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**Official Report  
of Debates  
(Hansard)**

**Tuesday 26 July 2016**

**Journal  
des débats  
(Hansard)**

**Mardi 26 juillet 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  
Room 500, West Wing, Legislative Building  
111 Wellesley Street West, Queen's Park  
Toronto ON M7A 1A2  
Telephone 416-325-7400; fax 416-325-7430  
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Service du Journal des débats et d'interprétation  
Salle 500, aile ouest, Édifice du Parlement  
111, rue Wellesley ouest, Queen's Park  
Toronto ON M7A 1A2  
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

Tuesday 26 July 2016

Mardi 26 juillet 2016

*The committee met at 0900 in the Holiday Inn Kitchener-Waterloo Hotel and Conference Centre, Kitchener.*

ELECTION FINANCES STATUTE LAW  
AMENDMENT ACT, 2016LOI 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.

**The Vice-Chair (Mr. Lou Rinaldi):** Good morning. I would like to call to order the Standing Committee on General Government to deal with Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

## SUBCOMMITTEE REPORT

**The Vice-Chair (Mr. Lou Rinaldi):** The first item on the agenda is the report of the subcommittee on committee business dated Wednesday, July 13, 2016. Do we have somebody that—

**Mr. Steve Clark:** I'm not a member of the subcommittee but I'm pleased to move the motion to get it on the floor, Chair.

**The Vice-Chair (Mr. Lou Rinaldi):** Absolutely. MPP Clark.

**Mr. Steve Clark:** That's okay with the other members?

**The Vice-Chair (Mr. Lou Rinaldi):** Yes.

**Mr. Steve Clark:** Your subcommittee on committee business met on Wednesday, July 13, 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 in Toronto, at Queen's Park, on Wednesday, August 10, 2016, if warranted by demand, as per the guidelines adopted by the committee on Wednesday, June 8, 2016; and

(2) That the Clerk of the Committee, 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 Vice-Chair (Mr. Lou Rinaldi):** Thank you, MPP Clark.

You've heard the motion. Any comments? All in favour? Done.

**Mr. Steve Clark:** Chair, can I just add a vote of thanks to the staff of the committee? I understand that we're live streaming this event; that's what I was told. Is that true?

**The Vice-Chair (Mr. Lou Rinaldi):** We better be.

**Mr. Steve Clark:** So I just want to thank everybody for doing that. I know Mr. Hillier and I harp on that many times. I just want to thank everyone for doing that. I really appreciate it.

**The Vice-Chair (Mr. Lou Rinaldi):** And I'm sure we'll all act on our best behaviour.

**Mr. Steve Clark:** Absolutely. I can only speak for myself, Chair.

**The Vice-Chair (Mr. Lou Rinaldi):** Perfect. I can count on that.

## MS. EMILE-ANNE LADUBEC

**The Vice-Chair (Mr. Lou Rinaldi):** We'll move right along. Our first presenter is Emile-Anne Ladubec. Welcome. If you would come forward. Good morning.

**Ms. Emile-Anne Ladubec:** Good morning.

**The Vice-Chair (Mr. Lou Rinaldi):** Relax.

**Ms. Emile-Anne Ladubec:** Where do I sit?

**The Vice-Chair (Mr. Lou Rinaldi):** Right there. You have 10 minutes for your presentation. You don't have to use it all but you're welcome to use it all. After that we have 15 minutes for committee members to ask any questions or any clarifications. If you could mention your name and who you represent at the beginning, for Hansard, it would be greatly appreciated. The floor is yours.

**Ms. Emile-Anne Ladubec:** Hi, Chairman Crack, and members of the committee for Bill 201, An Act to amend the Election Finances Act and the Taxation Act, 2007.

I want to thank everyone here today for your time. We may not be on the same side of the table, the same side of life, but all of Ontario and its people are the common interest because it is our home. We need to get moving towards a positive change, so let me be the first to extend my love and kindness to all. I am not here to judge

anyone, but what I offer you is a realistic human view on Bill 201, which should be known as the “elections honesty bill.”

My name is Emile-Anne Ladubec. I was born in Sault Ste. Marie and spent most of my 40 years in Ontario, making me a specialist at living here and dealing with the system. I was raised to become a nun in the Roman Catholic faith so my schooling was the street people, the poor, the old and the forgotten kids. I may have left my brick church but I've never swayed my faith in God, my government, or my fellow men.

I am not a politician but I came here today because I was asked by my government to get more involved in the process. Our open government partnerships make it easy for me to be here, but I assure you it is not. Let me get through this the best way I know how, with feelings and reality.

The main points I want to touch on are open and honest communication, transparency, trust and accountability. Together, with a strong, positive government voice and with the trust of Ontario's people, we can build our relationship, bring Ontario to the front of the honesty line and have others follow us. This is our bill.

Big money in government presents itself as weakness in the ones that it touches. Understand that civil unrest and great disconnect in a very connected world is what this bill may cause if it doesn't stick to the open government partnership we've been a part of since 2011.

We live in a world where people are unhealthy and unhappy with some current situations being imposed on us in our daily lives, and it needs to end. This is the elections honesty bill. We need to fix it to reflect just that.

I am a voice for the masses that are going from the middle class to the poor, and the poor to the food bank families. I speak for the homeless and those who are left behind. But let's not let that happen here—not this time, not to our people and not to this bill. Let corruption and cover-ups find somewhere else to hide, far away from our elections process and everyone involved in it. Let's keep it fair.

A loophole, by definition, is an ambiguity or inadequacy in the law or a set of rules. I googled it. It's what the people of Ontario are doing, and we are learning by being connected to others. I've also learned about hidden agendas, regulatory transparencies in other branches and comprehensive fundraising forums, scandals and lies. Ignorance is bliss, but knowing hurts us all on an embarrassing level.

Canada's very meaning stands for love, peace and harmony; but if it's anything less than that, it's because unscrupulous morals have infected the level of government that was put into place to help us, not hurt us.

It was even tough to start this process. I had to assimilate myself into a separated collective to understand what is going on behind closed doors. My first hurdle is still just talking to someone. If you don't speak the language, communication is not open or effective in a positive manner due to a preconceived notion of how others work.

There is a great divide in the language and understanding for the people and government alike.

Our open government partnership and people all over the world are starting to stand up and take notice that something is wrong with the institution, and they know it's time to take action. There have been movements in our world's history: church, state, along with government and science, but now we are seeing a technological age intertwined with a social movement. The reality is that the face of the world is changing, and Ontario needs to move forward with a change, or the dark days of government may be long and brutal for all.

Bill 201 paints a harmful picture of the government and the company it keeps. Government should be held to the highest standards of openness and transparency; it shouldn't be a secret, coded society.

As Canadians, we are watching breaking news. The government has failed to keep its people safe. The divided states of America and Canada share the longest border in the world. We hear the American news, we watch the American wars and we are currently watching their version of politics. We watch it because it affects us directly. We are watching the spraying of putrid hate towards the current government and all non-supporters. That's not how I want my government to act when it comes to our politics.

Big money is corrupt money and corrupt money is self-interest. It makes good people do some very appalling things, which starts a snowball of lies and deceit and leads to rabbit-in-the-hat, “don't watch my hands” policy-making-type deals.

So what happens when self-interest is at the top, with the government in the middle and the common interest at the rock bottom? Common interest has nowhere to go but up when pushed, and it will be armed with the knowledge of the open government movement that our Liberal Prime Minister believes in, as does the common interest. If someone is going to give and lose, let it be the corrupt.

Buying access to power and the policy-changers is not a secret to the common interest. It's been shown in advertising and the news at an alarming rate. Now we should be able to see how much of our money is going where. The government is not in business to make money, and neither should our politicians, from the highest-ranked to the city levels.

#### 0910

The struggling workers barely make enough to pay taxes, only just to live to pay more taxes for the next round of cuts and barely covering their basic human needs. This is, at each step forward, because it's supposed to help everyone at some point, but when? Who are we helping, again? Big money? Our common interest? Who's actually being held accountable?

We are seeing an uprising of people wanting answers and governments with their hands full. Canada is being shown that we don't have to sit down and take it anymore. Our TVs and Donald Trump are telling people around the world to take back their countries from their

ailments and their governments. We see that times are shifting.

Self-interest in a politician looks like greed. It turns a blind eye and is ugly. If you don't stick up for everyone, you will fall to the almighty dollar.

Spending thousands for a plate to influence people making my laws is something I'm having trouble understanding. For various specifics such as dollars, I leave it in the hands of my officials to play fair.

Remember, just because you can't see us doesn't mean we are not here. Butterflies' wings can move mountains miles away, and a pen stroke will affect multitudes on an enormous life scale. The people are up against a wall, and we are getting slammed over and over. A little help would be nice, please.

Accountability: The general knowledge among the common interest is that the government knows who we are, what we make, who we owe, where we live and with whom. Our sex and our sexual orientation is even known. It's the law for us to tell you the truth and nothing but the truth every day of every year of our lives. It's done with a yearly checkup called tax time, and most recently, the snapshot of Canada, the census. That was the law. It seemed like a fear campaign using a bombardment of TV ads and multiple snail mails screaming at us, "It's the law." Most of us comply because we have no choice. Why should our government not be held to the same standard? Who's going to hold them to the same standards?

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Ladubec, you have about a minute left.

**Ms. Emile-Anne Ladubec:** Okay. In conclusion, this is called 180 thinking. How would it feel if you had your lives under a magnifying glass at the same magnitude of the common interest, while everyone sifts through your personal life and financial statements? The only thing you can do is pay more taxes—be heard less by a lady behind the counter who is following the law, and her hands are tied. She can't answer your questions here, but "Thank you very much for your payment." All the while, you hear, "Please make sure you have your number and all your ID and paperwork ready. Don't miss your number when it's called because you'll be placed on a list that's six months to over a year long, and we don't provide the lube. Next person in line, please."

Bill 201 is a reality check that should be taken seriously. When Ontario and the rest of Canada reads, "Comprehensive fundraising reform is essential to renewing our democracy and to restoring trust in the integrity of government decision-making"—it turns my head, and I'm going to be listening and reading on why this is such a big issue. I will be following and speaking up until the end.

Thank you for your time.

**The Vice-Chair (Mr. Lou Rinaldi):** Thanks very much for your presentation. You got through it.

For committee members, you know what the rules are. We have about 15 minutes. I'll try not to use a stopwatch,

so please be cognizant of your colleagues and leave some time for all of them.

First, I have Ms. Wong, then Mr. Clark, and then Ms. Fife.

**Ms. Soo Wong:** Thank you very much for being here this morning.

I have a very specific question dealing with a proposed legislative change. With regard to Bill 201, I would like to hear your ideas about improving this particular bill. I want to ask you, with regard to how to strengthen this particular piece of legislation—first of all, can you share with the committee, how do we level the playing field in terms of contributions by corporations versus the unions? What is your view about donations from both corporations and unions?

**Ms. Emile-Anne Ladubec:** I actually don't think that unions and corporations should be donating to any political party, simply because when I see this happen, I'm seeing ads that are run and they're hate ads. They're disguised as hate ads against the other people. I just don't think that—

**Ms. Soo Wong:** I've got other questions because time is limited. Let's just—I thought about that too.

My next question is: In terms of per-vote allowance, what is your view about that in terms of helping transition to more grassroots funding of parties? What is your view about per-vote allowance?

**Ms. Emile-Anne Ladubec:** I have actually only read about it. I have no comment at this time because I'm only trying to get people in my government to see just the human view. If there are any specifics on how it should be run, I leave that to my elected officials.

**Ms. Soo Wong:** My other question is: What is your view about lowering the contribution limits for individuals? We heard you don't support corporation and union contributions; what is your view about individual contributions?

**Ms. Emile-Anne Ladubec:** I believe that as individuals we should all make a contribution because it does help move who we believe is standing up for us—it helps move them forward.

**Ms. Soo Wong:** What is your view about donation limits for third parties?

**Ms. Emile-Anne Ladubec:** I don't think there should be any donations from third parties.

**Ms. Soo Wong:** And why not?

**Ms. Emile-Anne Ladubec:** Because donations from third parties usually mean, in the eyes of the people, hate ads. It seems like they're being bought, the third-party people. It just seems like people are buying out our politicians, so the third-party people should just not be there. Does that make sense?

**Ms. Soo Wong:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you, Ms. Wong. Mr. Clark.

**Mr. Steve Clark:** Thanks, Emile-Anne, for being here. I appreciate your presentation. You've said a lot of very strong things about corruption and cover-ups. I like

the way you referred to this bill as the “elections honesty bill.” I really appreciate your comments.

Some of the things that we’ve been talking about are about levelling the playing field and taking big money out of politics. I’d actually like to read to you from a story that appeared in today’s *Globe and Mail*. I’ll just read you the first paragraph. I’d like to know your feelings on the story.

It says: “Ontario Ministerial Aides Tapped to Sell Tickets to Fundraisers.” The first paragraph of the story says, “Political staff of many Ontario cabinet ministers double as fundraisers for the Liberal Party, encouraging companies that do business with government to buy tickets to private events hosted by the same ministers who make decisions on contracts and policy.”

Do you have any comments on that paragraph in that story? Are those some of the things you’d like to see taken out of politics by this bill?

**Ms. Emile-Anne Ladubec:** Yes. I don’t believe that people should be buying tickets to talk with lawmakers. I get that our lawmakers need to make money somehow, but I don’t believe that it should be from the people who buy the tickets to come talk or to sit and have supper or whatever they’re doing, because that actually shows that these people who are coming in are buying lawmakers’ opinions. At least that’s what it seems like. It just shouldn’t be there.

**Mr. Steve Clark:** Yes. And do you feel that there’s the look of—by allowing aides to sell tickets to fundraisers and being the point of contact, do you think that puts a cloud over the policy and contracting decisions of the government?

**Ms. Emile-Anne Ladubec:** This would be the aides selling the tickets?

**Mr. Steve Clark:** Yes, this would be the aides being the fundraisers, being the ticket-sellers.

**Ms. Emile-Anne Ladubec:** The fundraiser ticket-sellers? That’s a little more acceptable than, say, the politician, him or herself, doing the fundraising because people are set up to help in whatever which way they can. But to sell tickets to a fundraiser, I think generally that’s not even fair because people like me, who are middle- to lower-class, can’t afford these tickets. These are the people who are helping persuade whatever the party the tickets they’re buying for.

0920

**Mr. Steve Clark:** One of the other issues that we’ve had before the committee is this issue of a corporation or a lobby firm or a union providing, during an election period, labour to a campaign office. Would you think that should be recorded as a contribution? Do you think it should be outlawed?

**Ms. Emile-Anne Ladubec:** Is it paid?

**Mr. Steve Clark:** Yes. The corporation or the lobby firm or the union would pay the employee, and they would end up working at a campaign office.

**Ms. Emile-Anne Ladubec:** I don’t think that’s right. To me, what that looks like is that this corporation or union is paying someone to be in there to change policies

or to help change the policies, so it looks shady. The people who are in this office here shouldn’t be from here, here and here. These should just be the people of Ontario.

**Mr. Steve Clark:** Thank you, Emile-Anne.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife.

**Ms. Catherine Fife:** Thanks, Emile-Anne, for coming in today. I know you were nervous at the beginning, and this is your first time appearing before a committee. I know it’s intimidating, but it’s really important that you came today and shared your perspective, an Ontarian’s perspective, about what we’re trying to accomplish here.

I also want to thank you for greeting us with love and kindness. Politicians don’t get that a lot.

Also, our work before this committee is very important, and you’ve lent your weight to that. Our job is to put the elector at the centre, and we’re charged with instilling some confidence back into the electoral process and our democracy. You spoke quite eloquently to that. Some of the language you did use is very strong but very accurate, so I just want to thank you for that.

But when you talk about corruption and cover-up going somewhere else, and when you talk about access to power and that government shouldn’t be a secret-coded society, that’s genuinely how you feel, that government is something separate from the electorate. Is that true?

**Ms. Emile-Anne Ladubec:** Yes. It’s just a general feeling among the people of Ontario, that trying to talk to anybody from the different side of the table is tough. I don’t even know how I kept it together here, trying to answer questions that aren’t necessarily used every day towards the regular people of Ontario, because I was caught up in words I didn’t even know.

There is such a great divide between me and everybody here. But we have people like you, people like everybody here, who care about where this bill goes and how, actually, we see our politicians. When we look at them, we see corruption, we see lies and we see what’s going on. We also see what’s going down in the USA. It’s just open borders. We catch that in Canada, watching—

**Ms. Catherine Fife:** It’s interesting that you reference the United States, because in the United States, they do have very strict disclosure rules. For any politician, you can go online and you can find out who has donated to their party—

**Ms. Emile-Anne Ladubec:** Wow.

**Ms. Catherine Fife:** —how much, and even what their targets are. You said something about being open and transparent, and we hear a lot about that with this particular government, but we need to actually put it into action.

Finally, the takeaway for me is when you talked about policy-making deals which leave the common interest at rock bottom. That’s something that I will be quoting as we move forward, because that’s the work before us.

Thanks for coming in today, Emile-Anne.

**Ms. Emile-Anne Ladubec:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** No further questions? Thank you so much. You survived.

**Ms. Emile-Anne Ladubec:** I know. Thank you, everybody. This is fun.

**The Vice-Chair (Mr. Lou Rinaldi):** We look forward to seeing you again.

**Ms. Emile-Anne Ladubec:** I hope I answered your questions. Thank you.

#### SOCIAL PLANNING NETWORK OF ONTARIO

**The Vice-Chair (Mr. Lou Rinaldi):** Next we have Peter Clutterbuck from the Social Planning Network of Ontario. Welcome. You've heard the routine. You've got about 10 minutes for your presentation. If you can please state your name at the beginning, and who you represent. The floor is yours.

**Mr. Peter Clutterbuck:** My name is Peter Clutterbuck. I'm a senior community planning consultant with the Social Planning Network of Ontario, an incorporated non-profit organization with about 20 local and regional social planning bodies across the province, with two of them, actually, here in the region. Social Development Centre Waterloo Region's Trudy Beaulne, our board member, will be speaking on behalf of that organization. We have an extensive network of community members and non-profit and charitable community-based organizations at our local level.

The SPNO exists to build and support community capacity, not only for purposes of sound community planning but also to develop and strengthen the range and quality of social services and supports for vulnerable populations in Ontario's communities. This activity necessarily involves engaging communities in discussion on many public policy issues, which Ontario's provincial political parties' elected representatives and electoral candidates deal with during and between elections.

In that regard, our interest in the social planning community development field and the interests of the people in community-based organizations across the province with which we work would seem to fall within the definition of "third party" in Bill 201, especially since restrictions on political advertising in the amendment include issue-based advocacy—hence I've been asked by the board to speak here today on behalf of the SPNO with respect to some concern about provisions in Bill 201 that would inhibit the ability of community-based organizations and their members to participate in the democratic process.

Our approach to democratic debate is value-based—very definite values like inclusion, equity, social justice, participation, diversity, community accountability and transparency. This is the lens through which SPNO and much of the non-profit social sector analyzes public policy affecting the people that we serve, and the lens that we use to advance our own public policy proposals for government consideration.

Very definitely, political partisanship in general or on any specific issue is not part of the non-profit social sector's approach, although individual members and

leaders with community organizations naturally make their own personal choices with respect to party affiliations and preferences.

In the registered charitable sector, non-partisanship requirements and other restrictions on advocacy activity are enforced by Revenue Canada. In the social sector and, we would argue, other sub-sectors without charitable status such as SPNO, non-partisanship is the common practice in engagement in public policy debates. There is much broader work to be done in the human services field to not risk losing access to the wide base of community volunteers by adhering to or advancing one political ideology or perspective in general or any issue of the day.

We recognize, however, the growing concern about third-party groups and coalitions that are particularly active prior to and during elections in promoting interests closely adhering to particular political parties. We recognize that this is one way to avoid the legislated limits to direct financial contributions to, or spending by, registered political parties. Most deputants to the committee have acknowledged that this is a part of the political arena that requires some regulation to maintain a level playing field in the electoral process.

If this is seen as a problem requiring fixing, our argument is that more targeted tools should be developed and applied rather than broad measures that create collateral damage to the ability of the larger non-profit and charitable sector to participate in a non-partisan way in the democratic process.

Some of our specific concerns—really, three. The definition of political advertising: Subsection 1(4) of the amendment defines political advertising as "advertising in any broadcast, print, electronic or other medium" that promotes or opposes registered political parties but also "includes advertising that takes a position on an issue with which a registered party or candidate is associated."

First, while the non-profit sector does not typically characterize its advocacy positions as political advertising or even just advertising, it does employ the various forms of media specified in 1(4). The sector gets neither relief nor greater certainty about the scope of this definition from the five exclusions included there. The use of multiple media is essential in community education work to build both public and political support for improved living conditions and opportunities among vulnerable and disadvantaged parts of the population.

Secondly, to be current and relevant to the communities that they serve, non-profit organizations inevitably engage in issues of public debate that are associated with registered political parties and candidates. There is little purpose in voicing a point of view on an issue of interest to the public or a vulnerable community group if the intent is not to urge candidates and parties to support those positions in their platforms and plans for action if elected. We would argue that more often than not, community groups have advocated policy proposals before politicians stake out their own positions and become associated with an issue or a cause.

**0930**

The amendment's definition of political advertising very definitely includes the kind of advocacy work done in the non-profit sector, and I want to give you a very clear and relevant example actually using the electoral process: an election sign campaign that promoted a poverty-free Ontario during the 2011 provincial election.

Since 2008, a poverty reduction strategy had been on the public agenda—in no small way because of community-based advocacy prior to the 2007 election—and political parties had taken their particular positions on the issue of poverty. Poverty Free Ontario, a province-wide coalition of community members and groups, decided that the way to get the issue in front of the electorate for the 2011 election was to produce and distribute election lawn and window signs with the message “Let's Vote for a Poverty Free Ontario” and to encourage province-wide support and discussion on websites, social media and community events, including all-candidates meetings.

Black and white in colour, so as not to be associated with any of the four registered political parties, the election sign campaign was very intentionally designed to encourage the electorate to engage the leaders and candidates of all political parties and not to promote any particular one. Falling within the definition of political advertising, this activity that engaged thousands of local people across the province would now be subject to the restrictions specified in Bill 201.

The second major concern is some of the administrative requirements falling onto a third party if you get involved in so-called political advertising. Sections following section 37 detail the registration, expense accounting, reporting and auditing requirements for activity during an election period, which would surely challenge the capacity of already highly under-resourced community-based non-profit groups to be able to actively perform their function in the community. To release organizations advocating for the needs and best interests of their communities from the burden and cost of these administrative requirements—the point may be to distinguish between different categories of third parties or to be more explicit about what type of third-party political advertising requires such rigorous accountability measures.

The third and very important concern of the SPNO board and the people in the community is the six-month pre-election restriction on third-party activity. Bill 201's restrictions on third-party political advertising apply not only during the election period but for six months prior to scheduled elections, which would also severely inhibit the community engagement and public education work of the non-profit sector.

In fact, community-based non-profit groups and their provincial counterparts are generally engaged in issues of public policy concern year-round and for many years on end. Few major issues are resolved in the run-up to an election campaign or even when governments with clear policy positions take power. In fact, it is often commun-

ity initiative that raises critical issues to the public agenda for debate prior to and during elections with the strong intent to get political parties and candidates to associate themselves with policy action.

Again, a wide coalition of groups under the umbrella of the 25 in 5 poverty reduction network were active prior to the election period in 2007, calling for all parties to make a commitment to poverty reduction as a policy priority in their election platforms. Clearly, Bill 201's attempt to stem partisan third-party political activity prior to elections would place serious constraints on the non-partisan and important advocacy work of the non-profit sector.

I'll conclude: The charitable part of the non-profit sector is not unfamiliar with government regulation at the federal level that has produced advocacy chill. There have also been times when non-charitable registrant community groups have been discouraged from advocacy action by provincial and municipal threats to withdraw funding. The broad non-profit, non-government sector has persevered through these periods of advocacy chill because of the conviction that it has the dual responsibility of addressing existing needs through direct service while also proposing policy and program solutions for public and political debate to reduce the need for those services.

Unintentionally, Bill 201 risks substituting advocacy chains for advocacy chill on the non-profit sector. The definitions of “third party” and the administrative, activity and time restrictions on political advertising cast a net that encompasses legitimate and long-standing democratic practice far beyond the problem of political parties escaping funding contribution limits through coordination or collusion with allied third-party organizations.

Final paragraph: As others have suggested to this committee, much finer sharpening of the definitions of “third party” and “political advertising” is required, and/or more targeted and stringent criteria for identifying coordination or collusion between political and third parties need specification. Otherwise, a net that captures the historic, legitimate and non-partisan advocacy of the non-profit sector for wide community benefit threatens to undermine the health and dynamism of our democracy.

Thanks a lot.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you. Now we'll go to Mr. Walker, please.

**Mr. Bill Walker:** Thank you very much, Mr. Clutterbuck. I note in your messaging that you talk about—and many people who have come already have talked about—levelling the playing field. I want to just assure you that, as someone who raised a private member's bill, that's exactly my concern: that we do not currently have a level playing field right now, and it's very challenging, actually, to be an elected representative and play in a game that isn't fair.

Would you suggest it's fair to have set limits on accountability?

**Mr. Peter Clutterbuck:** First of all, on the level playing field issue: At the big-league level, where you're



electing members to Parliament, I understand that you have to have rules that are fair, so that all can participate equally. But in implementing those rules or defining those rules, you shouldn't be creating restrictions that allow the minor leagues—those places that are engaged in the democratic process in another way—to be inhibited from being able to contribute.

I'm sure many of you around this table started out working with issue-based groups back home and developed leadership skills to the point that you were confident to run for office and enter the big leagues. But let's not create a level playing field at the big-league level that undermines the capacity of people at the local level.

**Mr. Bill Walker:** Would you suggest, though, that there need to be specified limits and accountability for all groups, whether little-league or big-league?

**Mr. Peter Clutterbuck:** If you made proper distinctions between what you're talking about, because the current definitions of "third party" and "political advertising" do not adequately make distinctions among the different types of players that are in the field. It is too broad, and it encompasses the kinds of activities that would restrict us from doing a good part of our work—six months prior to an election, even—on issues where we have made lifelong commitments to actually trying to create change.

**Mr. Bill Walker:** I guess what we're hoping, with this legislation, is that it will be very clear and succinct on what you can and can't do and what is considered actual advertising, as opposed to advocacy work that's just generic to the population.

My concern right now is that there are third-party groups that can very significantly influence the electorate, in collusion with a party, and we need to straighten that out.

**Mr. Peter Clutterbuck:** I think previous deputants have talked about this: Why don't you focus on what collusion means and what coordination means? Why don't you actually start to make distinctions about who is part of third-party political advertising, not based on distinctions of actual criteria or actions that are taken?

I know, in our case, in the social sector, we definitely take clear positions. Sometimes parties are on the same side as us or not, but we're trying to get all parties and all political candidates to adopt positions that we think are in the best interests of our community.

There are distinctions, I think, between those who are really fighting for community interests versus those who are fighting for maybe some financial interests. I'd make a distinction between lobbying and advocacy, as well, at our level.

**Mr. Bill Walker:** On that note, would you suggest that it would be fair for a third-party group to have an advantage over a candidate in regard to spending limits?

**Mr. Peter Clutterbuck:** The SPNO did not authorize me to talk about the spending-limit issue, just the non-profit third-party political advertising issue.

**Mr. Bill Walker:** Thank you. I'll turn it over to my colleague Mr. Clark.

**Mr. Steve Clark:** Thanks for your presentation. You used the words "democratic debate," and I heard you express concern about the six-month period for advertising prior to the election. But the Auditor General expressed concern that this government changed the rules so that they're able to advertise in a way that previously was felt to be partisan.

Many deputants have come forward to say they feel that there should be some restriction on the government prior to an election. In Manitoba, for example, you can do tender ads and public safety ads—very restrictive. Do you have any comment on governments advertising in that pre-writ period of six months?

**Mr. Peter Clutterbuck:** Yes, but I would only have personal comments. I can't say that this is the SPNO position, because we did not talk about this. We talked about this in a telephone call last week with our board, around issues they really wanted me to stress.

But I personally do understand the need for there to be fairness in terms of how messages are communicated to the public prior to elections or during elections. Clearly, the public has the right to know government programs. But I think even the Auditor General now has some power, or some member of the bureaucracy has some power to actually review advertisements that are being put out by the government, and perhaps to veto them.

But it doesn't seem to me to be fair that clearly partisan ads are issued under government authority during elections, for sure. That's a personal position.

**Mr. Steve Clark:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Wong.  
0940

**Ms. Soo Wong:** Thank you very much, and good morning. I'm just going to go further with what Mr. Clark just asked you about pre-writ advertisements.

I know, in your written submission, that you talked about third parties and the whole issue about third-party advertisements. Specifically, I just heard about your opinion. We're trying to reform the legislation when it comes to pre-writ advertisements in terms of limits. What is your opinion with regard to this proposal of limiting to \$1 million on party ads pre-writ?

**Mr. Peter Clutterbuck:** First of all, likely, that's far beyond anything that, at the non-profit sector level, we're ever going to get near—\$1 million. I really want to make it clear that just this broad definition of limits of activity, around which there are a lot of administrative requirements at much lower levels—for example, with the sign campaign I talked about, probably the total cost was \$30,000, and about \$15,000 of that was signs.

I want to make sure that it's very clear that the way that it's now defined—six months' prior to the election and the other administrative requirements—is a burden that will inhibit the ability of the non-profit sector to actively be able to participate in the democratic process. That is really tragic. That just cannot happen.

I know that you're going to be dealing with other things around other major coalitions and corporate sectors that can contribute at \$1-million levels. We're in the minor leagues, but we want to participate.

**Ms. Soo Wong:** What are your thoughts when it comes to levelling the playing field between the political parties and third parties in terms of pre-writ advertisements? How do you level that playing field?

**Mr. Peter Clutterbuck:** In terms of our participation, which is our interest—getting access to the playing field—you start to make some distinctions about what you mean by “third party.” Those that you are concerned may be colluding with or coordinating together with political parties to escape the limits that now exist—well, how do you make some distinctions between them and the sector that we're talking about that's trying to get people engaged in public policy debates? We think it's a definitional issue primarily, or a distinction between the activity that we do and the activity that you're concerned about regulating.

**Ms. Soo Wong:** I'm going to turn to my colleague Mrs. Martins to ask the next few questions.

**Mrs. Cristina Martins:** First of all, I just wanted to thank you, Mr. Clutterbuck, for being here today and for presenting—can you hear me? You look like you're struggling.

**Mr. Peter Clutterbuck:** Well, I don't hear well in general.

**Mrs. Cristina Martins:** Maybe I need to speak a little bit louder.

I was just saying that I wanted to thank you for being here today and for sharing your thoughts with us here. What we're trying to do here as a government—and our commitment is to work with all parties and stakeholders, experts, people from all across Ontario, to really come together to transform the political system. I wanted to thank you for being part of that discussion here today.

I wanted to just highlight a few things—and perhaps you can just give me your general thoughts, your ideas—in Bill 201 that maybe you do support. I'm going to ask you, which of the following do you support and how can it be strengthened in the proposed legislation?

Levelling the playing field—I think we touched on it a little bit—by putting an end to corporate and union donations: Your thoughts on that?

**Mr. Peter Clutterbuck:** I'm speaking here on behalf of the SPNO, and they did not authorize me to give a position on that.

**Mrs. Cristina Martins:** Introducing a per-voter allowance of funding to help in the transition to a more grassroots-funded party system and enhance democracy: Any thoughts on that?

**Mr. Peter Clutterbuck:** One of our previous deputants, I think, has commented on this. The SPNO did not give me instruction on that, although I've read other deputants, and it seems to me that if you're going to control fundraising—this is a personal comment—in some ways, then a stronger share of the funding of the

democratic process to parties on a per-vote basis should be a serious consideration.

**Mrs. Cristina Martins:** And your thoughts on lowering contribution limits for individuals?

**Mr. Peter Clutterbuck:** It seems to me that it really hasn't been significantly reduced that much. Again, the SPNO did not take a position on that.

**Mrs. Cristina Martins:** You talked extensively about limiting partisan political advertising six months before an election, so we heard you on that.

**Mr. Peter Clutterbuck:** Yes. There are a lot of times when government legislation is passed that has unintended consequences on the smaller players in the field, who we and the people we work with are. You have to really focus on the big issues and try to get them right. You have to control things so that things are fair. I really do hope that you'll seriously think through the unintended consequences of some of your actions and some protections for that part of the sector that wants to be part of the political debate and is nowhere near the stratosphere of \$1-million political advertising, for example—or even several hundred thousand dollars. That's really what I think is important to take into consideration in your final review of the definitions within this amendment.

**Mrs. Cristina Martins:** You said that your organization is obviously nowhere near that \$1-million limit. Can you tell me, in 2011, how much your organization spent on advertising?

**Mr. Peter Clutterbuck:** Advertising, as defined here?

**Mrs. Cristina Martins:** Yes.

**Mr. Peter Clutterbuck:** Well, I would say our major campaign in 2011 was the election sign campaign, perhaps, and I think a lot of our activity there would fall within what's now prescribed in the amendment. The maximum in terms of production and distribution of signs, expenses related to travel to distribute them and organizing time put in would probably be about \$40,000 or \$50,000.

**Mrs. Cristina Martins:** Okay. Thank you very much.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife.

**Ms. Catherine Fife:** Thank you, Chair, and thank you, Mr. Clutterbuck, for raising the issue of issue-based advocacy and how Bill 201 would limit, in particular, the not-for-profit actions across the province.

Thank you for following through on the Poverty Free Ontario campaign. I thought it was very successful. It gave another avenue for Ontarians to raise an issue that's very important to them, and it did so in a fairly non-partisan way, for sure. So thank you for that.

My colleague has raised the issue of government advertising, and I raised the issue of the changes to the Government Advertising Act which happened in 2015. The Auditor General described the changes to that act as “gutting” it, thus making it more flexible for the government to use taxpayer funds to advertise as they see fit. We saw some examples of this in the federal election, when the provincial government spent \$600,000 on the ORPP just during the federal campaign period. So these are our concerns: The government has broad, sweeping

powers and flexibility in the use of government advertising; juxtapose that with an act that, as you point out in your deputation, risks substituting advocacy chains for advocacy chill on the non-profit sector.

With that in mind, we have had some recommendations from people from across the province, and one says that any advertising restrictions that apply to third parties—you would be captured in this—should apply to the government itself. Do you share that concern?

**Mr. Peter Clutterbuck:** I can speak personally. It seems to me that would be a reasonable, fair application of a law. But I can't say that's the SPNO position. That's a personal position.

**Ms. Catherine Fife:** Thank you. Also, as I pointed out, we have to look at where the money is going in the province of Ontario. We have seen some evidence that money is going towards, for instance, cabinet ministers, with cash for access, and the perception is very powerful, as well, that it has affected policy.

The act limits individual contributions to \$1,550. Do you still think \$1,550 is a lot of money?

**Mr. Peter Clutterbuck:** Here's the thing when you're talking about issue-based advocacy: I can have a personal opinion on these kinds of things, but representing a non-profit sector, that's the kind of issue that we would have to have a serious discussion about. What does it actually mean in terms of the populations we serve? Probably that discussion would happen in light of what this means about low-income people being able to participate, being able to contribute. That would be a serious discussion that we would have, and we would say, "Is this serious enough for us to adopt a position and promote it to all the political parties?" But in the absence of having done that, I can't speak for the SPNO.

I just want to make a clear distinction. More often than not, we are talking about issues that are very directly related to the interests of our people, like affordable housing, social assistance rates, opportunities for employment and child care. These are the direct issues that we want to be able to bring forward during the political process and before elections, to actually make impressions upon our members of provincial Parliament and people running for those offices about positions they should take. Those are more directly involved. These other types of issues are important in terms of democratic participation, but we would have to seriously talk about what they mean for our people.

**Ms. Catherine Fife:** That's a very fair point.

The people that you serve, the vulnerable populations that you serve: Do you see them contributing \$1,550 to any political party at any one—

**Mr. Peter Clutterbuck:** Well, we were majorly involved in trying to get social assistance rates increased, for example. People in working poverty who work full-time, full-year and can't even get to the poverty line—for sure, those people are worrying about putting food on the table rather than their being able to give to a political party, or the capacity, even if they wish to.

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**Ms. Catherine Fife:** So as a policy distinction—there are the vulnerable populations that you serve, and then there are the policy directions that the government—the policy and legislative changes that they make, that affect the populations that you're serving.

So you would be equally concerned as to—for instance, the SAMS program, the Social Assistance Management System, which was a complete and utter failure. You would be concerned if a company donated to the government and then got that contract, and continues to get those contracts, and continues to see that system fail the people of this province.

**Mr. Peter Clutterbuck:** I think that's beyond what I've been authorized to talk about. I can have my personal opinion, but on that one I think it would probably be best to stick to what the SPNO asked me to talk about.

**Ms. Catherine Fife:** I thank you for your time today, Mr. Clutterbuck.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you very much for being here today.

**Mr. Peter Clutterbuck:** Thank you.

#### SOCIAL DEVELOPMENT CENTRE WATERLOO REGION

**The Vice-Chair (Mr. Lou Rinaldi):** Our next presenter is Trudy Beaulne.

For members, the presentation that's being presented was just emailed to your BlackBerry and the Clerk will forward a hard copy at the next meeting. We just don't have enough copies.

Welcome. You have 10 minutes for your presentation and there will be 15 minutes for questions from members.

**Ms. Trudy Beaulne:** Thank you very much. This morning I'm here with Catherine Stewart Savage, who is sitting in the back. She's a member of the Poverty Free K-W group that we have been supporting for at least six or seven years now.

I want to tell you a bit about the Social Development Centre and why we're concerned about some of the proposed changes to Bill 201. The Social Development Centre Waterloo Region is an independent, community-based organization accountable to our local community. We are one of 20 community-based social planning bodies across Ontario that are members of the Social Planning Network of Ontario—and Peter has just presented on their behalf. We're one of more than 1,000 social and community organizations in Waterloo region.

We have provided social planning, community development and community information services in Waterloo region for five decades. We'll be celebrating our 50th anniversary since incorporation next year. Our focus is people and our mission is to advance community through active participation and objective knowledge.

We make community information resources available to the community and provide help to people when they need it. We support reference and action groups that

focus on important issues including disabilities and poverty. We undertake social research and coordinate community events such as forums on social issues, all-candidate sessions during elections, and workshops on community development or on how to use social data in planning for your organization.

Our goals as an organization are:

(1) To increase understanding of social resources, assets, issues, needs and context of the local community by those who need this knowledge to take action;

(2) To increase citizen participation in social, economic and political life of the community;

(3) To build social cohesion through relationships, collaboration and community action. We want to build community. We're not here for any particular outcome that's going to benefit me; it's going to benefit all of us.

(4) To reduce inequitable access to knowledge resources resulting from emerging technologies. This is a fairly new one. Digital inclusion is not going away. It's a continuing issue for all of us.

(5) And, generally, our goal is to develop the social infrastructure of the community—its people, organizations, services, policies and systems.

Our work is guided by values, generally social justice, participatory democracy, community knowledge, diversity and building relationships—social capital—because that is the foundation of society and solid communities.

Not long ago, we met with over 60 representatives from community groups that work on social development, democratic reform and environmental issues. Together we explored whether we had common goals that drove our community involvement. As it turned out, we did. I wish I had time to tell you the story because it's a fantastic story. We came fairly easily to an agreement that the values that we had in common—I tell you, this came out of a very busy, loud, daunting group of people, and it came together in about five to 10 minutes. It came together that quickly.

First and foremost, we're driven by equity and fairness, leaving a legacy for the future, compassion, and being part of a community of voices. I believe this committee shares those values. When I think of the purpose behind the Election Finances Act and the proposed revisions, what stands out for me are the principles of fairness, providing an even playing field, democratic process, transparency and openness. These are quite evident to me as I read through even the legalistic wording that's there that is hard for many of us to really understand.

I truly support these principles and want them front and centre during elections and in anything related to political life in Ontario, particularly when finances are concerned, because economic divides really make it challenging on so many different fronts. I share your desire to get it right and not give an unfair advantage that benefits only some.

The proposed changes to the Election Finances Act, however, are problematic for a community organization such as ours that devotes time to educating and ad-

vocating on various social issues. The list of activities that are defined as political advertising means advertising in any broadcast, print, electronic or other medium with the purpose of promoting or opposing any registered party or the election of a registered candidate, and includes advertising that takes a position on an issue with which a registered party or candidate is associated.

It's the taking the stand on the issue that is a problem for us, not supporting an individual candidate or party. I want to make that clear distinction.

This definition blurs an important line between partisan political activity and issue-focused activity. With this definition, at any point in time in the six months prior to an election call and during the election period, community organizations may not be able to address issues or participate in public dialogue on social issues, for fear these might be identified with a party or a candidate. The contradiction here is we want them to pick up the issues. So at any one point in time, we could move from not being a third party to being a third party, which is a very horrible place to be in.

Furthermore, it's not clear what political advertising includes. The following list seems incomplete, given the range of activities that are possible when addressing social issues. I won't read through the list—I think you have it—or do you need me to? The things that are excluded—there's a list in the actual proposed changes, but that list doesn't include election- and policy-related activities such as debates, discussions, panel presentations on issues or key policy directions. Where do these types of activities fit?

At the Social Development Centre, we've worked consistently in recent years to provide a clearing house of information for voters and candidates across the region. We work with partners locally, cross-province and Canada-wide to prepare issue papers to provide background on key issues and on how policies relate to those issues.

We organize all-candidate community round-table discussions, where constituents meet and talk with candidates. Candidates tell us that these are refreshing and enlightening activities to be a part of. The animosity of the traditional debate is absent at our events. The opportunity to talk to people about issues that matter to them is, for some candidates, the best education they have gotten throughout their candidacy.

These events have achieved a reputation, and our success has now overcome us. Last year during the federal election, we had sessions with well over 250 people coming, and we didn't have enough candidates to go around. People weren't turned away; they just left in frustration. So we now must consider other ways to enable meaningful dialogue.

We have worked with community members. We support a local poverty-free group, which Catherine is here as a part of, and a disabilities and human rights group, which speak to issues, make policy submissions and act as resources in all-candidate sessions and other community events. In the submission, there's a link to a

YouTube video where they speak about how important it is to have policies translated, and to be able to understand them and to be able to speak to them.

With considerable community input, we have developed a framework for assessing policies and programs against local criteria for achieving poverty elimination. We have applied this framework to party platforms and have produced platform analyses for all parties that have published a platform during recent elections.

In the last federal election we took this one step further and hosted a day-long session. We invited candidates, their teams and the community to come together and work with us, to do this platform analysis against the local criteria. It's a different way to approach it, but to me, it's one really important way we can practise democracy in our community.

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I've included the framework as part of the paper submission here, so you can take a look at it. This came out of a number of years of work, when we engaged people to talk about social assistance reform and what's important in terms of having good systems to support people who are in need.

At the Social Development Centre, we are rigorously non-partisan. I can't emphasize that enough, and I want you to understand it's really true. What individuals do at home, that's what they do, but in our work situation and in our community settings, we are non-partisan. We have never been, nor are we now, what I would consider to be a third-party political advertiser. I hope you agree.

The proposed changes to the Election Finances Act include definitions that make me question if we might and when we might be a third party, and it makes me nervous. It's not a comfortable place to be when our intention is to ensure that both citizens and potential political representatives have the information they need to understand issues and the needs of our local communities.

Greg Essensa, Ontario's Chief Electoral Officer, presented to you on June 6.

**The Vice-Chair (Mr. Lou Rinaldi):** You have about a minute left, okay?

**Ms. Trudy Beaulne:** Okay.

I want to emphasize that he had said that it would be hard for him to advise organizations on what the real rule is, and I would agree with that. That's where we sit.

I have made some suggestions in here as to how to make the distinction. It seems to me that what's really important to do is to make a clear distinction between—when you're talking about parties, candidates and individuals, you're talking about politics and political advertising; when you're talking about issues, you're talking about issues. If our organization ever started to name candidates and say either positive or negative things specifically about a candidate to help them get elected, then we should be a third-party advertiser. But if we're talking about issues, we should never be.

The six-month limit: If you're going to have third-party advertisers, they're always third parties; they're not

today-and-not-tomorrow. It has to be a consistent thing. Whatever you define it as, please tighten the definition and please keep it consistent.

The last point is related to the banning of corporations and unions. I don't think that will get you what you want. I think what you really want is openness and transparency. That means disclosure, and whatever you can do to encourage effective, complete, consistent disclosure will help us level the playing field more regularly than to push some things into the corner, because I think that will just put it underground.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you so much. Mr. Clark?

**Mr. Steve Clark:** Thank you, Trudy, and also Catherine, for being here today.

The last point you just made about disclosure: There have been a number of deputants who have talked about changing the way we have disclosure for donations. One of the suggestions was to have the name, address and employer. What do you think about that? Do you think that would be something that would make it more open and transparent?

**Ms. Trudy Beaulne:** It depends on what you mean by that. If I make a personal donation—

**Mr. Steve Clark:** It would just list your name, your address and your employer.

**Ms. Trudy Beaulne:** Yes, possibly. That's outside the scope of what I have thought through and what we've talked about in our groups. I think as much information as possible for full disclosure at whatever limits—I don't think you need limits. I think full openness and transparency should be the main principles to follow.

**Mr. Steve Clark:** I know you talked about citizen participation. I want to again ask—you might not be in a position to answer. Many people have come forward to talk about the change in contribution limits. I'm thinking of how in Ottawa there was a gentleman from People First of Lanark who talked about cash-for-access and how no one he represented would be able to go to a \$6,000 fundraiser with a minister or with the Premier, to get access.

I just would be interested to see whether you feel that the present limits in this bill are still too high for the people that you work with, for example, to be able to get that direct connection with government.

**Ms. Trudy Beaulne:** I would be really surprised if anyone I worked with, either as a peer or in terms of their community involvement—it would be a pretty rare person who could make any kind of donation of that level.

**Mr. Steve Clark:** Okay. The other thing I want to explore, because I know you were here when we asked Peter about it—I hear your comments about third-party advertising. Ms. Fife quoted the Auditor General very eloquently about the fact that the government gutted the legislation and changed it significantly so that they could advertise in a way that they couldn't prior. Do you believe that the government should have that same restriction in a pre-writ period—they could not advertise

in a more political way—so that it is consistent with the third-party section?

**Ms. Trudy Beaulne:** Unfortunately, they're not third-party. That then becomes your challenge in making that distinction. I've included in my submission some suggestions that would include the standing government or elected officials. I would think that ultimately, your biggest challenge is to be able to distinguish between what is political, in the sense of raising the profile of a party, versus a position or a program.

**Mr. Steve Clark:** But at the very least, do you think that we should include a new section in this bill that would put those controls back in that the Auditor General has expressed concerns about?

**Ms. Trudy Beaulne:** I would have it be that whatever restrictions you have should be across the board.

**Mr. Steve Clark:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Vernile.

**Ms. Daiene Vernile:** Trudy, it's very nice to see you here this morning, you and Catherine. Thank you very much for coming and sharing your information.

Chair, if I might, as the MPP for Kitchener Centre, I'd like to welcome everyone to Waterloo region. I am thrilled that this committee is making a stop in the great city of Kitchener. Thank you all for being here today.

Trudy, your group is very committed to creating strong neighbourhoods. You are working very hard to eliminate poverty, not only in our community but right across Ontario, and you're informing the public. We do appreciate the work that you are doing.

You mentioned those round-table discussions that are held during election campaigns. I had the honour of participating in one of these in the last provincial election, and I have to tell you that of all the different debates that I participated in, that was my favourite. I found it was the most productive and looked at solutions, as opposed to creating a very combative situation where people argue with each other. The work that you are doing—I hope that the committee understands the value of it.

I hear you loud and clear that you don't want to be considered as a third-party advertiser. I would have to agree with you that your non-profit group that is trying to engage the public is geared at that.

What we are doing with Bill 201 is limiting the amount of money that is spent on advertising during election campaigns. You don't do that, do you? You don't spend money.

**Ms. Trudy Beaulne:** Not much.

**Ms. Daiene Vernile:** No. Okay. But you still can, under Bill 201 as proposed. You can still stage these round-table discussions. You can still write letters to the editor. You can still contact people, whether it's by telephone or mail. So considering that, what other changes would you like to see?

**Ms. Trudy Beaulne:** The biggest change is in the definition of what is advertising. I don't think the intention here is to have the kind of information that we share be advertising. From the submissions that I have

heard and from reading through, three or four or five times, to really try to get a handle on it, I think you're talking about the types of things that actually promote a candidate or a campaign or a party and not the positions, necessarily. That's my understanding of it.

That is not what we do in our work. Our work is trying to understand the issues, trying to educate, and getting everybody on board so that we're all pulling in the same direction.

**Ms. Daiene Vernile:** My understanding too, having participated in one of these round-table discussions, is it's not that you're taking a stance on the issues; you're merely discussing the issues.

**Ms. Trudy Beaulne:** And we definitely have some parameters around what are successful outcomes as we go. So it isn't like it's just discussions; we really do want to target what's most important and have our systems, our policies, our programs and any of the actions that any of us take in our various roles actually improve the conditions of life in our community.

**1010**

**Ms. Daiene Vernile:** Now, you touched previously, with one of my colleagues, on putting an end to corporate and union donations and the concerns that you have about that, and you mentioned disclosure. We do have legislation now that specifies that these donations do need to be detailed. What further would you like to see?

**Ms. Trudy Beaulne:** In terms of disclosure?

**Ms. Daiene Vernile:** Donations.

**Ms. Trudy Beaulne:** Come back and explain, in terms of donations, what you mean.

**Ms. Daiene Vernile:** Currently, with donations that are made to individuals and to parties, that information is detailed now.

**Ms. Trudy Beaulne:** And that would be good. Is it part of the open data that the province has?

**Ms. Daiene Vernile:** Absolutely. We have transparency legislation now.

**Ms. Trudy Beaulne:** That's a good start. I think making it transparent and open is probably, from our perspective, much more important, because I'd hate to see things go underground and be more hidden and harder to see. I think that's the worry that I have. When I've reviewed that, I don't necessarily see that as—what do we call that?—levelling the playing field. That is not necessarily going to be a successful result.

I know if I have lots of resources, I can find ways to do what it is that I want to do. I think we need a different kind of discussion around that.

**Ms. Daiene Vernile:** We are committed to openness and transparency, and this is why we've taken this committee on the road to hear from people like you. I really appreciate you coming here today and sharing your ideas, which we will take back to Queen's Park and certainly give serious consideration to. But I understand you are looking for greater clarity for groups like yours. Thank you very much, Trudy.

**Ms. Trudy Beaulne:** Absolutely. Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife.

**Ms. Catherine Fife:** Thank you very much, Trudy, for being here.

Just to finish that last point, the issue, I think, is around real-time disclosure. It's around timing, and there is room to improve on that. Right now, the act does not specifically address that, though.

For instance, when Charles Sousa and Bob Chiarelli met with banking executives just prior to the release of the first tranche of Hydro One, we didn't know who exactly was in that room and we didn't know the timing of it, so therefore we had a hard time at that time connecting these two actions. If you're meeting people on Bay Street, they're paying \$10,000 to have dinner with you and then those same people get the contract to sell off Hydro One, that perception is disturbing, so we need to make sure that we know all the facts in real time.

This is actually unusual for a piece of legislation to be travelled around at first reading. One of the issues that has come up is exactly the issue that you have raised, that six-month pre-writ time frame that places a financial limit on advertising for issue-based advocacy groups.

Now, I understand that the Social Planning Council does not spend \$100,000 a month, but it's the act or the direction from government on an issue-based campaign, if you will, limiting the voices of citizens. Consistently, from every jurisdiction, we have concerns about this. You are definitely in line with that.

As you point out, the electoral officer has said that that pre-writ period is troublesome for him, so obviously we will be trying to amend this act to ensure that issue-based advocacy groups are not caught in that very wide net that the government has intentionally put in this act. That's the other piece. This legislation was not consulted with experts or informed democracy groups. This was written by the Premier, as she said, at her kitchen table, and it's still in the act and this part needs to change.

That said, you can see that we have a number of problems here as a committee in that we have political parties aggressively advertising with very high quotas. The Minister of Energy had a quota of \$800,000 that he had to raise, which is a huge amount of money. So there's this race to raise the most amount of money. Obviously there is no level playing field, because we are not cabinet ministers and the perception is that the power and the influence that those positions hold in our Legislature has been used to up the ante, if you will.

We are all in agreement now, though, that union and corporate donations need to be banned. When that does happen, the rules of engagement will change significantly, which is a very good thing. But the proposal is a per-vote subsidy, as it is in the act. You're familiar with that; right? There will be public funding of political parties.

I'm interested to know what your opinion is of that, because I believe the goal is that—as parties, if we're not racing to raise a huge amount of money to make it a competitive angle, then this per-vote subsidy that we'll all receive, based on the number of votes that we receive in any given election, is perceived to sort of level the playing field somewhat. Do you want to weigh in on that a little bit, Trudy?

**Ms. Trudy Beaulne:** Only a very little bit, because I have looked at it, but I haven't thoroughly assessed it, because I think it goes beyond what you have in the act.

If there is an approach where candidates and parties are supported through government dollars, it's—from the submissions that you've received so far, they say it would never make up for the difference in what they lose. So I would always have this worry about what would make up the difference,

I think, too, a large part of what you're talking about isn't really something that is just for this particular piece of legislation. I think there are broader issues about trust and about even getting into transparency and openness that go beyond the actual dollar amounts. I would say, as a basic model, to be able to support people from within the common investment pool would probably be a really good model, but I'd want to be able to make sure that it would work and whatever new, little thing that's sort of popped up in other places that influenced it—like, for example, what's happening with lobbyists. That is a whole other area that really needs to be looked at if you're concerned about not wanting there to be undue influence in political decision-making.

**Ms. Catherine Fife:** That's also come up. Thanks for raising that.

**The Vice-Chair (Mr. Lou Rinaldi):** Unfortunately, your time is up.

**Ms. Trudy Beaulne:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you very much for your submission.

Next we have the Chief Electoral Officer of Canada, Marc Mayrand. Is he here?

**Interjection:** He's just stepped outside.

**The Vice-Chair (Mr. Lou Rinaldi):** Can we take a couple of minutes' recess, if that's okay with the committee? Let's have a five-minute break.

*The committee recessed from 1017 to 1022.*

## ELECTIONS CANADA

**The Vice-Chair (Mr. Lou Rinaldi):** Welcome, Mr. Mayrand. I believe you have about 20 minutes for your presentation, and then in the balance of the 40 minutes, I'm sure members will have lots of questions.

Thanks for being here. The floor is yours. If you could just identify yourself for Hansard before you start speaking, it would be appreciated.

**Mr. Marc Mayrand:** I'm Marc Mayrand, Chief Electoral Officer of Canada. At my side is Mr. Stéphane Perrault, who is the deputy chief electoral officer for regulatory affairs at Elections Canada.

Good morning, Mr. Chair, and thank you for inviting us today to comment on Bill 201. My remarks will focus on the political financing rules at the federal level, with the understanding that many of the measures contained in Bill 201 are similar to those that are currently in existence under the Canada Elections Act or, in some cases, that existed at one time or another over the past decade.

First I will present a brief overview of political financing in the federal context. I will then talk about the effects of the federal rules, mostly in terms of how the regime has affected the financial positions of the parties and the behaviour of contributors. Finally, I will share some experiences of Elections Canada for your consideration insofar as they relate to some of the proposed amendments.

My comments will be brief, and I will be happy to answer any questions members might have for me.

The federal regime that we see today is the result of successive reforms that started in the mid-1970s, with the introduction of public funding and spending limits for parties and candidates, and that were continued in recent years with the introduction of limits on contributions. The overarching objective of the federal regime is to establish what has been described as a “level playing field” for the participants in the electoral process. This is achieved through essentially four sets of complementary measures: spending limits, contribution limits, public funding measures, and reporting requirements. While there is always room for improvement, I believe that the federal regime is, overall, a sound system.

Spending limits apply federally for registered parties, candidates and third parties during elections but not before the writs are dropped. There are also spending limits for nomination contestants but not for leadership contestants.

As a result of recent changes, the spending limits that apply during federal elections are pro-rated to the length of the election period. In the last election, which was the longest in modern history at 79 days, this resulted in limits that were more than double their traditional level. The national limit for parties was \$54.9 million, and for candidates, the average limit was approximately \$220,000, reaching close to \$280,000 in some districts. As a practical matter, this effectively meant that there was no limit, at least for parties and candidates, who generally spent well below these levels. I note that there is no similar problem in Ontario, in the sense that the spending limits are fixed.

Bill 201 would mirror certain aspects of the federal regime by introducing spending limits for nomination contestants as well as local and aggregate limits on advertising expenses for third parties. However, Bill 201 proposes to go further by imposing limits on election advertising expenses by both political parties and third parties in the six months preceding an election. I will come back, in the latter part of my remarks, to deal with some technical aspects of these proposed changes in light of the federal experience.

Contribution limits were introduced at the federal level in 2004 and have since seen a number of adjustments and changes. Corporate and union contributions were significantly restricted, starting in 2004, and then were fully eliminated in 2006.

The limit on contributions from individuals has also evolved over the last decade. Currently, there is a dual limit of \$1,500 annually for contributions to a party, and

another \$1,500 limit that applies to the aggregate of contributions made to the electoral district association, nomination contestants and candidates of the same party. A separate \$1,500 limit also applies to leadership contestants. Finally, candidates can contribute up to \$5,000 to their own campaign, whereas leadership contestants may draw up to \$25,000 from their own funds.

In addition to the rules governing contributions, recent amendments to the Canada Elections Act have introduced restrictions on the source and amounts of loans as well as loan guarantees. This was an important gap that needed to be addressed.

At the same time, the federal rules are complex, perhaps overly so. For instance, the amount of a loan guarantee is subject to the annual contribution limit. However, reimbursements on the loan over a calendar year will affect the amount that an individual guarantor may contribute during that same year. This makes the regime difficult to follow for participants. I note, in this regard, that the rules governing loans and loan guarantees in Bill 201 are somewhat simpler than the federal rules.

A third and critical aspect of the federal regime is found in the public funding that is provided to political entities. When looking at public funding, it is important to look at the combined effect of the various funding sources. Currently, there are two main mechanisms for public funding at the federal level.

The first, which is an indirect funding mechanism, is a tax credit to encourage contributions. Contributors are eligible for a 75% tax credit on the first \$400 in money donated to a registered party, electoral district association or candidate. The credit is 50% of the amount over \$400, and 33% for any amount over \$750. In total, the maximum credit federally is \$650 for a contribution of \$1,500. I understand that the tax credit in Ontario is somewhat more generous.

The second mechanism is direct public funding, namely, the reimbursement of election expenses for parties and candidates. Parties that receive 2% of the vote nationally, or 5% in ridings where they present candidates, are entitled to a 50% reimbursement of their election expenses. For candidates, the reimbursement is 60%, but the threshold is 10% of the vote. In addition, candidates receive a subsidy for the audit of their return, up to a maximum of \$1,500. In total, for the 41st general election in 2011, some \$60.4 million was reimbursed to parties and candidates. The amount for the most recent election, the 42nd general election, is approximately \$104 million.

### 1030

Until 2015, political parties that met the threshold for reimbursement were also entitled to a quarterly allowance of roughly 50 cents per vote, or \$2 annually per vote. The allowance was introduced in 2004, at the same time as the restrictions on contributions, and was aimed at offsetting revenue losses for political parties, but it was phased out starting in 2012. I will come back to this issue in a moment.

Finally, the Canada Elections Act requires the various political entities to report on their revenues and expenses.



For ongoing entities such as registered political parties and district associations, there is annual reporting. Event-based reporting is also required for parties, candidates, nomination contestants and leadership contestants, as well as for third parties that spend more than \$500 on election advertising.

Given that many reforms proposed in Bill 201 mirror rules found at the federal level, I thought that it might be useful to share with this committee the analysis that my office has produced regarding the financial impact of political financing reforms over the last decade or so on federal political parties. I have brought a copy of the report, which I am happy to share with the committee, but I want to highlight some of its main elements.

Before doing so, I think it is important to offer a number of cautions regarding the figures in the report. The report looks at financial trends over a relatively long period of time, which is largely what makes it interesting. However, the rules were not constant over that period. For instance, contribution limits were initially set at \$5,000 in 2004, but then reduced to \$1,000. This has an impact on the comparisons to be drawn between pre-2004 and post-2004. Similarly, district associations, nomination contestants and leadership contestants did not report contributions or expenses prior to 2004, so it is difficult to have a solid picture of the revenues and assets of political families prior to 2004. Nevertheless, I believe that the report will be of interest to the committee.

First, it shows the impact of contribution limits on the type of contribution received and the fundraising activities of parties. Before contribution ceilings were introduced and before union and corporate contributions were prohibited, 2% of the contributors represented 54% of the funds received.

Compare that to the period from 2004 to 2006, when contributions from individuals were capped at \$5,000 and union and corporate donations to certain political entities were limited to \$1,000 and banned for candidates and parties. For those years, the 1% of contributors who gave more than \$1,200 contributed only 17% of the total contributions. This trend continued for the years since 2006, when the 1% of contributors who gave more than \$1,200 represented only 1% of the total contributions.

Thus, while the 2% of the richest contributors made over half of the donations before limits were reduced and before contributions from unions and corporations were excluded, by 2014, these contributors made up a very small fraction of total donations.

This should not be surprising, of course. What is perhaps more surprising is that the restrictions on contributions did not appear to have a major impact on the revenues of political entities. While there was a significant reduction of total contributions received during election years starting in 2004, the contributions received during non-election years appeared to increase by 7%.

It is difficult to make sense of these figures in isolation. As indicated earlier, electoral district associations, nomination contestants and leadership contestants did not report contributions prior to 2004, so the com-

parison may be skewed. However, looking at the net assets of political entities over that period provides a more telling story. There, the data shows that from 2004 to 2014, the combined assets of parties and their district associations grew considerably, at least for those entitled to direct funding.

The overall net assets of registered parties and their electoral district associations increased significantly, from \$7.8 million in 2004 to \$81.7 million in 2014, despite successive elections in 2004, 2006, 2008 and 2011. During that period, public funding increased from \$8.4 million on average per year before 2004 to an annual average of \$50.7 million during and after 2004. This shows that the public funding mechanism more than offset any revenue loss arising from the limits on contributions. It will be interesting to see how the recent removal of the quarterly allowance affects the financial situation of federal parties in the long run.

It is not for me to pronounce on what is the optimal level of public funding for political parties. I would say, however, that there are risks associated with strict limits on private contributions combined with inadequate public funding. Obviously, the greatest risk is that parties turn to illicit or undisclosed funding strategies that give rise to even bigger problems of undue influence.

Another risk is what some have described as the permanent campaign. That is, because political entities can no longer secure large donations coming from a few donors, they must make efforts to obtain smaller amounts of money from a much broader pool of individuals. To motivate this source of potential donors, we see a continual state of campaigning. This phenomenon is perhaps not without its consequences on the overall tone of political discourse and the level of public cynicism.

So although there are some positive aspects of public funding and reduced contribution limits—eliminating the influence or the appearance of influence from a very few contributors—there is also a need to ensure solid public funding for political parties.

I would like now to make some comments on some parts of the bill, and to share some of the challenges Elections Canada has faced and the lessons we've learned with respect to the administration of our own rules.

Bill 201 introduces a number of important restrictions on expenses. It limits nomination campaign expenses. It introduces limits on advertising expenses for third parties, both during and before the writ period, and it limits pre-writ expenses for political parties. In all cases, the ability to enforce the rules and, more importantly, the ability of political entities to understand them and comply require a clear definition of what expenses are captured.

At the federal level, poorly drafted definitions of leadership and nomination campaign expenses have resulted in important difficulties in dealing with expenses incurred outside the contest period for goods or services used during the contest or for the contest. This includes, for example, the costs of fundraising activities held

before or after the contest, or the cost of advertisements purchased prior to but used during the contest. This also has an impact on the contribution rules, since expenses that are not nomination or leadership campaign expenses can be paid with unregulated money.

**1040**

In this regard, I invite the committee to look at the rules proposed in Bill 201 not only for nomination contests but also for party advertising expenses incurred prior to the writ period but used during the election. In the same vein, it should also carefully examine how Bill 201 deals with party advertising expenses incurred before the six-month pre-writ period, but for ads that play or are distributed during the six-month period preceding the election.

I also feel the need to express a word of caution about the definition of “election advertising.” The definition in Bill 201 is the same as is found in the Canada Elections Act and raises difficult interpretation and application issues.

First, it’s not always easy to draw the line between what is advertising and what is discourse or satire or editorial comment, especially on the Internet.

Second, it is also difficult in practice, especially in the pre-writ period, to discern what is caught by the words “an issue with which a registered party or candidate is associated.” I know that the Chief Electoral Officer, Mr. Essensa, has invited the committee to consider restricting the rules on pre-writ advertising to direct advertising, as opposed to issue advertising. Perhaps there is some wisdom there, but difficulties will remain.

I don’t have a drafting solution to this. At the federal level, we’ve been fortunate, in a way, due to the fact that there has been relatively little third-party advertising in the last 15 years. On average, for the last three general elections, third parties spent only 12% of their limit, and very few spent more than 50% of it. In the last election, there was an increase in third-party spending, and some spent close to their limit. However, it remains a far cry from the level of third-party spending observed at the provincial level in Ontario. In that regard, there have been few occasions for third parties to test the boundaries of election advertising and to challenge how the definition applies. However, difficult interpretation and application issues remain, which we have addressed for the most part through interpretation notes.

This brings me to my third and final point. Recent amendments to the Canada Elections Act provide for the issuance of written opinions, guidelines and interpretation notes, generally referred to as OGIs, on the application of the act to political entities. The process for issuing these instruments is inclusive and collaborative in that it provides for consultations with the Commissioner of Canada Elections and representatives of every registered party. It is also very transparent. We publish a draft document, typically setting out the issue and the challenges it presents, as well as a proposed interpretation. Written comments from parties and the commissioner are also published, along with the detailed responses from

Elections Canada to each comment, as well as our final interpretation.

Although guidelines and interpretation notes are not binding in theory, they are certainly binding on Elections Canada in practice. Written opinions on specific factual situations presented by political parties are legally binding on the CEO and the commissioner.

The reason I’m raising this is that the Canada Elections Act, much like the Ontario Election Finances Act, is a complex and comprehensive piece of legislation. Many of the provisions of these two statutes are open to interpretation and raise questions that are not directly answered in the act, and probably cannot be.

A good example is the various questions around the application of the rules on election advertising. In the lead-up to the last federal election, we used OGIs to clarify, in consultation with political parties, the scope of election advertising rules with respect to Internet and telephone communication. Because there is no perfect answer to these difficult questions of interpretation, it is useful to have an open and transparent process for clarifying these issues.

The provisions of the Canada Elections Act setting out the OGI process are relatively new; they came into force in 2014. Elections Canada officials and I have found the OGI process to be an excellent device to help resolve difficult issues and improve consistency, but probably most important for politicians and other political entities is that they can help to create predictability in the application of the act. I am simply raising this issue as something for the committee to consider.

Mr. Chair, I’d like to thank you for inviting me today, and I would be happy to respond to any questions members may have.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you, Mr. Mayrand. For members, I allowed Mr. Mayrand to go over his allotted time. Just so you’re aware, we have about half an hour for questions.

Mr. Clark.

**Mr. Steve Clark:** Thanks very much for your presentation and for the handout history as well. I’m going to be looking at that with great interest.

One of the things that I wanted to ask you right off the top was about the guidelines that you have for ministers, in terms of their relationships between stakeholders and lobbyists, and whether you feel that having it as a guideline as opposed to codifying in the legislation—what guidance would you give our committee on that type of code of conduct?

**Mr. Marc Mayrand:** At the federal level, these guidelines are issued by the cabinet. In fact, it’s a prerogative of the Prime Minister. They are public, and I think they are used by the commissioner of ethics, at the federal level, to look into various matters that may come from time to time. Whether this should be in the domain of the commissioner of ethics is something to consider. The most important thing is that those guidelines exist, that they are public and they are subject to discussion if they’re not adequate to deal with various situations.

I would have to think more about that.

**Mr. Steve Clark:** Okay, sure. I'm going to take you down a road with something that I don't think the committee has talked about, but I think, because you're here, it's important that we cover it. Our Bill 201 is absent and silent with respect to the use of trust funds, endowments or other financial vehicles. Is the federal legislation silent on the use of these financial vehicles also?

**Mr. Marc Mayrand:** I think they were essentially eliminated some time ago.

**Mr. Stéphane Perrault:** Yes, they are illegal, though they're captured both by direct prohibition as well as a prohibition on formal associations. The only mechanism through which money can flow to a political entity is through an individual. There is no other way for money to come in.

**Mr. Steve Clark:** Over the time of your review, was there any experience with political parties using trust funds or endowments as a way to secure party financing? During this period that you've—

**Mr. Marc Mayrand:** Endowments—I think there were a few inheritance law cases which were eliminated in 2014. There were a few cases where parties benefited from testamentary provisions.

**Mr. Steve Clark:** How would you, as the Chief Electoral Officer, deal with compliance during that time, before it was outlawed?

**Mr. Marc Mayrand:** They were exempt from the contribution limits. They were not subject to contribution limits; they were totally outside. It was another form of revenue for parties. Again, it was relatively rare—in fact, quite rare—but it did occur in a few cases.

**Mr. Steve Clark:** One of the things we're talking about here is levelling the playing field—it comes up with pretty well every deputant—trying to make our law not allow indirectly what it's supposed to prevent as a direct contribution.

1050

In your view, should Bill 201 allow a corporation or a union to establish a trust fund and serve as a loan guarantor for a party or a candidate?

**Mr. Marc Mayrand:** It would be illegal under the federal regime for sure. Again, contributions can flow only through individuals and to a certain limit, and it has to be from their own funds. The rules are relatively clear on that, and there are also anti-collusion provisions in the act.

**Mr. Steve Clark:** Okay. I'll defer to my colleague Mr. Walker.

**The Vice-Chair (Mr. Lou Rinaldi):** Sure. If we can stay on rotation, you'll be next.

Ms. Wong.

**Ms. Soo Wong:** Thank you very much for your presentation and for being here today. I've got a couple of questions. Let me begin by asking you about the third-party and pre-writ advertisement question.

There have been some witnesses before this committee making suggestions about the limiting of spending on third-party associate advertisements in pre-writ being

removed while maintaining the spending limits on pre-writ partisan ads. This will result in some type of unlevel playing field. In your opinion, what would you suggest to our committee and to the province of Ontario in terms of the issue of funding pre-writ advertisements, limiting them, and making sure it's a level playing field and making sure it's transparent?

**Mr. Marc Mayrand:** I think Ontario is ahead in that area from the federal government in the sense that you've had fixed-date elections for a while and you've had experience with behaviour around the pre-writ period. At the federal level, we've only had one election with a fixed date so far. It was the last election. Some have argued the reason why we had such a long campaign—79 days, which was twice the normal period for a campaign—was to cut short the third-party spending. That was an argument made, which suggests that there is an issue there around third-party spending, which, especially in the context of fixed dates, can be planned and delivered and executed much more effectively than when you don't know the date of the election.

That being said, I think we have to be extremely careful about the charter's freedom of expression provisions. It has to be done only as it is absolutely necessary to ensure that there is a fair level playing field, but also effective participation in the democratic process, so that no voice can take over the whole channel of public discussion.

**Ms. Soo Wong:** In your report to the committee, on page 13, you made some reference to the issue of poor definitions of leadership and nomination campaign expenses. Can you elaborate a little bit more for this committee in terms of how to strengthen this? By-election nominations are regular, and if there's a leadership campaign—I'm sensing that you want us to include this in this legislation.

**Mr. Marc Mayrand:** The experience we have in this area is that there are really two elements to consider when you determine whether an expense should be included in the regulatory regime. You have to look at when it was incurred, for what purpose and when it was used. What happened at the federal level is that the test is half-baked for leadership and nomination contestants in the sense that only expenses or goods and services that are used during the contest are covered.

**Mr. Stéphane Perrault:** Incurred.

**Mr. Marc Mayrand:** Incurred. Sorry. If you incur something, you can plan your affairs. You can incur your expenses before the contest is launched, and even though you use all of your goods or services during the contest, it's excluded from the regime. The impact of that is that if you set limits, the limits don't apply. As important, also, is that the rules governing contributions don't apply. These expenses can be reimbursed and, in fact, shall be reimbursed by unregulated funds, so they could be corporate and union funds. You have to be extremely careful in drafting the legislation, if you want to achieve the purpose of the legislation, to make sure that these aspects are covered in whatever definition or test is built in the legislation.

**Ms. Soo Wong:** I'm going to defer to my colleague Mrs. Martins—

**The Vice-Chair (Mr. Lou Rinaldi):** We're just going to go on rotation. Mr. Walker?

**Mr. Bill Walker:** Thank you very much, Mr. Mayrand. There are two main things, I think, that I want to bring up. One is that you have expressed caution about the definition of election advertising. It's interesting that the Liberal government has actually removed the oversight capability that the Auditor General used to have to provide that oversight and comment and interpretation.

Would you support the need for an entity such as the Auditor General or the Chief Electoral Officer to ensure clarity and consistency related to electoral advertising?

**Mr. Marc Mayrand:** That's an interesting question. The advertising that is covered by the federal elections act is the election advertising carried out by either candidates' parties or campaigns. The government advertising that occurs between elections is governed by separate rules.

I understand that recently the government has established a policy that government advertising will be reviewed by the advertising council of Canada from now on to ensure, again, that they are non-partisan. But there are no rules per se in our statute governing the government advertising. There is a policy that during an election, of course, government advertising is restricted.

**Mr. Bill Walker:** Right, okay. Secondly, you've brought up a lot of comment in regard to the impact of third-party advertisements. I just want to make sure, again, on record that the electoral officer has raised this in subsequent reports. The amount spent in the last election was \$8.4 million, greater than all three of the major electoral parties.

It would appear that the federal legislation, by stripping the corporate and union donations out of there, has significantly limited the undue influence of third-party groups. It would suggest that this is the way that we're trying to mirror this piece of legislation, to ensure that it's back to a level playing field of fairness and—I liked what I heard earlier—that the only person who can donate is an individual.

**Mr. Marc Mayrand:** Just a point of clarity: There is a regime that governs third-party advertising. It limits the amount that they can spend during a campaign on advertising. But there is basically no limit on contribution for third parties. So they are not governed.

Again, we would need some political scientists to look at why it is so different at the provincial and federal levels and why third parties are spending so much at the provincial level and so little at the federal level comparatively. But it's not related to the contribution regimes.

**Mr. Bill Walker:** So in this case, what we're trying to do is to take it even a step further, so that the pre-writ period would also be limited in what can actually be donated and spent, as well as during the writ period, which we believe will bring it back to a more level playing field.

On my private member's bill—my colleague Mr. Arnott also brought forward legislation, as did our colleague Rick Nicholls—it was interesting: The government unanimously opposed all three of those, and yet, we're here. But they're not really, I don't think, listening to this ability to truly level the playing field. They're leaving loopholes in there to allow them to unduly—as we've read in the media for many months now—have the ability to have influential people at their beck and call and vice versa.

I think that there has been good movement in regard to the federal legislation. Obviously, the numbers speak for themselves—very little third-party influence. With those dollars, there probably is a correlation, I would think, if you get those political scientists to truly look at it.

But I think that the key that we're seeing is that it goes back to that you really want people like myself who put my hand up and say, "I want to run and be able to play and compete on a level playing field."

**Mr. Marc Mayrand:** Yes, absolutely.

**Mr. Bill Walker:** I'll turn it over to my colleague Mr. Arnott—

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife, please.

**Ms. Catherine Fife:** Thank you. I guess that we're just rotating. That's good.

**The Vice-Chair (Mr. Lou Rinaldi):** Yes.

**Ms. Catherine Fife:** Thanks, Chair.

**The Vice-Chair (Mr. Lou Rinaldi):** I try to be fair.

**Ms. Catherine Fife:** Yes, that's good.

Thank you very much for the presentation. You certainly have given us a lot to think of and I think that there is a lot to be learned from the experience of the federal government.

Does the government restrict their advertising pre-writ or during an election federally?

**Mr. Marc Mayrand:** During an election, it's all based on policy and directives issued by the government itself.

**1100**

**Ms. Catherine Fife:** So there are strict limitations on what the government can advertise on?

**Mr. Marc Mayrand:** Yes. Normally, during a campaign, it's a matter of public safety and health, the launch of new programs or major advertising campaigns—normally.

**Ms. Catherine Fife:** Would you have a concern, if a government did not have those specific restrictions on public health or safety or time-specific, that a government could advertise during an election? Do you see that as potentially a problem?

**Mr. Marc Mayrand:** We had a bit of an experience during the last election at the federal level where there was a tax credit that was introduced just before the election—a massive campaign.

**Ms. Catherine Fife:** A massive campaign.

**Mr. March Mayrand:** Again, at some point you wonder whether the line between government and political party is getting blurred. That's why I think there is a

need for restraint, at least during the campaign and maybe before.

**Ms. Catherine Fife:** So during the campaign period. Who would oversee that at the federal level? Who has the power to determine whether or not those advertisements, like the tax credits that were advertised, are acceptable or not acceptable during a campaign?

**Mr. Marc Mayrand:** It's a directive issued by the Privy Council Office; it is issued to all departments.

**Ms. Catherine Fife:** That doesn't exist right now in Ontario; the Ontario government is able to advertise during an election period.

There are some provinces, though, that strictly prohibit government advertising, except with public health and safety issues. I believe Manitoba has a strict ban. Do you think that is a good practice, if you will, to sort of instill some trust and confidence in how taxpayer money is being spent?

**Mr. Marc Mayrand:** Again, in my mind, it's always important to keep the distinction between the government, which is permanent, and the political party that is in power.

**Ms. Catherine Fife:** Exactly.

**Mr. Marc Mayrand:** We need to separate the two. Any rules or provisions that ensure that clear distinction as much as possible are desirable.

**Ms. Catherine Fife:** Thank you for that.

Now, I note that you, on page 14—one of the biggest issues that we've been trying to grapple with is issue-based advocacy. You say that the Chief Electoral Officer, Mr.—

**Mr. Marc Mayrand:** Essensa.

**Ms. Catherine Fife:** Sorry—has invited the committee to consider—

**The Vice-Chair (Mr. Lou Rinaldi):** How easy we forget.

**Ms. Catherine Fife:** Greg—consider restricting the rules on pre-writ advertising to direct advertising, as opposed to issue advertising. You say that there's some wisdom there, but difficulties will remain. Now, this is, I think, going to be one of the biggest challenges for this committee.

What sort of levers or tools do you think can be put into place to balance and not restrict the voices of citizens and issue-based—because we heard from the US Supreme Court ruling that issue-based advocacy is a line in the sand; that sand is always blowing and that line is always moving, so that's the challenge; right? What tools do you think the electoral officer would need to empower or enable him to better oversee these decisions or to have some control over this issue?

**Mr. Marc Mayrand:** As suggested, I think several issues around the definition that is proposed in Bill 201 in terms of—the very notion of issue advocacy is very, very broad and is not necessarily political or partisan in nature. That may be a test.

The other thing is that the way we have read the definition, issues will evolve, emerge and disappear, and people will take positions and change positions all the

time, and it's very difficult to crystalize when there will be a breach of the rules. You have to consider that going forward. Maybe it's better to have a more permissive rule but a clearer rule than a very broad, restrictive rule which runs the risk of being disputed in court.

**Ms. Catherine Fife:** And that actually has—if the bill stays as is, I believe it would be subject to a constitutional challenge. I believe that that would be—

**Mr. Marc Mayrand:** It could be.

You asked me about tools. I referred to what we call OGIS at the federal level. We find that it's a very effective tool because you can come across a type of advertising or a type of message and wonder whether it truly fits in the definition here of third-party advertising or a party's advertising. Those guidelines will help everyone understand the rules, so again we maintain the level playing field. It's an interpretation that is issued by the Chief Electoral Officer, but after public consultation. So again, there is transparency around those interpretations and it makes the system consistent and predictable. It's useful because there are some issues that cannot be addressed otherwise than through waiting for years of court disputes, creating further uncertainty, or having a consensus among the participants that this is a fair and reasonable interpretation and let's play the competition around those interpretations.

**Ms. Catherine Fife:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Martins and then Ted. We have about six minutes or so, so if you could be cognizant, we have another question from this side.

**M<sup>me</sup> Cristina Martins:** Bonjour, monsieur Mayrand. Je vous remercie d'être ici aujourd'hui pour votre députation ce matin.

**M. Marc Mayrand:** Merci.

**Mrs. Cristina Martins:** Before asking you a question, I did want to raise something a little bit more on a point of clarity. I'm not sure if Ms. Trudy Beaulne is still here or not, but she raised a concern when it came to openness and transparency in terms of donations. I just wanted to let her know—and really let Ontarians all across this province know—that what we have heard as a committee is that Ontario is actually a leader in Canada when it comes to the disclosure of donations to political parties in real time.

You're nodding, so I think you agree with that as well. Today, currently, anyone here in this room—whether it's Trudy or anyone in this room or across this province—can access Elections Ontario today and see all political party donations over \$100 that have been made within the last 10 business days with a receipt. I can go and access that and see who has donated to the NDP, who has donated to the PCs or who has donated to the Liberal Party. I can do that, and everyone in Ontario can do that. So just to let Trudy know that our government is open and transparent—and I see you nodding so I think that you agree with us on that.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Martins, before you carry on, I've made a slight error. We have about 15 minutes left.

**Mrs. Cristina Martins:** No problem. So I can continue on with my questions?

**The Vice-Chair (Mr. Lou Rinaldi):** Sure. Thank you.

**Mrs. Cristina Martins:** This has a little bit to do with the paid labour that is sometimes sent to campaigns. I know that the federal election legislation prevents employers of a corporation or a union from being sent to work on a campaign and being compensated from their employer. This is something that we have heard people discuss in their submissions to the committee and as the committee travels across the province.

Can you explain how this limit is enforced federally and whose responsibility it is to ensure volunteers are not being compensated by their employer? You know that campaigns are so dependent on volunteers.

**Mr. Marc Mayrand:** I just want to clarify a point: As a volunteer, you cannot be paid by a third party for your volunteer work. That would constitute a contribution. Depending on who is paying, it may be an illegal contribution.

That being said, you can take time off. You can take your holidays and spend two or three weeks—whatever time you can afford—working on a campaign. And that, even though you're on paid leave, if you're on your holidays this is not a contribution; it's how you choose to use your time.

In terms of enforcement, there are a series of offences in the legislation. Again, illegal contributions must be returned. If they have been consumed, an amount must be sent to the Receiver General equivalent to the illegal contributions.

**Mrs. Cristina Martins:** With regard to pre-writ advertising limits, I think that one of the problems or one of the issues that Bill 201 attempts to solve is the increasing role of political advertising outside of the writ periods. We heard a lot of discussion about that today already. In the past this has acted to undermine the purpose of a writ spending. The bill places advertising spending limits on both parties and third parties six months prior to a scheduled election. This is not when there is anything else that happens, but a scheduled election.

1110

Can you discuss what you've seen federally about the growth of pre-writ advertising and your concerns around limitless third-party and political-party advertising, pre-writ?

**Mr. Marc Mayrand:** As I was indicating earlier, at the federal level, we have very little experience. We had only one election with a fixed date, and again, the pre-writ expenditures have been essential in the context of fixed-date elections, I believe. What we've seen are worries that there was certainly a lot of effort by third parties in the spring, prior to the election, in putting together various campaigns to reach out to Canadians. It may be one of the reasons why the campaign was set to be that long—it was to cut off third-party spending. Because the minute the campaign is launched, third

parties are governed by the restriction on their spending. So we have very little experience at the federal level. We'll be watching how it works out at the Ontario level.

**Mrs. Cristina Martins:** And is actually implementing this type of advertising limit six months before an election something you support?

**Mr. Marc Mayrand:** I think there are good reasons for limiting advertising before fixed-date elections, for sure. But we need to be extremely careful, again, with regard to the impact on freedom of expression. It's a balancing. I think it should be restricted only as seen as absolutely necessary to ensure an effective democratic process.

**Mrs. Cristina Martins:** And again, as you said earlier, I guess to clearly define whether it's the government that's advertising or it's a political party that's advertising—

**Mr. Marc Mayrand:** Or third parties, yes.

**Mrs. Cristina Martins:** —or a third party or anything like that. Thank you so much.

**The Vice-Chair (Mr. Lou Rinaldi):** Mr. Arnott.

**Mr. Ted Arnott:** I want to thank you for presenting today. It's very helpful to have the experience of Elections Canada when we discuss these issues surrounding Ontario's election finances and spending rules.

In my opinion, the people of Wellington-Halton Hills would want to see election finance rules that contain honesty and integrity in the process, that there's clarity on the rules, that there's fairness to all candidates from all parties, that there is openness and transparency with respect to donations and reasonable upper limits on spending so that no one or no organization can buy a party or a candidate or a policy, and that politicians should not be promising special favours to people who attend their fundraising events. And those principles should be applied with respect to any decisions around reforms to the election finance laws.

My colleague beside me indicated that I had brought forward a private member's bill—and that was actually in 2011, before the provincial election in 2011—which called for a ban on collusion between third parties who might advertise in a political campaign and political parties. The government of the day and the government members who were present at the time of the second reading vote all voted against it, every single one of them.

I think I heard you say that the federal legislation bans collusion between political parties and third parties with respect to advertising. Could you explain the rationale—

**Mr. Marc Mayrand:** Contributions.

**Mr. Ted Arnott:** Contributions—could you explain the rationale for that policy at the federal level?

**Mr. Marc Mayrand:** If there was evidence of collusion, the amount of the advertising would be considered a contribution. Now, at the federal level, being made—in your example I believe it was a union, so it's a banned contribution, a prohibited contribution. It would be an offence on the part of the union who made the contribution. It would also require the beneficiary of the

contribution to return the equivalent amount of the cost of the advertisement to the Receiver General. And there could possibly be an offence, also, for the party or the candidates that benefitted. In the case of collusion, there's probably an offence.

**Mr. Ted Arnott:** Yes, because we suspected that in previous elections there had been some degree of, if not collusion, at least communication and coordination between third parties with respect to their advertising campaigns during the provincial elections and one political party.

**Mr. Marc Mayrand:** I think that one of the challenges with regard to those provisions is the difficulty for investigators to gather the evidence. I think that's the main challenge. These standing things tend not to be properly documented, let's say, so it's very, very difficult. But the prohibitions are there. There have been discussions from time to time on whether we should presume from the existing of certain circumstances that collusion existed—I leave that to the committee to consider. But the direct proof of collusion is tremendously difficult, not only in electoral matters but in all fields. Whether it's competition law, merger law, all these things, it is extremely difficult.

**Mr. Ted Arnott:** Unless you have help from WikiLeaks.

*Laughter.*

**Mr. Marc Mayrand:** Is that you?

**Mr. Ted Arnott:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife, we have just under seven minutes, and I do have somebody else on the list as well.

**Ms. Catherine Fife:** Thank you. I'll be fast.

I did want to follow up, because the per-vote subsidy is also a very interesting debate that we're having. I noted in your report that after 2011, it was phased out—

**Mr. Marc Mayrand:** Starting in 2012.

**Ms. Catherine Fife:** Oh, sorry, 2012. You raise a concern that parties, moving forward, go into this constant campaign mode to balance out those lost revenues through the per-vote. I think that's really very insightful for us, because you do see in this province parties in this race—it's a race of survival of the fittest with the fattest bank accounts, because money is really driving the success of political parties. Right now, unfortunately, the Liberals do have a bit of a head start on some of us, but I think that removing corporate and union donations will set the record straight somewhat.

What Bill 201 does not address, though, is that it does not prohibit raising money from stakeholders or trading cash for access. You had mentioned that cabinet sets—this is our concern, around conflict of interest. You have cabinet ministers who can't meet with stakeholders during business hours. They can only meet them for dinners or breakfasts or lunches. You have special stakeholder dinners with very high ticket prices—\$10,000 per person.

The conflict-of-interest piece is not contained within this bill. So if you really are serious about removing the

perception of collusion and influence of money on politics, then there have to be some guidelines around who cabinet ministers are meeting with, and are they actually paying for it. They should be meeting with all stakeholders, but I don't think those stakeholders should have to pay \$10,000 to meet with them.

You mentioned that this conflict-of-interest threshold is determined by cabinet at the federal level, or through the commissioner of ethics?

**Mr. Marc Mayrand:** No, it's not the threshold. There are rules governing conflict-of-interest situations and how they should be disclosed—their first principle is disclosure—and what is prohibited. The officer responsible for monitoring and enforcing those rules is the ethics commissioner, who is a parliamentary officer.

In some cases, it does intersect with electoral legislation around contributions, but conflict-of-interest regulation tends to be much broader than matters related to political contributions and fundraising activities. I think the commissioner would be better placed to discuss her role and how she approaches it.

But there are three sets of instruments that could govern in particular situations. First of all, there's the Prime Minister's directive to his ministers; there are the rules that govern the conflict of interest and the legislation on conflict of interest, which is administered by the commissioner of ethics; and there are rules in the election law that govern fundraising activities and contributions. These three sets of rules can intersect.

**Ms. Catherine Fife:** So there are three points?

**Mr. Marc Mayrand:** Yes. There are three perspectives to look at when you're considering contributions.

**Ms. Catherine Fife:** Finally, thank you for raising the issue of freedom of expression around the third-party issue advocacy piece, because that is very important for us and it's something that I'll take away.

Thank you, Chair.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you, Ms. Fife. Ms. Vernile, you have about two and a half minutes.

**1120**

**Ms. Daiene Vernile:** Thank you, Chair. I'll try to go quickly.

Monsieur Mayrand, thank you very much for coming and speaking to us this morning. I want to ask you about loan guarantees. Central parties finance their election campaigns by getting these loans. They can be guaranteed by a person, by a corporation or by a union, and they don't count as a contribution. Can you talk to us about how these loans are regulated? I know that there are some parties that have some very exotic arrangements, as we have seen in the past. Do you think it's essential to regulate the process?

**Mr. Marc Mayrand:** We did recommend that it be regulated in the past, so, yes, I think we need some regulation again, to establish some certainty around these matters.

At the federal level, the most recent rules provide a few things. First of all, loans are only allowed by commercial institutions. Individual loans, personal loans, are

allowed only to the limit of the contribution you can make. An individual, whatever his resources are, cannot loan more than \$1,500 at the federal level.

A bank can lend millions of dollars to a campaign, if need be. It has to be at the commercial rate, the same rate that exists for other clients. In the case of candidates who borrow, they must reimburse within a period of time. Otherwise, it could become, or be seen as, a contribution in disguise. So loans have to be reimbursed within a period of time.

There are provisions that make it so that the party, at some point in time, may become responsible for unpaid debts of candidates or riding associations.

It's a complex regime. I don't think it's that dissimilar from the Ontario regime, though.

The other particularities at the federal level are that the regime extends to guarantors—not only to lenders, but also to guarantors. Again, it's the same thing: Individual guarantors cannot guarantee for more than the amount they are allowed to contribute in a given year.

These rules were just adopted before the last election. We don't have the analysis yet of how it impacted candidates or parties.

One of the changes that was done—our analysis has shown that many, many of the small loans taken by candidates were to launch their campaigns before they could generate the contributions. The act now provides that a candidate can bring into his campaign up to \$5,000, which was the amount of the average loan that was taken. So rather than go borrowing, you can use your own funds. That's an exception to the \$1,500 limit.

**Ms. Daiene Vernile:** Do I have time for another question, Chair?

**The Vice-Chair (Mr. Lou Rinaldi):** About 30 seconds, question and answer.

**Ms. Daiene Vernile:** Quickly, your opinion on the per-vote allowance, \$2.26 per vote: too high, too low?

**Mr. Marc Mayrand:** I don't have enough information to comment on that. As you know, relative to the federal level, it would be too high, because there's none anymore at the federal level. We'll see over time.

I think what is important, and I tried to put that in my notes, is that you need to ensure proper balance between spending limits, contribution limits and public funding. My advice, if I can, would be to err on the side of being a little bit more generous than too restrictive or too cheap, because of all the pernicious effects that it could have. I think democracy needs viable parties. That's my view and—

**The Vice-Chair (Mr. Lou Rinaldi):** We've exhausted the time.

**Mr. Marc Mayrand:** Oh, sorry.

**Ms. Daiene Vernile:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** We have somebody waiting online to talk to us. Thank you again, Mr. Mayrand, for being here and enlightening this committee on the federal scene and helping us out. Thank you.

**Mr. Marc Mayrand:** Thank you very much. All the best with your work.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you.

MR. CARL THIBODEAU

**The Vice-Chair (Mr. Lou Rinaldi):** On the line, we have the last deputant before we recess for lunch, and it's Carl Thibodeau. He's on the line, and he's from Thunder Bay.

Mr. Thibodeau, welcome. Can you hear us?

**Mr. Carl Thibodeau:** Yes, I can. Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Good. The routine is that you have about 10 minutes for a presentation, and then we have 15 minutes for questions. The floor is yours—or the phone is yours.

**Mr. Carl Thibodeau:** Okay. You can hear me well?

**The Vice-Chair (Mr. Lou Rinaldi):** We can.

**Mr. Carl Thibodeau:** Okay, thank you.

Good morning. My name is Carl Thibodeau. I live in Thunder Bay, volunteer in my community, serve as an elected regional vice-president of my union, OPSEU, and work at the Thunder Bay Correctional Centre as a food service supervisor. Thank you for giving me the opportunity to join you from the north to share my thoughts on Bill 201.

I'm pleased to have a chance to speak to you today because I think this is one of the most pressing issues facing our province. I appreciate you, as a committee, taking the time out of your summer to hold these hearings. It's a sign that you understand exactly how critical the need is for change.

I've followed the news over the last few weeks as story after story has come out about the special access to cabinet ministers and to the Premier that rich folks and corporations seem to be getting. Based on the reactions in the newspapers, I'm not the only one concerned about what's happening. That's not surprising because it just doesn't seem right. What happened to governing for the people? Wasn't that supposed to mean listening to all the people, not just those with the money to fund the governing party's next campaign?

Then, I opened the Globe and Mail this weekend and found out that not only are these people getting special access, they're getting special treatment. Just after the first sale of shares, six members of the banking syndicate that made nearly \$60 million selling off pieces of Hydro One showed up at a \$7,500-a-plate dinner with the finance minister and the energy minister. Does anyone believe that this group of people just coincidentally chose that moment to have an expensive dinner together and talk about the Jays' playoff run? I don't know.

Reading further, we see that the companies receiving billions of dollars in public infrastructure contracts to build hospitals, roads, transit and courthouses also show up at a number of these dinners, including a \$10,000-a-plate dinner with Premier Wynne. Does anyone honestly believe that these companies, run by people who seem to be pretty successful at making money, don't believe that these donations will get them something in return?



People are tired of hearing story after story of how big companies buy special access to cabinet ministers by funding their election campaigns and then getting handed contracts, grants and tax breaks amounting to billions of dollars of public money—my money, my neighbour's money, money that should be paying for better northern roads, better northern schools and better northern health care, not padding the profits of banks in downtown Toronto that are buying tickets to these dinners.

The fact that you're all here tells me that you know, and probably many of you agree, that things need to change, that this game has gotten out of hand and needs to stop. So the real question is, how do we stop it? How do we take away the ability of big money to buy elections and thus pay for access to decision-makers?

I'd like to propose two simple fixes for you to consider. The first is to ban any company or individual who donates to a party from benefiting from a government decision: no contract, grants, tax breaks or other benefits for at least four years, long enough to take you to a new election cycle. Across most of the United States, there are laws like this. They refer to them as restrictions on pay-to-play. Given the evidence we're seeing of company after company donating to the Liberals and then receiving public dollars from the government, I think it's high time we look at similar rules here, because what we're seeing, time after time, is clear evidence of companies paying to play.

But if that seems too complicated or too difficult to enforce, there's a second way. This option, probably the simplest to enforce, would be to cut the donation limit to a level that everyone can reach so that all 10 million people in Ontario can afford the same access to their political leaders, but that needs to be much lower than what is proposed here. You've already seen that a \$9,975 donation limit is open to being abused. Do we really think that reducing it to \$7,750 will eliminate that? I don't know about you, but I know that \$7,000 is more than I can afford to pay for dinner, and I'm pretty sure that's true for 99% of the people in Ontario.

The good news is that we don't need to have a system that is built on the donations of the 1% who can afford those tickets. Quebec already has a donation limit of \$100, and a number of recent examples have shown that campaigns run on small money can work just as well as those run on big money, but without giving a small number of wealthy people special access to those in charge. By setting the donation limit to a level that average Ontarians can afford, probably somewhere near the Quebec level of \$100 a year, we can take big money out of the picture and, by doing this, we can make sure that our representatives are focused on pleasing their voters, rather than their big donors.

**1130**

Those of you on this committee have an important job to do and I wish you all the luck in the world with it because our province depends on you. The stories of the past few months and the 159 cash-for-access fundraisers the Liberals have held over the last three years

demonstrate clearly that the current system is broken. I hope that this committee, by imploding these ideas in Bill 201, can fix things and deliver a new system, one where our government is powered by public support, not private money.

I want to thank you again for allowing me the time to address this committee. That's it.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you, Mr. Thibodeau. We have a little bit longer than 15 minutes for questions.

I don't have a numbered list. Mr. Clark or Mrs. Martins? Mr. Clark.

**Mr. Steve Clark:** Mrs. Martins had her hand up first. I'll go second.

**Mrs. Cristina Martins:** What a gentleman. Thank you so much, Mr. Clark.

**Mr. Steve Clark:** Any time. I'm glad that's in Hansard.

**Mrs. Cristina Martins:** Wonderful. Thank you so much.

I wanted to thank Mr. Thibodeau also for your deputation this morning. The means in which you are actually here presenting to us today via teleconference—to let Ontarians know that we really want to hear from everyone, and if you can't physically be at one of the cities where this committee is going to be present, there are technologies in place today that will allow you to voice your opinion, to raise concerns and to make suggestions, as you have here today via teleconference from Thunder Bay. So thank you very much.

I guess the legislation that we are proposing and that's on the table for discussion and is touring the province is really just a starting point. We look to continue to work with all Ontarians—experts, stakeholders and all political parties—so that we can strengthen the proposal so that it is a fair playing ground for everyone.

We have had significant discussion about the fact that the bill, Bill 201, does not explicitly prevent unions or corporations from sending paid employees to work on campaigns and be compensated from their employer. Mr. Thibodeau, my question to you is: Have you ever been involved in a campaign where you were compensated by your employer for working on a campaign, and if so, can you tell me which campaign that is?

**Mr. Carl Thibodeau:** No, not that I've been compensated—but I've volunteered some time.

**Mrs. Cristina Martins:** And which campaign again?

**Mr. Carl Thibodeau:** Oh, God, what was the last one that we did? I think it was the provincial election last time.

**The Vice-Chair (Mr. Lou Rinaldi):** In 2014.

**Mrs. Cristina Martins:** Okay, so the 2014? So you do not remember if you were compensated by your employer for that? Did I hear you correctly?

**Mr. Carl Thibodeau:** No, I wasn't compensated by my employer.

**Mrs. Cristina Martins:** You were not compensated by your employer? Okay.

What are your thoughts, then, on the issue of paid labour? How could this be addressed in the proposed legislation?

**Mr. Carl Thibodeau:** I think that all contributions of labour and resources or money should be counted as contributions, but if we're going to count volunteers who help make phone calls on local campaigns, that it also applies to agencies and firms that provide their expertise in the central campaigns of parties, including research, polling and marketing, which right now are not counted under the spending limits.

**Mrs. Cristina Martins:** One of the things that we heard from a presenter, and a recommendation that was proposed, was that only people performing professional services such as polling, research and advertising be prevented from being sent to work on a campaign while being compensated by their employer, while allowing people performing campaign tasks like phone banking, canvassing and sign installation to receive compensation from their employer or union—and you're a union member yourself. I wanted to find out what your thoughts are on this distinction.

**Mr. Carl Thibodeau:** I know that we had a lot of our union members volunteer their time on weekends and their days off. How you stop that from happening, I don't know.

**Mrs. Cristina Martins:** You won't comment? Okay.

**Mr. Carl Thibodeau:** Yes.

**Mrs. Cristina Martins:** Is there any practical way that we could look at this issue without infringing on a person's personal rights and freedoms?

**Mr. Carl Thibodeau:** I don't know how you're figuring that out.

**Mrs. Cristina Martins:** Sorry, I didn't hear you.

**Mr. Carl Thibodeau:** I wouldn't know how you would figure that out, how you stop somebody from doing the time on their dime or not, right?

**Mrs. Cristina Martins:** As you know, part of, as I said, what we want to try to do with this bill, Bill 201, is really to take the appropriate steps to even the playing field by limiting the role of third parties in elections. Bill 201, as it reads currently, accomplishes this by taking the important step of limiting the amount of third-party advertising during elections.

What is not included in the cap are other political activities, such as mailings to union members or company employees or shareholders, and telephone calls to electors to encourage them to vote, along with day-to-day political operations and advocacy.

Should the bill that we're discussing here today, the proposed bill, make these activities subject to a spending limit to further even the playing field? And if not, if you can explain why.

**Mr. Carl Thibodeau:** No, I think that you need to be able to make them accountable and then have a certain spending limit, so that people know how much money is being spent on whoever is helping. I agree with that.

**Mrs. Cristina Martins:** Okay. Those are my questions for now. Thank you very much.

**The Vice-Chair (Mr. Lou Rinaldi):** Mr. Clark.

**Mr. Steve Clark:** Thanks, Carl, for your presentation. I'm going to be a little more specific regarding what Ms. Martins was just questioning you on.

The president of your union, Smokey Thomas, came before the committee and suggested that the section on definition of a contribution be amended by removing the exemption of paid volunteers and requiring campaigns to count this as a contribution. You support your union president in that recommendation?

**Mr. Carl Thibodeau:** Yes.

**Mr. Steve Clark:** Okay, good. I just wanted to make sure. I know Ms. Martins asked you four or five different ways, so I just wanted to get a straight yes or no.

I appreciate the fact that you, as well as many Ontarians, want the loopholes closed. I can sense that you're very upset, especially with some of the media reports about cash for access, and you gave a number of examples. I think many Ontarians share that frustration and anger.

You made two recommendations. One was that the limits be reduced, and I think you can acknowledge whether many of your members can accept the present limits under this guideline. I'm also very encouraged by your comments about pay-to-play restrictions, and I want you to reiterate your recommendations to the committee on what you think the bill should include.

**Mr. Carl Thibodeau:** If you're getting involved—like, if you're going to do stuff—then you don't get to go to the dinners, or you don't do the dinners afterwards—I've just got to read my notes here again—and you're not involved after, like the Hydro One thing with the banks. They don't get to be involved with donating more money at dinners and things like that.

**Mr. Steve Clark:** Yes. If I heard you correctly, you used that dinner as an example, and you referenced some US restrictions where, in some areas, you can't have a contract—I think you used the words “four years,” which was the term. Was that your recommendation?

**Mr. Carl Thibodeau:** Yes. The election cycle.

**Mr. Steve Clark:** The election cycle. Okay.

So the other issue that has come up periodically—and you might not have a comment; you didn't include it in your presentation—was the issue about government advertising. The Auditor General talked about the fact that this government stripped her of her powers and gutted existing legislation. We've had a number of criticisms about the way the government is advertising in a far more political way than many Ontarians feel that they should. Do you think their advertising should be restricted to maybe tender ads or job creation ads or public safety ads prior to an election, as opposed to more direct political activity?

**Mr. Carl Thibodeau:** If it's more direct, then I think the other parties should get some money to be able to do the advertising themselves. They're spending money advertising more politically instead of promoting what they've done for us during their tenure. I don't know. I don't know how you fix that, but I think maybe the

parties then get to have some TV time also, or some promotional air time.

**Mr. Steve Clark:** So you'd do equal time for all of the registered political parties.

**Mr. Carl Thibodeau:** Yes, even before or during.

**Mr. Steve Clark:** Oh, okay. All right. Thanks for your presentation, Carl.

**Mr. Carl Thibodeau:** Thanks.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife.

**Ms. Catherine Fife:** Thanks, Carl, for calling in and for sharing your views. Actually, Mr. Clark has asked my government advertising questions. I think it's very alarming that we agree so heavily on these issues. But I do thank you for taking the time to call in.

I just wanted to get a sense—because you've been very clear on where the changes to the act need to happen. We're going to be trying to make some amendments to Bill 201 to ensure that it is fair, that it does level the playing field and that it doesn't silence the voices of issue advocacy groups.

When you read those articles about who's in those rooms, who holds power, and the perception of how power is affecting policy and legislation in the province of Ontario, what do you think that does to the confidence in our democracy?

**Mr. Carl Thibodeau:** It doesn't look fair or seem fair in that they're able to have an hour or two hours with all the ministers. I know that when we try to get meetings, we have about a 15-minute meeting with an MPP, if you try to set something up with them.

I think that, yes, you've got lots of work ahead to try to figure out how to make this accessible for everyone, to have access to political leaders.

**Ms. Catherine Fife:** Thank you for your time today, Carl.

**The Vice-Chair (Mr. Lou Rinaldi):** Okay. I think that ends the session. Thank you very much, Mr. Thibodeau, for taking the time to get in touch with us by phone. Certainly, your comments were well received.

To the committee members, before we adjourn, just to let you know, lunch is served where we had breakfast, and then we come back at 1:30. I remind members who stayed here last night that checkout is at 2 o'clock, so I encourage you to check out during lunch.

The committee is adjourned until 1:30.

*The committee recessed from 1141 to 1330.*

**The Vice-Chair (Mr. Lou Rinaldi):** I would like to call the meeting back to order. It's now 1:30.

#### ONTARIO HEALTH COALITION

**The Vice-Chair (Mr. Lou Rinaldi):** On the line, I believe, we have Natalie Mehra, executive director of the Ontario Health Coalition. She's talking to us from Toronto. Can you hear us, Natalie?

**Ms. Natalie Mehra:** Yes, I can.

**The Vice-Chair (Mr. Lou Rinaldi):** Good. Welcome. The routine is, as you probably would know, you have 10 minutes to present and then we have 15 minutes for com-

mittee members to ask any questions or clarifications. The floor is yours.

**Ms. Natalie Mehra:** Okay, thank you very much.

Thank you for accommodating us and hearing from us today on this bill. It's an important piece of legislation. I wanted to start by expressing our support in general for all of the political parties and the progress toward improving the transparency and accountability for election campaigns and election donations and also for the steps in this bill toward limiting election spending.

We had a few issues with the legislation and some of it just comes down to clarifying some issues that impact particularly NGOs and the ways in which we work in election campaigns. We have some experience with this because of the last federal election and the new legislation at the federal level. So we're just bringing that to bear on this bill as it's currently drafted.

The key issue for us is that the legislation defines political advertising very broadly, very much like the federal government did in its election finances legislation. That definition includes "any broadcast, print, electronic or other medium with the purpose of promoting or opposing any registered party or ... candidate." It includes, under the definition of advertising, anything "that takes a position on an issue with which a ... party or candidate is associated..." That's extremely broadly worded and it takes in all non-partisan issue campaigns, which are the types of campaigns that our coalition engages in.

Non-partisan issue campaigns such as, for example, putting up on our website a table or a chart comparing political party platforms on five or six key health care issues as we see them prior to an election campaign would be considered, I believe, under this definition, political advertising for the purposes of the bill.

I'm not quite sure how it's in the public interest to define political advertising so broadly. It seems clear that partisan advertising, advertising directed toward electing a particular party or unelecting a particular party, should fall under the definition. But it's not clear to me or to us how just simply defining issues for an election campaign or engaging in public education around key issues, just because a party happens to have associated themselves with an issue at some point in time undefined in the legislation, should be considered political advertising.

That's going to hit the smallest NGOs and citizens' coalitions because they'll have to register once they reach \$5,000, which, if you include all of that electronic media, is pretty easy to do. Then they're going to have to pay thousands of dollars for auditors and so on.

So that's our only concern. We support completely the idea of defining clearly partisan campaigning as election advertising and controlling it and having it clearly reported and transparent. It's just the general public education and non-partisan issues-based items that we're concerned about.

Furthermore, we're concerned about some of the references to sending out transmissions; for example, broadcast emails which go to our listservs. There is no

way to determine whether or not people have paid a membership and/or keep up those listservs in order to separate out paid members versus non-paid members and so on. That whole part of the legislation is ungovernable and posed a problem for a lot of NGOs during the federal election campaign.

In fact, in the federal election campaign, we received legal opinions that held that broadcast emails, websites and social media were included. Later, that appeared to be abandoned by Elections Canada in the regulations and in the guidelines that it sent out.

It appears in the Ontario legislation that existing websites, social media sites and broadcast emails to our member and supporter lists would be included. As I say, that becomes very problematic.

There's that issue, and then the second issue for us is that the legislation needs to clearly define what an entity is. It's not clear to us. Are we separate from the local health coalitions across the province? Are we separate from the Canadian Health Coalition? We all have separate governance, although we share a name. It seems that it should be that entities with separate governing bodies should be clearly considered separate even if they are multi-tiered organizations like ours.

In the case in which we're working on joint campaigns, that entity that pays for the materials would have to report it. I think that is clear already in the legislation.

So that's our feedback. We thank you very much for your work on this legislation. It's very much in the public interest of Ontarians, and we deeply appreciate it.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you, Ms. Mehra. Now we'll go to some questions from the members. I have MPP Clark.

**Mr. Steve Clark:** Hi, Natalie. I just want to say to the committee again that I have been involved in meetings in my local riding with Natalie's group and with, for example, the Brockville health coalition in regard to cuts that the government has made to my hospital. We didn't charge any cash for access to that meeting; it was totally open. I just want to make that disclaimer, as I've done in the past.

One of the things that you mentioned was political advertising, right off the top. I figured that you would. It's a common thing that deputants have talked about. Can you tell us how much you would have spent pre-writ and during the writ in the last provincial election as an organization?

**Ms. Natalie Mehra:** I'm ballparking this because I don't have the receipts right in front of me—

**Mr. Steve Clark:** That's okay.

**Ms. Natalie Mehra:** —but I'm going to say that we bought 500,000 leaflets and we went door to door with them. I think half a million leaflets cost us about \$20,000 in total.

But what is defined in this act as advertising would include our existing website and anything we send out to our listservs. We send out messages to our listservs of 30,000 or 40,000 people a few times a week, maybe. I wouldn't even know how to account for that—what slice

of the cost per year that is or how we would even figure that out. But that would all count under this legislation, so it would be more than that.

**Mr. Steve Clark:** Did the coalition provide any paid labour to any political party in the last election?

**Ms. Natalie Mehra:** No, because we're non-partisan. We don't support any particular political party. Usually, we have the same set of issues that we've worked on for years and years and years. We just assess the party platforms against those issues, and then we try to make them election issues, so that we get the parties to make promises on them. Our campaigns are issue-based campaigns and non-partisan.

1340

**Mr. Steve Clark:** Does the coalition have any position on that issue of groups—lobbyists, corporations, unions—providing paid employees during a campaign in a candidate's campaign office? We've heard a number of positions expressed at the committee. Do you have one?

**Ms. Natalie Mehra:** Is the question whether that should be considered paid political advertising?

**Mr. Steve Clark:** Some feel it should be outlawed; some people feel it should be recorded. I just wondered if you had a position either way.

**Ms. Natalie Mehra:** We have not taken a position on that, but I think, in general, the coalition would believe that all spending should be subject to spending limits and that it should be clearly reported.

**Mr. Steve Clark:** Okay. I'll let Ms. Fife ask the question about government advertising. I don't want to steal it from her again.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Wong.

**Ms. Soo Wong:** Natalie, welcome. Thank you for joining us this afternoon. I'm very pleased that you can join us this afternoon to talk about election reform.

I've got a couple of quick questions for you with respect to the third-party spending cap. As you know, Bill 201 is seeking to amend the spending limits on third-party election advertising of \$100,000 and \$600,000 in the six months preceding the election. I'd like to hear from you and your coalition, specifically dealing with third-party advertisement limits. Does your coalition support this number, in terms of the amount, or is it too high or too low, in terms of spending limits for third-party advertising?

**Ms. Natalie Mehra:** It's a good question. Unfortunately, because the act was introduced and the hearings announced so late in the year, I have not been able to have a board meeting for more in-depth discussion about what a number should be.

What I can say to you is that our major issue is not so much what the number is but how political advertising is defined, and that it captures both partisan and non-partisan efforts. That complicates matters, we believe.

We don't come anywhere near those numbers; we never have. Most of the NGOs that we work with don't come anywhere near those numbers. They don't directly impact us, so that had not been a priority issue for

discussion for us. I'm afraid I don't have an answer on what we think the number should actually be.

Obviously, groups with a lot more money are able to spend that kind of money on elections, but most of the community groups in Ontario don't, so it doesn't affect us.

**Ms. Soo Wong:** I want to drill down with regard to by-elections. In 2012, we saw that registered third parties were responsible for 61% of all campaign expenses. Do you believe that by-election rules need to be included, to make sure it's a level playing field?

**Ms. Natalie Mehra:** Yes. I didn't realize they weren't, but yes.

**Ms. Soo Wong:** Okay. In terms of third-party activities, I'm going to ask you a quick question, because I know time is limited. What I'm going to ask you is this—right now, there are different political activities going on from your coalition and others, like mailings to your members, or a company employee sending out stuff to their stakeholders or making phone calls. Do you believe that in this proposed bill, Bill 201, these kinds of activities should be subject to some kind of spending limits? You have to pay to do the mailings, right? You have to pay for the phones to make the phone calls. Do you believe that this needs to be included so that it would be what I call a level playing field?

**Ms. Natalie Mehra:** Yes. I think the balance that needs to be struck, though, is that campaigns are clearly created to elect particular parties or un-elect particular parties and, we think, ought to be treated differently than campaigns that are created to create public awareness about a particular issue, or on a non-partisan basis. It's pretty easy to differentiate from organizations that spring up during elections, just to impact the election in a partisan way, and groups that have existed and, on a consistent basis, have advocated around a set of issues and are trying to educate the public around those issues, and their ramifications, or where the parties stand during an election campaign.

Our issue is that we think that the smaller groups that will be facing \$2,000 or \$3,000 audit charges, which are high costs for very small groups, will have a problem doing their public education work if the non-partisan part of their work is captured under these definitions of political advertising. That's our only concern, really, other than clearly defining what is an entity for multi-tiered groups.

**Ms. Soo Wong:** Thank you very much.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife.

**Ms. Catherine Fife:** Thanks, Natalie, for calling in. We've heard from delegations from across the province. People have talked about letters to the editor and op-eds that are included in Bill 201. There are issues, obviously, that are going to garner more free media than others, like through social media, because this happens during an election. An issue comes up, be it housing or child care or child poverty, and campaigns start. Just as you mentioned, there are grassroots campaigns.

What do you think the impact will be on advocating on important issues that do not get the same attention?

Do you think there should be caps on campaigns to raise awareness on poverty-based issues, for instance? You're coming from a unique position, from the not-for-profit sector.

**Ms. Natalie Mehra:** I do think that there should be transparency. It's not clear to me or to us what is the public interest that's served by trying to curtail or limit expenditures on non-partisan issue-based campaigns, or ongoing issue-based campaigns that a party just happens to, in the words of the legislation, be associated with. I don't know what that could even mean, really.

I think that's the problem. If you think of a small coalition like we have at the Chatham health coalition, for example, they will hold an all-candidates meeting. Probably they may distribute some leaflets, they may create a Facebook page and put a chart up on it about how the candidates stand on cuts to their local hospitals or private clinics or the types of issues that we've advocated around for a long time. Once they get to \$500, they have to register. I think that's fair. I think they should have to say who they are and what their mandate is on every piece of material, but as for having to get an auditor and submit financial reports and pay, it will be around \$2,500 or more. Once they've reached \$5,000, because a listserv is included, every email they send out to a listserv would have to somehow be accounted for and that's very onerous for—

**Ms. Catherine Fife:** Yes. That's what we heard this morning from the Social Planning Network of Ontario. They said that the registration, the expense accounting, the reporting and the auditing requirements of any activity that they do during an election period would surely challenge the capacity of already highly under-resourced community-based non-profit groups. That's very consistent with what we're hearing from the not-for-profit sector.

Just on the flip side, though, instead of adding layers of administrative weight and barriers to being involved in the democratic process, you also have the government on the other side who can advertise for those six months pre-writ and can actually advertise during the election period. Do you want to comment on that imbalance?

**Ms. Natalie Mehra:** We have been very concerned about government advertising. It really started in a big way in the late 1990s and it has continued ever since. The advertising is often just a waste of taxpayers' money, frankly, and definitely PR and ought not to be allowed leading into election campaigns or during election campaigns. I believe it's transparently partisan PR and it should be stopped.

I think that Ontarians are quite sickened by it. In town hall meetings that issue comes up a lot for us. People are angry about it. They see local hospital cuts, and then they see hundreds of thousands of dollars being spent on advertising and self-promotion from government. It's appalling.

**Ms. Catherine Fife:** So you would like to see this committee recommend to shut that advertising down during the election period, from the government's advertising perspective?

**Ms. Natalie Mehra:** I don't know why the deadlines wouldn't be the same for government as they are for everyone else. If it's six months preceding and during the election period for everyone else that the limits kick in, it ought to be the same for governments.

1350

**Ms. Catherine Fife:** Okay. Thank you very much, Natalie.

**Ms. Natalie Mehra:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you. Ms. Vernile.

**Ms. Daiene Vernile:** Natalie, this is Daiene Vernile. I'm the MPP for Kitchener Centre. Good afternoon to you.

**Ms. Natalie Mehra:** Good afternoon.

**Ms. Daiene Vernile:** I really was very much encouraged by the comments that you made about how you support transparency and accountability. The fact that we have this all-party committee that is travelling the province this summer and getting feedback from as many people as possible, including yourself, should be a signal to you and to all Ontarians that we are very committed to this process. We want as many people as possible to weigh in on this very important legislation as we amend it.

Natalie, I want to say to you that the proposal to have third-party advertising spending limits has been recommended to us by the Chief Electoral Officer as well as many other witnesses who have appeared before this committee. The argument, of course, is that limiting the advertising onslaught will be mainly directed at wealthy corporations. It's going to allow a more diverse set of voices to be heard before and during elections.

I just want to confirm your position on these limits, considering that for-profit corporations can also qualify as third parties. What are your thoughts on that? Should they be limited?

**Ms. Natalie Mehra:** Yes, I think we've been very clear. This is what we support in the legislation, that there would be clear spending limits and transparency in public reporting of political advertising. To be very clear, we are totally supportive of that.

Where we have an issue is in defining what an entity is—so clarifying how to deal with multi-tiered agencies or organizations like ours—and secondly, in non-partisan public awareness campaigns being considered political advertising.

**Ms. Daiene Vernile:** And therein lies the debate when you have an individual, a corporation or a union—whether they feel that they're merely informing the public or whether they're giving directives on how to vote. Would you agree with that?

**Ms. Natalie Mehra:** I think there is a line that one has to forge. It won't be perfect, but I think it could be forged to be more clearly supportive of smaller organizations' issue-based campaigns, and more clearly define political advertising as that which is partisan or which leads to a conclusion of electing or not electing a particular party.

**Ms. Daiene Vernile:** Natalie, we really appreciate your calling in. We'll certainly consider your recom-

mendations and take them back to Queen's Park. Thank you.

**Ms. Natalie Mehra:** Thank you. Thank you for your work on this.

**The Vice-Chair (Mr. Lou Rinaldi):** Natalie, thank you so much for joining us today; although via teleconference, we certainly appreciate it. If there is anything else you want to forward to us, we'd certainly appreciate it. Thank you.

**Ms. Natalie Mehra:** Thank you for your time.

CONGRESS OF UNION  
RETIREES OF CANADA,  
HAMILTON-BURLINGTON-OAKVILLE

**The Vice-Chair (Mr. Lou Rinaldi):** We go to our next delegation. I see we have Malcolm Buchanan, president, and Bill Thompson, executive member, of the Congress of Union Retirees of Canada, Hamilton-Burlington-Oakville chapter. Welcome, gentlemen. You have 10 minutes for your presentation, and then it will be followed by 15 minutes of questions by the members. If you could identify yourself for Hansard before you begin, it would be much appreciated.

**Mr. Malcolm Buchanan:** Thank you very much, Chairman. My name is Malcolm Buchanan. I am the president of the Hamilton-Burlington-Oakville chapter of the Congress of Union Retirees of Canada. My colleague Mr. Bill Thompson is an executive member of our organization.

We'd like to quickly go over what the Congress of Union Retirees is. We are an organization that represents union retirees from various unions, including CUPE, OPSEU, OSSTF, PSAC, Unifor, United Steelworkers and so on. CURC acts as an advocacy organization to ensure that the concerns of retirees are heard and addressed. Specifically, CURC's mandate is to petition Legislatures for legislation that benefits seniors and trade union members.

CURC is an active supporter of the Ontario Health Coalition—and you've just heard from Natalie on that—and various other third-party organizations that advocate for seniors' and trade union rights. Many HBO CURC members continue to be active in Ontario politics: Some are active members of Ontario political parties; many donate both time and finances to political parties; some have run as MPP candidates in both provincial elections and by-elections. Currently, HBO CURC has members who are former MPPs and at least one who is a former MP.

CURC strongly believes that the electoral system should be about empowering the public and improving access to information on the issues that affect us all. Bill 201 proposes to establish new rules that could effectively bar organizations from engaging in public advocacy campaigns on any issue that could be remotely related to the government or a registered political party during an election period. Limiting third-party advertising during election campaigns and for the six months leading up to a

provincial election while placing no restrictions on government advertising is problematic. Permitting unfettered government advertising during these periods can only benefit the party that currently forms government. The expenditure of public dollars on government advertising is an unfair advantage that can only benefit one party, and this should be stopped.

The background for this legislation was developed as a wave of criticism of the Liberal government in relation to both government-sponsored partisan advertising as well as cabinet-minister-sponsored events that target lobbyists with high-priced fundraising dinners. The high-priced fundraising dinners became known as cash-for-access fundraisers. These fundraising activities may well have been within the boundaries of the existing legislation's finance rules, but the perception was unethical and toxic. The message clearly given is that those who have wealth can buy political favours at the expense of those who do not. This is totally undemocratic.

My colleague Bill Thompson will talk about some of the donation rules and contribution limits.

**Mr. Bill Thompson:** Thank you.

CURC members are not only active politically; they are also active in their churches, in their social, environmental and anti-poverty organizations and in amateur sports. Like many people, we have a broad membership with many interests, but they all focus around benefiting the community and a large degree of commitment to democratic values.

With that in mind, the proposals we bring before you are not targeted to the legislation because we believe that's your skill. That's your ability: to take the desires of the public and turn them into legislation, into that fine print that I was trying to wade through—and boy, is it fine; I'm noticing that now.

With that in mind, I wanted to say that the key to this—the key concept—is that money and speech are separate; that speech and the democratic process should not be bought and paid for and that, therefore, the limitations on financial impact on elections should be clearly defined.

That's one of the differences between us and our neighbours to the south. It's something that we are proud of and that we need to enhance to ensure that it continues to be clear that democracy is the will of people and not of bank accounts.

With that in mind—we're talking about donations—unions and corporations should be barred from making any donations, including in-kind donations of personnel, equipment, printing etc. Voluntary labour will not be included, nor will labour performed by someone who “does not receive from his or her employer or from any person, corporation or trade union pursuant to an arrangement with the individual's employer, compensation ... of that which he or she would normally receive during the period such” services are performed. In other words, this means that unions and employers will be allowed to book people off to work on election campaigns.

As someone who grew up and learned about democracy by being able to work in grassroots campaigns,

having the time to do that when you're making what was then slightly better than minimum wage in a union shop that didn't have a strong bargaining position—it gave us an opportunity to learn and become active and do things that otherwise we just could not get to do.

HBO CURC recommends that there be greater due diligence into corporate practices of topping up employees who donate to favoured political parties.

HBO CURC recommends that parties should be required to report the names of the employer of all contributors in order to provide greater transparency and to guard against corporations attempting to skirt the contribution limits by funnelling money to parties through their employees. Unfortunately, I've never been able to work in that kind of environment; maybe that might be fun. But at any rate, since we believe—in fact, we're fairly certain—that it happens, it shouldn't.

#### 1400

HBO CURC recommends that there should be stronger provisions for professional services rendered to a political campaign, such as polling, legal services, research and advertising. Such services should be considered campaign contributions under the act and show on the books, especially since increasingly research and polling are critical components of effective campaigns.

Contribution limits: Bill 201 proposes lowering the annual donation to the central party to \$1,550, plus \$3,100 to riding associations and to \$3,100 to individual candidates in an election or by-election. This means that in most years that include an election or a by-election, a donor could give \$7,750. If there are two by-elections, the donor could give up to \$10,850. The proposed contribution rules would also eliminate the party contribution during general elections and by-elections. That will help create a more level playing field.

Current contributions rules are: Individuals, corporations and unions can donate \$9,975 to a party each year, plus \$9,975 to the party for each campaign period, plus \$6,650 annually to constituency associations. Individuals, corporations and unions can also contribute \$6,650 to candidates in any one party in a campaign, but no more than \$1,330 to a single candidate. This equals a current ceiling of \$32,850.

Our response is that the current contribution rate is far out of reach of all but the wealthiest Ontarians, but the new contribution proposal is still high. The proposal continues to favour the more affluent contributors and parties with the greater number of affluent donors.

HBO CURC recommends that the annual contribution cap be set at \$1,000 per donor to all parties and constituency associations, regardless of whether there is an election or a by-election.

HBO CURC recommends that the annual contribution rate also apply to all forms of political fundraising, both at the provincial and constituency levels.

HBO CURC recommends that all forms of cash-for-access fundraisers be prohibited.

HBO CURC recommends that by-elections must not be used as a fundraising tool for a party for the sitting government—actually, for any party, really.

HBO CURC supports the proposal to eliminate the party contribution during general elections to candidates.

Bill 201 proposes the candidate may contribute \$5,000—

**The Vice-Chair (Mr. Lou Rinaldi):** You have about a minute left.

**Mr. Bill Thompson:** I beg your pardon?

**The Vice-Chair (Mr. Lou Rinaldi):** You have about a minute left.

**Mr. Bill Thompson:** Okay. I'll speed-read.

Both contribution rates are high and favour wealthy candidates. High personal contribution rates have serious implications for those who may or may not be able to afford to enter politics, thereby creating a situation of exclusion.

We recommend lowering candidate contribution caps to match individual contributions of \$1,000.

I'll thank you to read the section on loans. Thank you very much.

**Mr. Malcolm Buchanan:** If I can make one quick comment. You've heard about the third-party concerns. My colleague Natalie made those comments, but we do want you to look at the section regarding lobbying. This is an area that I think needs to be redone.

Very quickly, if I may, under lobbying, we would recommend that all lobbyists must be registered at Queen's Park, which I believe they are now, but we want to see that reiterated; that all former MPPs and deputy ministers must have been retired or out of politics for at least five years to qualify as a lobbyist; all lobbyists cannot offer any direct or indirect rewards to MPPs or senior government officials; all MPPs must maintain a record of all meetings with lobbyists, including what was discussed; and all MPP records of meetings with lobbyists will be made public every six months. This opens transparency. We believe that's the fair way to go.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you. Mr. Walker.

**Mr. Bill Walker:** Thanks, gentlemen, for your presentation. Just a couple of quick questions about third-party advertising. I want to reflect back to the Chief Electoral Officer. I presented a private member's bill to try to limit this, because I do believe it's a huge area of concern. The Chief Electoral Officer has at least two reports. Some \$8.4 million was spent in the 2014 campaign, more than the three major political parties. Would you suggest that that certainly needs to be changed?

**Mr. Malcolm Buchanan:** If we can address it this way, we would like to see a level playing field. If government advertising during the pre-election period and during the election period were to be stopped, then I would agree that there should be limits on third-party advertising.

**Mr. Bill Walker:** I certainly concur with your idea that there needs to be a limit on government advertising beforehand at any point. We are opposition, so I don't get

to do any of that advertising, but I certainly can be impacted if someone comes in with a very concerted effort, with a third party, with no limitations on what they can spend versus me, in a very limited capacity. I find it interesting that you're suggesting it goes too far. You talk about a level playing field, but have you given consideration that it should be the same for all people playing the game?

**Mr. Malcolm Buchanan:** That would be fair. That's why the current system is fair in that sense, because it's open. All third-party organizations can spend what they wish.

We believe that there should be an open discourse on political events, about the legislation, and we believe that the public should have a view on that. That's why we support the third-party access. But to put limits the way it is now, without putting in those other barriers, such as government advertising, it's not a level playing field.

**Mr. Bill Walker:** I would agree with your last comment. What I'm trying to get to is, I'm actually at a very unfair disadvantage right now, because a third party, or numerous third parties, can come in and outspend me, with no limitations, and I'm very boxed in, in how much money I can spend on a campaign. I find it interesting that I don't hear you saying that's unfair, and it's a level playing field.

**Mr. Bill Thompson:** I want to address another part of this, which is the impact that has on small organizations, including organizations like CURC. If we had to pay for an auditor to do our emailing and for putting out even one scorecard, let alone trying to hold an all-candidates debate, the auditing costs would be our budget.

For anti-poverty groups, for small, local organizations, whether they be environmental or on other forms of issues, that's a real impact and it's a real deterrent for their voice to be heard.

**Mr. Bill Walker:** Absolutely. It's also a real impact and a real deterrent when the big boys can outspend me 25 to 1.

The other question I guess I have is—and again, I certainly support your reality of the government spending beforehand—you talk about being opposed to the proposed amounts for third parties. Can you give me any idea, or have you given any thought to what those limits should be? You say they're not appropriate, but what should they be?

**Mr. Malcolm Buchanan:** It's very hard to put a figure on that. We've been involved in campaigns supporting other third parties, and even union advertising. But the limits that are proposed, we think, are very restrictive. There has to be a fairer way to look at it.

Right now, that's why we've come out and said, "Let's look at keeping the status quo as it currently is, and let's find out more about that particular issue, about how people are being disadvantaged in making those promotions." Right now, that is not happening.

**Mr. Bill Walker:** I'll turn it over to my colleague, if he has any questions.



**The Vice-Chair (Mr. Lou Rinaldi):** Yes, as soon as we do the round.

Ms. Martins.

**Mrs. Cristina Martins:** First of all, thank you and good afternoon. Thank you for being here.

Earlier, I believe it was you, Malcolm, who talked about the fact that we need to ensure that we have access to information. I'm not sure exactly what you were referring to in terms of access to information. We are here talking about electoral reform and the finance act. But I guess it's worth clarifying a point that I brought up earlier this morning, with what our committee has heard from presenters from across the province—this bill has travelled across the province—that Ontario is actually a leader when it comes to disclosure of donations to political parties in real time.

You, as an Ontarian, myself, anyone who is watching us—and I know there are perhaps a lot of people who are live-streaming today—anyone who can pick up the Hansard and read about it later on knows that they can go onto the Elections Ontario website and find out today who has donated to each of the parties represented here, and which political parties people have donated to, as long as that donation is over \$100 and has been made within the last 10 business days. We are actually one of the provinces that are most open and transparent in that respect—which leads me to my question to you, Malcolm: Have you ever donated money to a political party in the past, and if so, which party and for how much?

**Mr. Malcolm Buchanan:** I'm not going to perjure myself by saying no. Yes, I have.

**Mrs. Cristina Martins:** And to which party, and how much?

**Mr. Malcolm Buchanan:** I have given donations to the New Democratic Party.

**Mrs. Cristina Martins:** Okay. And you don't want to reveal how much? You don't remember?

**Mr. Malcolm Buchanan:** I think that's for me to say. I don't know why that's relevant, but anyway.

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**Mrs. Cristina Martins:** It's increased disclosure of information, like city of residence and employer, for donors. We talked about disclosing a lot of information. How much personal information are you willing to share and to provide?

**Mr. Malcolm Buchanan:** I'm quite prepared to divulge my address and my income. I'm quite open about that. It should be broad.

**Mrs. Cristina Martins:** What about who it is you work for, or which union you're affiliated with, or which company you work for?

**Mr. Malcolm Buchanan:** Absolutely. Yes, that's one of our concerns. We've heard stories about various organizations—I won't say which ones, but they're in the private sector—who have been able to make donations broadly, but it was made by the employees of that organization and they were reimbursed. That's something that has to stop.

**Mrs. Cristina Martins:** Okay. Some of this committee's witnesses have suggested that the current proposal to limit the spending on pre-writ third-party-associated issue ads be removed while maintaining the spending limit on pre-writ partisan ads. This would potentially lead to third parties being able to spend an unlimited amount of funds pre-writ on associated issues, while political parties would be unable to defend themselves, as party advertising would be subject to strict spending limits.

What are your thoughts on this potential uneven playing field? We want to make it a level playing field, and I think that we're all here with that mission and that goal in mind. What are your thoughts on this potential uneven playing field?

**Mr. Malcolm Buchanan:** I think what we are advocating for is that the public should have a say in what's going on. Right now, it's being left just to politicians, and sometimes that causes a bit of a concern, because we may disagree with that direction.

Let's take, for example, the whole issue of physician-assisted dying. I mean, how much information that has been coming out from the provincial government is about what their proposed legislation is or what the regulations are, and so on and so forth? We are very involved in that campaign, because we believe there should be more openness about that.

It's a tricky one to balance, but we want that information out there so we can have an input, because I think that politicians have to follow the demands and the interests of the public in general, not their own specific interests.

**Mrs. Cristina Martins:** I totally agree that we need to make sure. What the people in my own riding of Davenport elected me to do was exactly that: to be their voice, and to advocate on their behalf, and that's what I do every day. So I'm very surprised when I hear people coming here saying that they're only given 15 minutes to talk. My door is open, and it's more than 15 minutes.

**Mr. Malcolm Buchanan:** That's good.

**Mrs. Cristina Martins:** If associated-issue advertising for third parties is not subject to spending limits, would you favour removing that spending limit to political party ads, so that parties can defend themselves? And if not, why?

**Mr. Malcolm Buchanan:** I think political parties have got one advantage over the rest of us: They get free media attention. They get free TV coverage. We don't get that. There's an unfair playing field right there. That's why I think the spending limits that you are proposing for third parties are totally unacceptable, because you have all those other advantages to get your message out which we don't.

**Mrs. Cristina Martins:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you, Mrs. Martins.

Mr. Clark, and then Ms. Fife.

**Mr. Steve Clark:** I've just got a couple of quick questions. On page 4 of your presentation, you talk about

loans, and you say that your organization supports the proposal in principle that corporations and unions will no longer be eligible to guarantee loans. The federal Chief Electoral Officer testified today, and their legislation is extended to trusts, endowments and other financial vehicles. Would you support those vehicles being added to this bill as no longer being eligible?

**Mr. Bill Thompson:** Yes.

**Mr. Steve Clark:** Then the second thing is—thank you for that answer—one of your members is OPSEU. They appeared before the committee regarding contributions, and they recommended that we remove the exemption of paid volunteers and require them to count as a contribution. I know that you used the words “greater due diligence.” I guess I’m asking you a direct question: Do you support one of your members, OPSEU, in their recommendation?

**Mr. Bill Thompson:** I’m trying to follow your—which comment? It’s in loans, but—

**Mr. Steve Clark:** It’s in political contributions. You acknowledge that unions and employers will be allowed to book off people to work for an election.

**Mr. Bill Thompson:** Right, but that should be counted—it could be recorded against the budget for the campaign.

**Mr. Steve Clark:** In the campaign?

**Mr. Bill Thompson:** Yes, we would support that, even though I’m a former OPSEU president.

**Mr. Steve Clark:** But you do support no political contributions by corporations and unions?

**Mr. Bill Thompson:** Correct.

**Mr. Steve Clark:** Thank you.

**The Vice-Chair (Mr. Lou Rinaldi):** Ms. Fife.

**Ms. Catherine Fife:** Thank you very much, Bill and Malcolm, for coming and sharing your views on Bill 201. I think you’ve made yourselves very clear on the government advertising and the pre-writ political party spending limits.

You didn’t get a chance, though, to weigh in on the public funding for political parties, so I’d like you to review that a little bit. I just preface it by saying that this morning, the federal electoral officer indicated that the federal party has reduced their public funding of parties, and that in turn has had the sort of spinoff effect of having political parties always in constant fundraising campaigns. So there was an unintended consequence in there and they’re going to do some review of that as well.

But the same recommendation is contained within Bill 201. Once the public funding is secured, after a certain point, it will be reduced. I wanted to get your feedback on that, the public funding of political parties.

**Mr. Bill Thompson:** Well, we talk about the idea of a \$2.26 per-vote subsidy which would decrease over five years, but I think the idea of public funding is important because, once again, it levels the playing field. Once again, looking to our neighbours to the south, it’s something that is an issue that has been brought back from time to time. At the end of the day, if the parties are able to function without having to spend most of their time

between elections and during elections fundraising, fundraising, fundraising and not talking about the issues, not listening to the voter—it’s almost at cross purposes. The importance of public funding, I think, is essential for allowing parties to function as democratic instruments and not as fundraising instruments.

**Ms. Catherine Fife:** And Bill 201 doesn’t limit cash-for-access fundraisers, and it doesn’t address potential conflict of interest or pecuniary interest with cabinet ministers meeting with stakeholders. But this really is the game changer, don’t you think? Yet the government is proposing to reduce it. So you would recommend that the government not reduce it? If you’re going to level the playing field, then level the playing field? Is that right?

**Mr. Malcolm Buchanan:** We do not want to see the subsidy reduced as it is proposed in the legislation. We would like it to keep going at the rate that they said it would; I think \$2.86 was the figure.

**Ms. Catherine Fife:** So you think this will be an effective tool to reduce the impact of big money on politics?

**Mr. Malcolm Buchanan:** I think it will help create a more level playing field.

**Ms. Catherine Fife:** Thank you very much.

**The Vice-Chair (Mr. Lou Rinaldi):** Mr. Walker, you have about a minute.

**Mr. Bill Walker:** Thank you very much. I think you might have answered it with Steve’s comment, but in your response to donation rules, you suggest that unions and employers will be allowed to book people off to work on election campaigns, and your last bullet suggests that things such as polling, legal services, research and advertising should be considered campaign contributions. I think you said you agree that the first one, booking off, should be part of the campaign expenditure of their budgets.

**Mr. Bill Thompson:** Correct.

**Mr. Bill Walker:** So you are agreeing that both of those should be tracked and constitute part of the election campaign.

**Mr. Bill Thompson:** That’s correct.

**Mr. Bill Walker:** Thank you. I just wanted to clarify that.

**Mr. Bill Thompson:** Political parties have the capacity to do this tracking and to do this accounting and reporting.

As a closing note, small organizations will be crippled if we have the same reporting requirements. For organizations like the Hamilton Coalition Against Poverty, which has got maybe 50 or 60 full-time, active members and has got zero budget—they meet in churches; that’s as good as they get. But every election, they put out information on the importance of poverty elimination in Hamilton.

They have no capacity to do that unless they find a friendly accountant. Accountants are nice people, but they’re not that friendly.

**The Vice-Chair (Mr. Lou Rinaldi):** Thank you, Mr. Buchanan, and thank you, Mr. Thompson, for being here today and presenting. It's much appreciated.

**Mr. Malcolm Buchanan:** Thank you very much for having us.

**The Vice-Chair (Mr. Lou Rinaldi):** Just for clarification to the members, the rotation is based on when you request to speak. I just wanted to clarify that, if

that's okay. I think that's fair. And I try to keep some type of time frame in my mind, not to abuse it—just so that you know how I do that.

That was our last deputation today. We need some time to pack up. Are you okay if the bus leaves around 2:40? All good? So we'll see you at the bus at 2:40.

This meeting is now adjourned.

*The committee adjourned at 1419.*







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### **Also taking part / Autres participants et participantes**

Mr. Ted Arnott (Wellington–Halton Hills PC)

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Mr. Jeff Parker, research officer,  
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