so, what amount?

Mr. Fred Hahn: We haven't really taken a position in the notes that I've taken, but I would think that there should be some consistency in terms of the approach that we're taking across the board. From our perspective, we don't participate in a separate third party. It's our members who decide what our union participates with and talks about and campaigns on during an election.

Ms. Ann Hoggarth: People don't understand that, Fred. You and I do, but I think that message needs to get out from unions. Thank you very much.

The Chair (Mr. Grant Crack): Mr. Clark?

Mr. Steve Clark: Thanks, Fred. Welcome. I'm glad you're here. I look forward to your more detailed presentation.

You used the words "big money" and "cash for access." I guess what I'd like to hear from you is: Do you feel that because of that big-money access, pay-to-play, you and your union have been disadvantaged?

Mr. Fred Hahn: I think that when people can get access to cabinet ministers or the Premier by spending big amounts of money at a fundraiser, the perception is there that others, certainly, don't have the same access.

1900

I was just on the lawn with some parents who have kids who are dealing with autism, and I'll tell you, I don't think any of those parents could be paying 10,000 bucks to get access to the minister. But they all have very important issues that I think that minister would benefit from hearing.

Access to politicians needs to be levelled, and the playing field needs to be levelled. That's why we're saying that this legislation should speak specifically to those kinds of fundraisers.

Mr. Steve Clark: You came to the point in your presentation where you talked about staffing and volunteers. You were a little fast in terms of your presentation, so I

want to give you an opportunity to reiterate how you feel that should be handled in this bill.

Mr. Fred Hahn: I think that all of us would want people to be engaged and involved in the election process. That means being able to volunteer and be part of a campaign for a local candidate. That may include being able to be there and not losing remuneration from their workplace to be there.

The reality is that people have many different skills. If a candidate or a party is going to benefit from in-kind donations or whatever from somebody volunteering their time to be a pollster or a researcher or to do advertising for them, those kinds of benefits to a campaign and to a party are very different from the volunteers who would be manning a phone bank or going and talking to electors or putting signs on lawns. Those are important activities that we think people should be able to participate in without losing remuneration. They're very different from advertising, polling and research. Those are skills that should be, and are properly to be, purchased by a candidate.

Mr. Steve Clark: No matter whether it's a corporation or a union, do you not feel that there is a big difference between someone who is being paid and being placed in a campaign versus someone who, just out of the goodness of their heart, decides, outside of their workday, that they're going to campaign for a particular candidate, whoever that might be? I think there's a big difference.

Mr. Fred Hahn: There's a difference—although there are folks, of course, who, in the course of their work, would be wanting to be more active. As long as the service they're providing to the campaign isn't a service that ought to be purchased, like the professional services that we've talked about—if somebody is able to and wants to engage in that work, why should they lose remuneration from their workplace?

Mr. Steve Clark: I want to give Mr. Hillier some time.

The Chair (Mr. Grant Crack): Mr. Hillier, you have about two minutes.

Mr. Randy Hillier: I just want to expand on this a little bit. Knowing campaigns, campaign volunteers can do a multiplicity of roles. I've had volunteers who work the phones, who do graphic design for lit drops, who do databasing as well as canvassing. I'm not sure how you could sort all those things out. But I think the important part is that paid volunteers, as much of an oxymoron as that is, be deemed a contribution, so at least we know that they exist on each campaign. Would you have any comments about that—that at least we know that the person or the company or the union are providing labour to a campaign?

Mr. Fred Hahn: What we're trying to do is distinguish between the activity that many—the lion's share of campaign volunteers, at least in the campaigns that I've been involved in, are the folks who are making phone calls, who are talking to electors, who are putting up signs—

Mr. Randy Hillier: But at present, we don't know who they are, and we don't know how many of those—because they're not deemed to be a contribution. Do you believe that it would be important and beneficial to be open and transparent and that we know who is providing volunteers, whether paid or otherwise?

Mr. Fred Hahn: The challenge becomes, for us, the question of what volunteer time is and what work time is. For example, we have members who have been active in campaigns, and we have helped them with remuneration, so that they aren't going to their workday. But they're in a campaign office and may be there for 12 or 14 hours, when their workday may be seven and a half hours.

Mr. Randy Hillier: Still, should we not know if it's thousands or tens of thousands?

Mr. Fred Hahn: If only it were tens of thousands.

Mr. Randy Hillier: I'm sure the unions do provide significant labour. I think it would be reasonable to expect that the public know how much they were being provided and that the campaign recognize that it is a contribution because, any way you slice it and dice it, it is a meaningful benefit, or else campaigns would not seek out those volunteers.

Mr. Fred Hahn: Indeed. Having people in campaign offices is essential to a successful campaign.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Fife.

Ms. Catherine Fife: Thank you, Fred, for coming and sharing some initial thoughts. Like the other members, I will look forward to a detailed—and perhaps a reflection on what this committee is going to come up with as well.

One of the outstanding issues that you've touched on here is around stifling, if you will, some of those voices, those issue-based advocates that are out there, who are looking, six months prior to an election, to weigh in and be heard by the government of the day, regardless of the party.

I don't know if you had a chance to read the Chief Electoral Officer's piece, but he also shared those concerns because, as he pointed out, an issue one day is non-political, but the next day it could be political. Do you want to expand on that? Because for us, that's one of the most serious concerns about Bill 201, as it's crafted right now.

Mr. Fred Hahn: I think it's incredibly important in a healthy, functioning democracy for people to be able to contribute to public policy initiatives on issues. It's impossible to imagine an issue that wouldn't somehow be associated with one political party or another. Saying that people would be restricted from campaigning on issues six months prior to an election seems to us to be counter to the ability for people, under the charter, to express their interests and to advocate around issues that matter.

I'm not sure how far that goes. Does a public health organization in a community that's advocating around the importance of public health become political advertising in a campaign? Issues are quite important, and it's why we're saying we think the way the bill is not only struc-

tured but also interpreted should mirror what happens at the federal level, where people are able to campaign on issues and are able to engage in that public policy debate.

Ms. Catherine Fife: One of the key recommendations from the Chief Electoral Officer was that the definition of "political advertising" proposed in the bill apply only during writ periods; in other words, that it not apply to the six months preceding the call to schedule a general election. As he pointed out, it's his job to monitor this, and it's almost impossible.

The other issue that you raised was around the donations, \$7,750. Do you think that this bill goes far enough on that to pull big money out of politics? Because for a lot of Ontarians—in fact, for the majority of Ontarians—\$7,750 is a lot of money.

Mr. Fred Hahn: Yes, and it's why we say that putting some limits on is important, certainly, but we're proposing limits that are in line with what happens federally. We're also proposing, further, that those limits be evaluated, because for most working folks in the province of Ontario, even contributing \$1,550 might be a stretch. If we're going to have a level playing field, if the goal of the legislation is to level the playing field, then it really should be levelled to a place that is fair, reachable and attainable for most Ontarians.

Ms. Catherine Fife: You mirrored some of these concerns in your comments as well: The electoral officer said that this process, this committee's work must put the elector at the centre. The elector right now is inundated with government advertising, and I thank you for your—this obviously is going to get quoted at some point—"because the government advertising is never going to be truly impartial or critical of the government" idea. Sometimes, they advertise plans that haven't even been released yet, although that did change today, so that's good; it's out there now.

Do you want to comment—because the Government Advertising Act of 2015 significantly changed what a partisan advertisement is. I think it would be valuable for us to hear your input on that.

Mr. Fred Hahn: We did have a regime that made clear what could be done in terms of government communicating around issues with the public. The changes that happened recently have allowed for much more partisan advertising.

1910

One of the things that our more expanded written brief will talk about is what happens in other jurisdictions. There are clear restrictions in other jurisdictions around what government can and can't do and what government can and can't say about its own policies and programs in the lead-up to an election and during an election period. I think that's only fair and reasonable, because it would be unimaginable for any government to ever pay money to be critical of its own programs.

Ms. Catherine Fife: For sure. Thank you very much.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Rinaldi, you have 45 seconds for one quick question.

Mr. Lou Rinaldi: Wow. Okay.

Fred, obviously you play an important role within CUPE as part of the national CUPE organization. I'm sure you must talk to your colleagues about other provinces and how they do things. Do you have any advice you would give us to make Bill 201 a little bit better?

Mr. Fred Hahn: It's one of the things that we're going to be looking at more for the written brief, but for example, in Manitoba, there are quite clear limits around government advertising in the lead-up to an election and during an election. That's one example. And I think that there are guidelines at the federal level. It just makes good sense to have some consistency around things like contribution limits and that kind of stuff, because then the same rules apply in various elections here in this jurisdiction. It just makes good sense.

Mr. Lou Rinaldi: Thank you.

The Chair (Mr. Grant Crack): Thank you very much.

Mr. Fred Hahn: Thanks.

The Chair (Mr. Grant Crack): Thank you to the members of the committee and a special thanks to Mr. Hahn for coming before committee this evening. We appreciate your input.

Mr. Fred Hahn: Hopefully you don't have to sit until 9 o'clock.

DR. PAULINE BEANGE

The Chair (Mr. Grant Crack): The next presenter, and the last presenter for the evening, is by teleconference. We have with us, I believe, Madame or Ms. Pauline Beange. Madame Beange, are you with us this evening?

Dr. Pauline Beange: Yes, thank you.

The Chair (Mr. Grant Crack): All members of the committee are present to hear your presentation. You'll have up to 10 minutes for your presentation to the committee, followed by approximately 15 minutes of questions and discussion from the members of the committee. If you could please just take a minute to introduce yourself and where you're calling from, the floor is yours.

Dr. Pauline Beange: Good evening, members of the committee. I am pleased to participate this evening in your discussion. I completed my doctoral dissertation at the University of Toronto in 2012, so I do have a doctorate, and my research focus was comparing how party finance is regulated in Canada, the UK and the US. Since 2012, I have been teaching Canadian politics, public policy, parties, elections and so on at the University of Toronto, the University of Western Ontario and the University of Waterloo.

I have five recommendations or comments regarding Bill 201. I'm going to list these briefly. After that, I will sketch out my reasoning and make some comments on each, and then, of course, welcome your questions.

(1) My first priority is real-time reporting of contributions and spending by all political entities and third parties to Elections Ontario within five days of a trans-

action. Elections Ontario should upload or should commit to upload these reports to its website within 48 hours of receipt. This speed of reporting and availability of information is crucial to transparency and, I believe, would go far in eliminating the need for detailed rules, which go out of date all too quickly.

(2) Businesses and unions should be permitted to donate to political parties and political entities. Third-party spending is clearly consistent with charter freedoms. Any limits on third-party spending should be stated relative to, for example, spending by parties in the previous election, so that there is somewhat of a level playing field between political parties on one hand and third parties on the other.

(3) The greater risk in amendments and new legislation is in passing contribution limits that are too low rather than passing ones that are too high. In future, it will be easier to lower limits, politically, should that be necessary, than to raise them—again, should that be necessary.

(4) I believe that the proposed vote subsidy is too rich as it currently stands.

(5) Last, I would recommend that there is no inherent reason to follow federal policy in the area of election finance.

Now to background: According to my research, part of the problem that you are confronting with Bill 201 stems from the massive changes in legislation that occurred at the federal level in 2000, limiting third-party expenditures in federal elections and then in limiting and ultimately prohibiting contributions by unions and corporations to political parties and their entities in 2006. My research—

Interruption.

The Chair (Mr. Grant Crack): Ms. McMahon.

Ms. Eleanor McMahon: Can we get more copies of the—

Interjection: Right here.

Mr. Lou Rinaldi: Thank you.

Interjection.

The Chair (Mr. Grant Crack): Is she back? Welcome back.

Dr. Pauline Beange: Good evening again.

The Chair (Mr. Grant Crack): Yes, welcome back.

Dr. Pauline Beange: Yes, thank you.

My research suggests that the surge in third-party spending in Ontario since 2005, particularly by public sector unions, occurred because they were shut out at the federal level. Businesses, by and large, have not gone to third-party spending. While there have been some notable political contributions to parties by businesses, this is not true for the vast majority of publicly listed companies that operate in Ontario. Businesses seem to have gone the route of more lobbying, but not enough data is available to know if this was the case or not.

I mention this situation because you should be aware that there may be spillover, say, to local political campaigns from the controls proposed in Bill 201.

Second, political parties must not be starved of cash: They provide regulated rivalry of ideas and policies, and

hold each other to account. Parties are the primary link between citizens and the state. Parties educate about elections, mobilize voters, get people involved in campaigns and, of course, recruit candidates and leaders. Third parties do not and cannot provide the representation and voice of political parties, although, of course, third parties do contribute to policy dialogue.

I am concerned about the ratio of public funds via the proposed subsidy to hoped-for contributions by individuals, and I can comment on that later, or answer questions.

Briefly, again, revisiting my recommendations:

(1) Real-time reporting must be speeded up. What is now considered real time is 20 days during an election campaign, and third-party reporting does not occur currently until after elections. This is critically insufficient. There would be a strong incentive for parties and third parties to get it right on the first submission. And early availability of data within the election period from all actors not only provides transparency; it provides for earlier oversight by the press, citizens, policy think tanks and so on.

(2) Businesses and unions should be permitted to donate to political parties and political entities. To prohibit them from playing a role in parties is to encourage activities in other arenas, which may be more difficult to identify or, indeed, regulate. To prohibit them from involvement with political party finance also labels businesses and unions as having no value in public policy debates. The average Ontario electoral district, I believe, has approximately 86,000 eligible voters. Therefore, a contribution limit of, for example, \$5,000 to an electoral district association in an election—or 5.8 cents per voter—poses almost no risk of swaying a policy decision or suborning a candidate and, just as importantly, does not label either businesses or unions as “corrupting influences” when each of these make important contributions to Ontarians’ well-being. Similarly, a maximum contribution for businesses and unions of, say, \$25,000 in an election, against 9.2 million voters, would serve the same purpose with minimal risk.

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In Quebec, the long-standing prohibition on union and business donations to political parties has not served voters well. The Chief Electoral Officer of Quebec has, in the past, stated that the province’s party finance rules do not work. The findings of the Charbonneau commission suggest that eliminating businesses and unions from directly contributing to parties has not eliminated corruption or influence.

(3) The greater risk in passing contribution limits and third-party spending limits that are too low rather than in passing ones that are too high: In future, it will be easier to lower limits, should that be necessary. As well, it is my considered view that the proposed individual contribution limit is too low. While the number of individuals donating to political parties has definitely risen over the past decade or so, there is no basis on which to forecast that there will be a surge of individual donors to replace

business and union contributions. If I am correct, then parties will be left with too few resources to meet the challenges of an ever-changing electorate.

(4) The proposed vote subsidy: Parties, like individuals, need incentives in the right direction. If, as members, you recall the federal vote-based subsidy, a number of parties coasted on it. Second, the flow of contributions is the fastest, most accurate feedback the electorate can give to a party between elections, as to whether the party is responding to the public’s concerns and whether it is acting according to public sentiment. Granting too high a subsidy enables parties to coast and to lose touch with the electorate.

The last point, (5): Ontario policy on party finance need not follow federal policy. Federal policy surrounding party finance in the last decade or so was, at least in part, set on an ad hoc basis. Ontario has a unique, diverse electorate, and it is more important to consider those needs than to reach for congruence with standards set for Canada as a whole.

To close, I urge you to address public concerns regarding party finance and third-party spending, but most definitely not to throw the baby out with the bath water. Again, I believe the single most important amendment would be to emphasize speed of reporting for parties and third parties.

Listed on the brief you have before you is a link to a recent article I wrote in Policy Options magazine in May 2016, which gives a fuller background to these comments which I have just made.

I thank you for your time and will be pleased to take your questions.

The Chair (Mr. Grant Crack): Thank you very much, Dr. Beange. We appreciate your comments. We’re going to start with Mr. Hillier from the Progressive Conservative Party. Mr. Hillier.

Mr. Randy Hillier: Thank you, Doctor, for joining with us this evening. I looked over your recommendations. I have a problem with the initial paragraph in your background. You state that the problem and the motivation of Bill 201 stems from massive changes in legislation at the federal level. My view is somewhat different, and I think most people on this committee would have a different view: that the motivation for Bill 201 and the problem that we’re confronting is the exposure of cash-for-access and pay-to-play, the undue and disproportionate influence of wealthy contributors to the public discourse, not any changes to the federal level. Indeed, the Toronto Star has done a significant amount of exposure on this subject, as well as others, that has led to Bill 201 being introduced and being expedited. I think that’s where I would start.

The other: You mentioned that there should be spending by unions and corporate donations, with the fear of starving political parties of necessary cash. I don’t think there are any politicians here who want to starve our parties of cash. But the evidence is, at the federal level anyway, that with the elimination of corporate and union donations, the political parties have indeed raised

greater funds from individual donors than they were once reliant on union and corporate donors—if you could maybe respond to that.

Dr. Pauline Beange: Certainly. First of all, I did not mean to suggest that the primary motivation for Bill 201 was change at the federal level. I was speaking with regard to the surge in third-party spending in Ontario since 2005, so I apologize. I understand that, of course, one of the primary motivations for 201 was the problem of cash for access.

Secondly, I think that cash for access can be dealt with in a different way rather than overall contribution limits. It can be something that is tied into lobbying or reporting in some other way.

With regard to the federal parties raising lots of funds, that is quite true. That has happened. There has been a rise in the number of individual contributors and in contributions, but I don't think it's safe to assume that because this happened at the federal level, it will also happen at the provincial level. That would be my first observation.

My second observation is that broad-ranging research in Canada, the US and the UK shows that political contributions are something like a luxury good. People spend more on political donations, if you will, just as they will spend on some kind of a brand name watch, a Michael Kors purse or Kate Spade purse. Spending on political contributions does rise with income. I think it's unreasonable to assume that people on very moderate incomes are somehow going to respond to a change in party funding rules because of the merits. They'll respond as their income rises as opposed to because unions and businesses are shut out.

Mr. Randy Hillier: Okay. Well, the evidence states otherwise. There are political parties at the provincial and federal levels—very similar parties. We have different jurisdictions, but all jurisdictions that impact people, as well as businesses and unions. I don't know how we could make that leap of faith that something different is going to happen with provincial voters as compared to federal voters. As we see in donations from both Elections Canada and Elections Ontario, there's a huge overlap of people who contribute to both. The same people contribute to both.

You mentioned that Ontario's policy on party finance need not follow federal policy. Maybe you can clarify that. I recognize that it should not be exactly the same, that there are unique differences. However, for ease of understanding and compliance with the law, if there are broad-based similarities, there will be greater compliance, less errors, less unknowns and, of course, once again, just like the contributors to federal and provincial politics often overlap, the same applies with the people working on campaigns—the chief financial officers, riding associations etc. So some uniformity, I think, would be of substantial benefit to everybody.

Dr. Pauline Beange: I certainly can't disagree with your point on compliance because I know it can be very confusing. My research shows that it can be very

confusing for chief financial officers to distinguish between these—used party signs are an expense for one type of election and not for another and so on. I certainly wouldn't disagree with that, but I just think that Ontario is a different situation than many other provinces. It has a more diverse electorate. It has more public sector union workers. There are a number of differences that perhaps would not alter the outcomes but I suggest should be taken into account.

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The Chair (Mr. Grant Crack): Thank you very much, Doctor, we appreciate that.

We'll move to the government. Mr. Colle.

Mr. Mike Colle: Thank you, Dr. Beange, for being with us. Where are you calling from?

Dr. Pauline Beange: I am calling from Lake Kagawong, Manitoulin Island.

Mr. Mike Colle: God bless.

Dr. Pauline Beange: I live in the GTA, but I am here this week.

Mr. Mike Colle: Good for you—beautiful Ontario.

I guess the one thing that I'd like to get your further explanation about is that we had a glowing report about the wonderful system in Quebec and how we needed to copy the Quebec system, but I see where you have quoted the Charbonneau commission, which has suggested that eliminating unions and businesses from directly contributing to parties has not eliminated corruption or influence.

Do you want to comment on the Quebec situation and what we should keep in mind if we look at Quebec, as was suggested by another presenter?

Dr. Pauline Beange: I think, if you go back a few decades, when the Parti Québécois prohibited union and business donations to the party itself, it was necessity, not virtue, as Professor Louis Massicotte of the university of Laval has stated. They knew, with their separatist intentions, that probably unions and organizations that were nationally based would not give them, so it was not out of virtue, it was out of necessity.

But since that time, I think we have seen the “in and out” scandal at the federal level, for example, and in Quebec, the Charbonneau commission's testimony certainly revealed a lot of very unsavoury transactions having to do with party donations and so on and so forth. So I think that there is a significant risk in going to too low a donation level and following that route. I don't see what the merits are. I simply don't see the merits of the case of following the Quebec route.

Mr. Mike Colle: Yes, thank you. Also, it's interesting that you have quite a divergent opinion on limits. You feel that we should be very cautious in terms of what we do with limits for personal donations or contributions. Could you just expand on that?

Dr. Pauline Beange: Yes. Again, what some fairly recent research has shown is that political contributions, in a sense, are somewhat like charitable contributions. Now, in Canada, clearly, political donations receive a tax

credit; they don't receive any political tax credit in the U.S.

We do see a general pattern that lower-income people may give very small amounts, but generally speaking, political donations rise with income. That seems to be a fairly good predictor. They're what's called the "normal good." You consume more of it or spend more on it as your income rises. I don't think we can assume that if we set the limit on contributions low, that is going to draw forth contributions from low-income people. It will draw forth contributions, but not necessarily from low-income people.

Mr. Mike Colle: And finally, you also do emphasize that there is quite a unique character to Ontario, much different than PEI, Alberta or Newfoundland, and also the federal scene; that when we examine our options here, we should take into account the unique aspects that Ontario voters basically demonstrate.

Dr. Pauline Beange: Yes. I'd like to just make two points here. One is the number of languages that are present in a number of electoral districts in Ontario. With just a few cents per voter, it's very challenging to reach multiple language groups. The second is the high-density nature of a number of Ontario electoral districts and the difficulty that candidates and volunteers have in reaching people, particularly those with long commutes who aren't available over dinner time. That's the kind of thing that I'm thinking of that makes Ontario perhaps quite different than more rural ridings spread over the country.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the NDP. Ms. Fife?

Ms. Catherine Fife: Thank you very much for a very succinct summary of your opinions on this issue. I must confess I was genuinely surprised to hear some of your recommendations, although I would say that New Democrats completely agree with your first recommendation around real-time reporting and disclosure. I think that this is the key piece to any policy going forward from this committee to ensure accountability. I think that that's one of the big questions that we'll be grappling with, going forward. I thank you for your top recommendation, which involves the speeding up of real-time reporting. You do point out, for very good reasons, that it's critically insufficient at this time.

Your comments, though, that business and unions should be permitted to donate to political parties and political entities, and then also your referencing of risk in passing contribution limits and third-party spending limits that are too low, quite honestly, caught me by surprise. No one has come in yet, or at least we have not heard from any delegation that thinks there isn't a problem right now in the province of Ontario where money buys access to politicians, to ministries and to governments.

You point out these two issues where you warn us, as a committee, that we don't want to set these limits too low because we'll starve political parties, but then at the same time, you say that the proposed vote-based subsidy is too rich. Remember the goal for us is to try to find a way to level the playing field for all political parties.

Would you mind expanding on these two issues, going forward?

Dr. Pauline Beange: Okay. Let me go first to "money buys access." I think we have to distinguish between someone who gives money to a political party and a different situation where the person is at a high-level, relatively intimate dinner with the Premier or a cabinet minister. I think those are horses of two different colours. If we leave the second one as in essence a matter of lobbying and so on, then for someone who lives in a community, is a relatively high-income individual and says, "You know what? I really like what X party is doing these days. I'm going to give them X thousands of dollars," I think that is a strong indication of participation, but it is not necessarily access. I would like to make that distinction.

Ms. Catherine Fife: Okay. Can I just respond?

Dr. Pauline Beange: Certainly.

Ms. Catherine Fife: Because you say that you view those two citizens as two horses of different colours. I think our challenge is to, for lack of better language, make the horses the same colour.

We want every government of every stripe, going forward, to view one citizen who has money to be just as important as one citizen who doesn't have money. That's the goal of this committee, I think.

I go back to what Mr. Hillier had asked you, as what started the work of this committee. Do you think it is appropriate for a cabinet minister to have a quota to raise within his ministry—

Interjection.

Ms. Catherine Fife: —from those stakeholders who are directly connected to that ministry and the work and the mandate that he has as a minister?

Dr. Pauline Beange: Okay. I think that probably unofficial, informal quota limits have always existed. However, if they are linked specifically to stakeholders that his ministry has a possibility of favouring, that is definitely inappropriate. Again, to me, that is more a lobbying issue, as opposed to a political one. I think it's inappropriate, but I'm not sure if this is the bill with which to deal with that.

Ms. Catherine Fife: So you would have us create greater oversight around lobbying. I guess that this gets to the definition of lobbying. If you're having an intimate dinner with the Premier, as you've just described, you can't discount the fact that there is lobbying going on.

Dr. Pauline Beange: I'm saying that that is exactly what it is, but I'm not sure that it's covered by the lobbying act. I'm not familiar with the details, but it seems to me that is lobbying.

Ms. Catherine Fife: I will look forward to your recommendations when the committee does come out with its final report around real-time reporting of contributions, because, from the presentation that you've given us, I think that's sort of where we would be focused from your perspective.

Dr. Pauline Beange: I think that would be amazing. I know that in the US, the Federal Election Commission is committed to uploading any data within 48 hours. I think

with technology and software as it exists today, that is eminently doable.

The Chair (Mr. Grant Crack): Thank you very much, Dr. Beange. We appreciate your insight and comments for the committee this evening. We wish you all the best up on Manitoulin Island.

Dr. Pauline Beange: Thank you. I've enjoyed our conversation.

Mr. Mike Colle: God bless.

Dr. Pauline Beange: Thank you. Good evening.

The Chair (Mr. Grant Crack): Thank you again.

Yes, we are on order of the House, but one of our colleagues, Mr. Hillier, has asked for a privilege to make a comment to the committee. Go ahead.

Mr. Randy Hillier: Thank you, Chair. Once again, in the spirit of collaboration and after a few days of hearings, I would like to propose to the committee to consider, after this week, in our subsequent weeks of committee hearings, that we have the opportunity for maybe a half-hour before the start of each hearing to have a discussion about what we've heard from the previous day's testimony and deputations—to, as a committee, have that open discussion to see if there may be things that we

would like to have the Clerk's office or other counsel provide clarification and details on from what we've heard. I think there would be some benefit in having an open discussion with committee members for approximately a half-hour.

The Chair (Mr. Grant Crack): Thank you for sharing that with us this evening. Of course, we cannot entertain any discussion or comments on that. We'll take that back—

Interjection.

Mr. Steve Clark: Leave it on the table.

The Chair (Mr. Grant Crack): If, in fact, we are to move forward on that suggestion—maybe I can call a subcommittee meeting, and if there is consent there, then it can come to committee for approval.

Mr. Randy Hillier: I just put the seed out for tonight.

The Chair (Mr. Grant Crack): It's a lovely seed.

Having said that, I want to thank all members of the committee who are here this evening and all the support that we have tonight and staff. Thank you to all the presenters.

This meeting is adjourned until tomorrow.

The committee adjourned at 1943.

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