



# The Chief Electoral Officer's

Submissions to the Committee on General Government

June 6, 2016



## 1) INTRODUCTION

Good Afternoon:

I would like to thank the Members of the Committee for inviting me to speak as they begin the important task of examining Ontario's political finance rules.

This is the first significant review of these rules in over 40 years. Since I became Chief Electoral Officer in 2008, I have advocated that our rules need to be updated to match how election campaigns are fought and won in the 21<sup>st</sup> century. I am happy to contribute to this important public dialogue.

### **Advisor to Committee**

I have been asked and have agreed to serve as an advisor to this Committee. I am honoured that the Members of the Legislative Assembly, and their parties, place confidence in me to provide them advice on these matters.

This is an important task and I would like to speak for a moment as to how best I can serve the Committee.

As Chief Electoral Officer, I am an independent officer of the Legislative Assembly. My mandate includes overseeing the registration and financial reporting requirements of all parties and candidates – not just those represented in the Legislative Assembly. You might say I referee the rules of the political game in provincial elections.

I see my role as helping ensure there is a “level-playing field” on which all compete. I will speak more about what that means shortly.

Because of my unique position, I need to observe the following parameters in serving this committee:

- My participation needs to be public and transparent. While Committees sometimes have *in camera* meetings for report writing, I think it best that I not attend such meetings. I intend that any input or advice I give to the committee be given in an open and transparent manner.
- As an advisor, I cannot be asked – and will not -- vote on recommendations or motions.
- I cannot and will not become the examiner for the Committee. Members need to ask their own questions of witnesses.
- As an advisor, I cannot become a permanent witness who can be questioned by all who appear before Committee. It would also not be fair to witnesses if I am asked by the Committee to immediately rebut a presenter. I am here because I

want to hear and understand the public debate. I will contribute non-partisan information and advice where I can.

- I may want to have my staff present to support me, but my office cannot become the policy and research secretariat for the Committee. Committees are well-served by the Clerk, legislative counsel, and the Legislative Research Service. We can assist, but not replace, those important roles.
- The Committee's report back from first reading has to be made by the Committee alone. It may be that there are dissenting views on some issues. As an independent officer, I need to be at arm's length from that process. I need to be free to remain neutral, agree, or disagree with any reports or recommendations.
- I may not be able to attend every hearing. I may designate someone from my Office to attend in my place. At the conclusion of the hearings, I may also suggest doing a final presentation to share my perspective on what the Committee may wish to consider before it begins its deliberations.

With those ground rules established, let me now turn to the issues at hand. By way of introduction, I would like to first speak to the history of the *Election Finances Act*, federal legislation, and the role of money in politics.

### **Historical Context**

The *Election Finances Reform Act*, as it was first titled, was introduced in the Legislative Assembly in February 1975.

Prior to its introduction, a tri-partite commission had been tasked in December 1972 with examining Ontario's political finance rules. The commission, known as the Camp Commission, was chaired by Dalton Camp and had two other commissioners. They submitted their report to the Speaker in November 1974.

The Commission studied the issues and made their report against the following backdrop<sup>1</sup>:

- To the south, the Watergate scandal had unfolded and the United States Congress, in response, adopted significant election finance reforms.
- In Canada, the recommendations from the Barbeau Commission in 1966 led to the introduction of federal legislation in 1974 that overhauled the financial rules governing elections to the House of Commons.
- In Ontario, there was growing public concern and dissatisfaction with party fundraising practices.

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<sup>1</sup> *Commission on Election Contributions and Expenses, Eleventh Annual Report (Ontario, 1975) p.3.*

In December 1972, the Camp Commission was tasked with responsibility for devising a set of rules that would<sup>2</sup>:

“[M]aintain a political system in which various parties can function and campaign for public support freely and openly and ... in an atmosphere above and beyond public doubt, suspicion, or cynicism”

The task before this Committee, 44 years later, is much the same.

This is not to say that the rules adopted in the *Election Finances Reform Act* in 1975 were flawed. When they were passed, they placed Ontario as one of the leading jurisdictions in transparency and fairness in political finance oversight in Canada. Those rules, however, were tailored to a world that is much different from the one that we live in today. It is time to re-examine these rules.

The task before this Committee, in 2016, is to consider what financial rules should apply to Ontario's electoral process in the 21<sup>st</sup> century.

### **Federal Rules**

As the Committee is undertaking its task, I am very aware that there is a lot of discussion of the political finance rules that apply in federal elections. Indeed, many of the provisions of the bill before the Committee are modeled after the rules in the *Canada Elections Act*.

One of the interesting things in the Camp Commission report is that in some areas the commissioners felt that the federal rules were not stringent enough. The Camp Commission took issue with the fact that, for example, there were no federal contribution limits to parties and candidates.

The Camp Commission noted that<sup>3</sup>:

“Were Ontario to duplicate the Federal Act, if only in the interest in conformity, the political parties, whose establishments and activities overlap in many areas, would no doubt be appreciative, since the possibility of confusion created by the existence of two distinctly different acts, provincial and federal, would then be eliminated”.

However, the Camp Commission also believed<sup>4</sup>:

“[P]rovincial politics and federal politics are not the same, as much as the parties may resemble one another, and we do not feel the provincial legislation needs so much to be congruent with the Federal Act as it needs to serve the general interests of Ontario.”

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<sup>2</sup> *Ontario Commission on the Legislature, Third Report, 1974* (the “Camp Commission”), p. 4.

<sup>3</sup> *Ibid.* p. 14.

<sup>4</sup> *Ibid.* p. 14.

Let me tell you what I believe. My belief is shaped from my 32 years' experience administering municipal and provincial elections.

As noted in the Strategic Plan for my office, our vision is that we “will build modern services for Ontarians that put the needs of electors first<sup>5</sup>”. This is the right vision for my office and the right vision for our election laws. This is the foundational element upon which a democratic system rests. If it does not, it does not enjoy legitimacy.

I think that electors do expect that there will be some congruence between federal, provincial, and municipal election laws. While it is true that each level of government has its own unique facets, I believe that it serves electors best when their interests and activities are regulated in a similar way.

I believe that the *Canada Elections Act* includes many provisions that would be good to adopt in Ontario. For example, I have recommended for several years that administrative penalties, similar to some of the compliance provisions in the federal law, should be adopted in Ontario.

I do not think, however, that electors simply want congruence of federal, provincial, and municipal election laws. If there is simply congruence, there may not be progress.

There are some provisions in Ontario's election finance laws that are not found at the federal level or in any other provinces. Ontario remains the only jurisdiction in Canada, for example, with real time disclosure of monetary contributions to parties and leadership contestants.

I think electors look to their electoral agencies – and to their legislators – to learn from, build on, and improve on what they see in other jurisdictions.

It is worth taking a moment to reflect on the history of election finance regulation in Canada. The last landmark study on election finances in Canada was conducted almost 25 years ago by the *Royal Commission on Electoral Reform and Party Financing*. For short, it was called the Lortie Commission. I imagine that the presenters to you over the coming weeks and months will refer you to its findings and recommendations.

An academic background study for the Lortie Commission examined Ontario's election finance laws in 1991. The study found our laws to be a comprehensive system that served as a model for other provinces. When our system was adopted, it regulated contributions unlike the federal system that largely focused on expenditure limits. As the study noted, the guiding principle of the Camp Commission was democratization. Its proposed system was designed to<sup>6</sup>:

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<sup>5</sup> *Strategic Plan: 2013 -2017* (Elections Ontario, 2013) p. 8.

<sup>6</sup> David Johnson, “The Ontario Party and Campaign Finance System: Initiative and Challenge” in *Provincial Party and Election Finance in Canada, Volume 3 of the Research Studies for the Royal Commission on Electoral Reform and Party Financing* (Canada, 1991) p. 43.

“[E]liminate the reality and the perception of the influence of the wealthy few in politics, enhance the political activities of ordinary citizens and promote party activity directed to the interests of the general public”.

That principle rings true today. Over time, many of the political finance innovations first introduced by Ontario legislators – especially in the area of contributions -- have been adopted federally.

I think it is also fair to say that the current federal contribution rules have, from the standpoint of the average citizen, surpassed Ontario’s current requirements. It does not seem logical or desirable from their standpoint that union and corporate contributions are prohibited federally but not provincially. My office receives complaints about union and corporate contributions. When asked why we do not prohibit the activity our answer is “because the law allows it -- and we do not write the law”.

The key question before the Committee, and ultimately the Assembly, is how it now wishes to write the law.

Today, when this Committee considers adopting provisions modeled on the *Canada Elections Act*, it may want to consider whether, in fact, the rules will go far enough to serve the interests of electors.

I will be making some recommendations – in particular in the area of third party advertising rules – that suggest we can build on and learn from federal and recent Ontario experience.

### **Money in Politics**

When I put forward recommendations for legislative reform, I do so from a unique vantage point as Chief Electoral Officer. I am intimately familiar with all political parties - - large and small -- old and new. They all require financial resources – money is an essential element in politics.

Our parliamentary system requires political parties – without them our system of government would be compromised. Parties require financial support. Anyone who suggests otherwise fails to appreciate their role and character.

The Camp Commission put it this way<sup>7</sup>:

In any system close to the ideal, a political party with a reasonable base of public support ought to have the funds so that it can maintain an efficient level of research, organization and communications capacity between elections, and campaign effectively during elections.

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<sup>7</sup> *Camp Commission*, p. 5.

The hard question is not whether parties require financial support – but what is the appropriate level of support?

In practical terms, if contribution amounts are too low or restricted, parties will not be able to function effectively. Conversely, if they are too relaxed, the perceived or actual undue influence of money can undermine the legitimacy of the electoral system.

The financial support that all Ontario's political parties received in contributions from 2012 to 2014 – which was one electoral cycle – was about \$98 million. This includes corporate and union contributions that amounted to about \$50 million – or about 50 per cent of all contributions. Over that period, about \$5.17 million was paid in subsidies and reimbursements.

It is also interesting to note that in 2014, 82 per cent of all individual contributions to central parties were for amounts below \$1,525.

The Assembly is ultimately going to have to decide what the appropriate funding sources and amounts are. It is going to have to consider what the correct balance is. I can help provide the Committee with financial analysis on the options it considers.

I know this Committee is going to hear from presenters about:

- What they think the appropriate contribution and spending limits should be.
- What the right balance should be between public and private funding sources.

To that end, my next remarks are directed to those who will be presenting to the Committee, rather than the Committee itself.

Ontarians need to remember that all political parties – not just the ones that are able to elect Members to the Legislative Assembly -- play a critical and special role in the democratic process.

Election administrators recognize this. So do the Courts. The Court of Appeal for Ontario, when considering the validity of the federal party subsidy system, quoted the following passage<sup>8</sup>:

“Political parties are something of an anomaly. They occupy a unique space in the governmental structure of constitutional democracies. On the one hand, they perform a variety of representative, participative, integrative etc. functions that are absolutely essential to the operation of systems of government which are grounded in the principles of democracy (popular sovereignty) and constitutionalism (rule of law). On the other hand, unlike all of the other major institutions that form part of the framework of government, political parties stand

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<sup>8</sup> *Longley v. Canada (Attorney General)*, (2007), 88 O.R. (3d), at paragraph 71.

apart and quite separate from the state. Political parties live in a kind of ‘never never’ land; betwixt and between; neither fish nor fowl”.

Boiled down to plain language, the Court recognized that while political parties are private entities, they have an equally important public character.

This duality is necessary because they help give citizens political choice – the most necessary element in any democracy. Because of this duality, citizens should be able to contribute their private support to a party. Parties should also receive public funding.

The Camp Commission noted that, to strike the appropriate balance between private and public support, Ontario needed to adopt<sup>9</sup>:

“[A] formula by which political parties will be assured reasonable means for the purposes of meeting their campaign costs and their organizational expenses without the present heavy reliance upon large corporate or institutional contributions. If such is to be achieved, it can only be done by a mixture and method of means”.

In 1974, the Camp Commission invited Ontario’s legislators to consider tax measures and reimbursements as part of this formula. As an interesting historical fact, the Commission studied and rejected the idea of providing parties between elections with a subsidy in direct proportion to the votes they received in the last election – one of the main reasons being that it was believed such a subsidy would attract the public’s ire<sup>10</sup>.

In 2016, witnesses before this Committee will be making their own proposals as to what the appropriate public and private funding formula is.

In the same vein, my next comment is directed to the Committee.

No election administrator will tell you there is a single, best, election finance system. This conclusion is supported in academic literature. While there are established frameworks that apply widely accepted international principles about voting processes, there has been less progress in developing minimum standards in the area of campaign finance.

This is not to say that innovations from other jurisdictions are not valuable, but there is no one size fits all model to adopt.

Every jurisdiction – be it in Canada or elsewhere -- has to decide what system will best serve its citizens and support its political parties.

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<sup>9</sup> *Camp Commission*, p. 12.

<sup>10</sup> *Camp Commission*, p. 11.

While there is no single political finance model to adopt, there are some emerging international norms that are taking shape. They are as follows<sup>11</sup>:

1. Public funding may be provided to parties but there is no general obligation to do so.
2. Where public funding is provided, it should be consistent with the principles of equality -- both in the ability to be able to access the support and be proportionately awarded.
3. Parties should regularly and publicly disclose their assets, income, and expenditures to an independent agency.
4. Party income and spending may legitimately be restricted. However, such restrictions should be reasonable and equally applied.

I know that this section of my remarks dealing with normative standards may sound a little like a political science lecture.

To some degree it is – because the Committee may ask how our election finance rules should change and how to assess whether the change is desirable. These are the norms against which our laws are, and will be, measured.

I know the Committee will be looking to me – and others -- to give them some perspective on what innovations Ontario should adopt in its regulation of political finances. My perspective is shaped by the principle of the level playing field.

The normative standards I have just described are similarly informed by the guiding principle of the level playing field.

Let me turn to what I mean by the level playing field.

## 2) THE LEVEL PLAYING FIELD

The concept of the level playing field is central to our democracy.

Political scientists will tell to you that the concept “originates in the theories of distributive justice and relates to the idea of fairness and equal opportunities<sup>12</sup>”. It relates to the belief that governmental change must be made possible by providing equal opportunity to those competing to govern. Legal scholars will tell you it is a concept rooted in the theories of popular sovereignty and the rule of law<sup>13</sup>.

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<sup>11</sup> Anika Gauja, “The Legal Regulation of Political Parties: Is There a Global normative Standard?” *Election Law Journal*, Volume 15, Number 1, 2016, p. 9 to 11.

<sup>12</sup> Ann-Kristin Kolln, “Does Party Finance Regulation Create a Level Playing Field?” *Election Law Journal*, Volume 15, Number 1, 2016, p. 74.

<sup>13</sup> See footnote 8.

Let me tell you what it means to me as Ontario's election administrator. At the outset of my presentation I said that I referee the rules of the political game and help ensure there is a "level-playing field".

It is a helpful metaphor for my role because anyone who has ever been in a competition – whether it be the Stanley Cup finals or a school spelling bee – knows what it is like when the officiating spoils the match. When that happens, the competitors and spectators alike know one of three things. It means the referee has poor judgement, is biased, or the rules are flawed.

When an election administrator makes a bad decision, or when election rules are flawed, the real danger is that an election outcome is not fair and proper. I believe a level playing field should be the guiding principle of all aspects of elections – both in voting rules and campaign finance rules. It is necessary for maintaining the integrity of the electoral process.

This is for very practical reasons. As one international expert observed<sup>14</sup>:

"To the extent that electoral outcomes should reflect the genuine will of the people, the regulation of party finance assists by reducing financial inequalities between parties that could distort the translation of citizen wishes into policy proposals".

Financial inequalities may be remedied through a variety of means that include contribution and spending rules and public subsidies.

The concept that election laws should afford a level playing field is widely accepted in Canada and internationally. The Supreme Court of Canada has endorsed this principle. The level playing field is an integral part of Section 3 of the *Canadian Charter of Rights and Freedoms*.

Section 3 of the *Charter* provides every Canadian with the right to vote. Our Courts have ruled this means more than just the "bare right to place a ballot in the ballot box"<sup>15</sup>. The Courts explain that the right affords the right to effective representation.

In respect of a law that discriminated against small political parties, Section 3 was found to include the following protection for voters<sup>16</sup>:

The right to play a meaningful role in the electoral process includes the right of each citizen to exercise the vote in a manner that accurately reflects his or her preferences. In order to exercise the right to vote in this manner, citizens must be able to assess the relative strengths and weaknesses of each party's platform –

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<sup>14</sup> See footnote 11.

<sup>15</sup> *Figueroa v. Canada (Attorney General)*, [2003] 1 S.C.R. 912 at 930.

<sup>16</sup> *Ibid.* at 946.

and in order to assess the relative strengths and weaknesses of each party, voters must have access to information about each candidate.

In respect of a law that limited third party spending, Section 3 was found to include the following protection for voters<sup>17</sup>:

Where those having access to the most resources monopolize the election discourse, their opponents will be deprived of a reasonable opportunity to speak and be heard. This unequal dissemination of points of view undermines the voter's ability to be adequately informed of all views. In this way, equality in the political discourse is necessary for meaningful participation in the electoral process and ultimately enhances the right to vote.

The reason I like -- and have quoted -- both these passages is because the Supreme Court puts the elector at the centre of its consideration in determining the validity of the election law at issue. In my role, I too have to be aware of, and consider, this balance.

There are some who argue that placing limits on such things as third party advertising is an infringement of the right to free speech. The Lortie Commission of which I spoke earlier considered this very issue and reported this<sup>18</sup> (emphasis added):

Freedom of expression is essential if there is to be meaningful debate on important and contentious issues ... At the same time, the capacity to spend money on advertising campaigns to publicize an individual's or group's views on election issues, parties or candidates is not an appropriate measure of whether individuals or groups have sufficient opportunities to exercise their right of freedom of expression. The ability to spend significant amounts of money to promote one's view is not, in itself, a requisite for freedom of expression.

It also reported that<sup>19</sup>(emphasis added):

To ensure a right of equal participation in democratic government, laws limiting spending are needed to preserve the equality of democratic rights and ensure that one person's exercise of the freedom to spend does not hinder the communication opportunities of others.

Our Supreme Court has stated that it has relied on the Lortie Commission's findings to shape its "conception of electoral fairness"<sup>20</sup>.

This conception is basically that of the level playing field. In the words of the Court it is: "consistent with the egalitarian model of elections adopted by Parliament as an essential component of our democratic society"<sup>21</sup>.

<sup>17</sup> *Harper v. Canada (Attorney General)*, [2004] 1 S.C.R. 827 at 872.

<sup>18</sup> "Reforming Electoral Democracy: Final Report" *Volume 1 of the Royal Commission on Electoral Reform and Party Financing (the Lortie Commission)*, (Canada, 1991) at p. 325.

<sup>19</sup> *Harper* at 876.

<sup>20</sup> *Harper* at 868.

While maintaining a level playing field is easily acknowledged by our courts as a valid legislative purpose for Canadian election laws, the same is not true in the United States.

In recent years, that concept has been expressly rejected by a majority of the United States Supreme Court. I will not go into that recent legal history – but I will tell you what I have seen and learned from my counterparts in the United States.

I am a member and Past President of an international organization of accountability officers called COGEL – the Council on Governmental Ethics Laws. It is based in the United States and was founded in the wake of Watergate. It was established to recommend best practices and compare legal developments – especially in the area of campaign finance regulation.

My counterparts are very concerned about the unregulated and unlimited amounts of money that can be spent by some entities in U.S. elections. They see Canadian rules and envy them. However, when I discuss some of the emerging trends I see in our elections – especially in the area of third party advertising – they warn of how electoral outcomes have been affected by such activities in their jurisdictions.

Let me turn to the issue of third party advertising. I want to recommend to you how our rules should balance between freedom of speech and electoral equality.

### **3) THIRD PARTY REGULATION**

This is the third time I have appeared before a committee of the Assembly to speak to the topic of advertising in provincial elections.

As Chief Electoral Officer, I have made it a priority to recommend changes to our election laws so that elections can be administered in ways that are responsive to the needs of citizens and their local communities.

In my remarks about third party regulation, I will discuss:

- What I have recommended to you before.
- What I have seen in recent years.
- What I am recommending to you now.

### **Past Recommendations**

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<sup>21</sup> Ibid.

In December 2008, shortly after I became Chief Electoral Officer, I recommended to the Select Committee on Elections, that the advertising provisions of the *Election Finances Act* should be reviewed. I noted at that time that the law had been drafted over thirty years ago and the way in which campaigns are run had changed<sup>22</sup>. I then documented my recommendations in a report I tabled with the committee in February 2009<sup>23</sup>.

In May 2009, I was invited to appear again before that committee to discuss third party advertising. I was happy to do so. At that time, I said<sup>24</sup>:

It is important to remember that apart from parties and candidates, there are other individuals and organizations who participate in the democratic process.

These “third parties” participate in elections by:

- commenting on a candidate or party’s position,
- adding issues into the political debate in an election, and
- attempting to influence which parties or candidates are elected.

Third parties participate in the democratic process by sponsoring advertising the same way as candidates and parties. They advertise before and during campaigns to deliver a message about a particular issue or about the merits of a specific party or candidate.

At that same appearance before the Select Committee, I also reviewed the history of Ontario’s third party advertising rules and changes made before the October 2007 general election.

The rules already imposed blackouts on third party political advertising; and, treated third party advertising as a contribution to a party or candidate -- provided there was direct evidence the advertising had been specifically controlled by a political party or a candidate.

And, if that third party advertising was controlled by a party or candidate that the cost of such advertising was:

1. subject to contribution limits; and,
2. treated as a campaign expense of the party or candidate.

The changes made in 2007 imposed new rules on third party advertisers who are not controlled by a party or candidate. These rules, which are in place today, require:

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<sup>22</sup> Submissions of the Chief Electoral Officer to the Select Committee on Elections, December 4, 2008.

<sup>23</sup> *Modernizing Ontario’s Electoral Process: Recommendations for Legislative Change* written submission of the Chief Electoral Officer to the Select Committee on Elections, February 4, 2009.

<sup>24</sup> Submissions of the Chief Electoral Officer to the Select Committee on Elections, May 7, 2009.

- Third party advertisers spending over \$500 on election advertising to register with Elections Ontario.
- Registered third party advertisers to report on:
  - 1) their advertising spending six months after an election; and,
  - 2) all contributions they received during the campaign and in the two months before the election was called.

These provisions are similar to federal third party provisions -- with the exception that the amendments did not impose any spending limits.

In total, 20 entities registered and reported on their advertising activities in the 2007 general election.

Based on what I saw in the advertising expenses and contributions reported by third parties coming out of the 2007 General Election, I recommended to the Select Committee on Elections that it was time for a review of Ontario's political finance and third party advertising rules.

I invited the Select Committee to consider the following questions<sup>25</sup>:

- 1. Should Ontario adopt third party spending limits?**
- 2. Should Ontario adopt third party contribution limits?**
- 3. Should Ontario adopt stricter registration and anti-collusion provisions?**

These are the very same questions that are before this Committee.

When I invited the Select Committee to consider these questions in 2009, I also said this<sup>26</sup>:

I do not have the answers to these questions or particular policy recommendations to make to you. As Chief Electoral Officer, that is not my place.

Today, seven years later, I do have some policy recommendations for you to consider. In the intervening years there have been two general elections and 16 by-elections.

My role as Chief Electoral Officer is to maintain a level playing field.

I am mandated by the *Election Finances Act* to make recommendations for legislative change and changes to spending and contribution limits.

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<sup>25</sup> Submissions of the Chief Electoral Officer to the Select Committee on Elections, May 7, 2009.

<sup>26</sup> Ibid.

It is my place to make recommendations where I have undisputed evidence that something is outdated or that the level playing field is in danger of being distorted.

In my 2012-2013 annual report, I first recommended that a comprehensive review was necessary to provide specific recommendations on how Ontario can<sup>27</sup>:

1. adopt third party spending limits,
2. adopt third party contribution limits, and
3. strengthen the reporting requirements for third parties, and adopt stricter registration and anti-collusion provisions

Third parties need to be treated like any other political entity that tries to influence electoral outcomes.

Let me now speak of third party advertising trends since 2007.

### **Third Party Advertising Trends**

To show you these trends, my written submission contains a table that depicts a summary of third party advertising between 2007 and 2014 [**Appendix 1: Third Party Advertising Summary, 2007 to 2015**].

In the 2007 General Election, there were 20 registered third parties and they collectively spent \$1.85 million. Of note:

- The collective advertising spending of third parties amounted to 5 per cent of all election spending in this general election.
- There were 3 third parties who spent between \$100,000 and \$1 million.
- There was 1 third party who spent over \$1 million; it spent \$1.08 million.

In the 2011 General Election, there were 22 registered third parties and they collectively spent \$6.08 million. Of note:

- The collective advertising spending of third parties amounted to 14 per cent of **all** election spending in this general election.
- There was 1 third party who spent between \$100,000 and \$1 million.

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<sup>27</sup> *Annual Report of the Chief Electoral Officer of Ontario, 2012-2013*, p. 15

- There were 3 third parties who spent over \$1 million; one of whom spent almost \$2.7 million.

In the 2014 General Election, there were 37 registered third parties and they collectively spent \$8.64 million. Of note:

- The collective advertising spending of third parties amounted to 17 per cent of **all** election spending in this general election.
- There were 6 third parties who spent between \$100,000 and \$1 million.
- There were 3 third parties who spent over \$1 million; one of whom spent almost \$2.5 million.

We also see that third party advertising has recently assumed a significant role in by-elections. Before the 2011 General Election, there was no registered third party advertising in any by-elections; since 2012 there has been a marked increase.

I will not run through all the by-election figures – I will let the table speak for itself.

However, I will draw the Committee's attention to what was spent on third party advertising in the two concurrent by-elections in September 2012:

- The 8 registered third parties collectively spent \$1.66 million; one of whom spent almost \$782,000.
- In these two by-elections, the parties and candidates collectively spent only \$1.05 million. Third party spending constituted about 61 per cent of all spending in this campaign period.

When looking back over the last nine years, these figures show third party advertising has played a significant and growing role in Ontario elections. Although the number of third party advertisers has almost doubled, it is evident the spending has increased even more dramatically so that these advertisers now play a disproportionately large role in election campaigns.

The problem with our current rules is that they provide third parties an almost unlimited ability to raise and spend funds -- in contrast to parties and candidates, who are subject to limits. The latitude afforded third parties has allowed them to spend amounts on political advertising that *surpass* the amounts spent by political parties.

Let me also speak for a minute about what these figures do not show.

These figures do not show the significant expenses that some organizations *must* be incurring between elections on political advertising that directly promotes or opposes leaders and their parties.

In recent years in Ontario, anyone who has opened a newspaper or watched television has seen third party advertising between elections depicting provincial party leaders.

We do not know what these advertisers spent.

Some advertisements have appeared during Oscar broadcasts, Stanley Cup play offs, or in major dailies. Because they appeared before the scheduled or anticipated call of a general election, the advertisers were not required to register and report on their contributions and expenses to Elections Ontario.

We do, however, know two things about party and leader-focused advertising between elections:

1. The advertising was intended to have an effect on the outcome of the upcoming general election.
2. The contributions and costs must have been considerable.

Ontario's experience with third party advertising in elections is unique in Canada, even in comparison to what we have seen in federal elections.

### **Federal Comparisons**

Ontario makes up just under 40 per cent of the Canadian population and has just under 40 per cent of the seats in the House of Commons. In comparing federal and Ontario elections, we would normally think that, all things being equal, third party participation in election campaigns would be similar.

In the last federal general election in 2015, there were 114 registered third parties. In the last Ontario general election, there were 37. Given that federal elections span the country, the number of third party advertisers we had in Ontario is proportionate. However, the similarities end there. Comparatively more is spent on third party advertising in Ontario provincial elections.

While it is true that there are federal third party spending limits, the dramatic difference between the two jurisdictions cannot be explained by the existence of federal third party spending limits.

In the last federal election, the total spending on third party advertising amounted to \$6.05 million<sup>28</sup>. The individual spending limit for third parties was just under \$440,000 but they spent, on average, only \$53,000. The limit allowed third parties to collectively spend about \$1.40 per person in Canada in the 2015 federal general election, which had a writ period twice as long as usual. In actuality, they collectively spent only \$0.17 per person.

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<sup>28</sup> See Elections Canada website for "Third Party Election Advertising Reports for the 42nd General Election".

In the last two federal general elections, third party spending has been well below the spending limits:

- In 2015, 104 of the 114 third parties spent less than 50 per cent of the \$440,000 that was allowed. While one third party spent close to the maximum amount; it was one of only four that spent over 80 per cent of the limit.
- In 2011, 51 of the 55 third parties spent less than 50 per cent of the \$188,000 that was allowed. No third party spent close to the maximum amount; the closest spent \$166,000 or 88 per cent of the limit

At the federal level, this would tell us that the current spending limits are generous; very few approach the limit.

How do we compare?

If Ontario had a proportionate third party spending limit in the last general election, it would have allowed third parties collectively to spend about \$0.22 per person – in contrast to the \$0.63 they actually spent. The spending limit for an individual third party in the 2014 general election would have been about \$82,000. This would have meant:

- 10 of our 37 third parties could have spent the maximum allowable amount and another three could have spent more than 50 per cent of the maximum amount.

The scale of third party advertising in Ontario is much greater than it is at the federal level.

The Committee must keep this in mind as it considers how best to regulate third parties.

### **Recommendations Moving Forward**

Bill 201<sup>29</sup> includes some provisions that are modeled upon the current federal legislation regulating third parties. That model was first enacted 16 years ago.

The federal third party rules were designed in the 1990's. The drafters had to consider the judicial rulings from prior years that had struck down federal laws *prohibiting* third party advertising in elections.

The current federal rules withstood challenge in 2004. When the rules were upheld by the Supreme Court, the decision spoke of the need to balance the rights of third party advertisers with the rights of electors<sup>30</sup>.

<sup>29</sup> Bill 201, *Election Finances Statute Law Amendment Act, 2016*.

<sup>30</sup> *Harper v. Canada (Attorney General)*, [2004] 1 S.C.R. 827.

Of primary importance, the court found that electors need to be presented competing opinions<sup>31</sup>. Political discourse in an election should not be monopolized because it can distort electoral outcomes.

Bill 201 includes definitions, spending limits, and anti-collusion provisions that are found in the *Canada Elections Act*.

I have spoken for a number of years of the need to consider third party spending and contribution limits and am glad that the Committee will have an opportunity to hear from Ontarians on these topics.

When considering spending limits, the Committee should keep in mind the third party spending limit proposed in Bill 201 is proportionately somewhat larger than what is allowed under current federal rules.

When considering contribution limits, the Committee should keep in mind that third party activity in Ontario politics has had a greater presence than in federal politics.

Adopting federal limits will not necessarily mean that their advertising will be scaled back. Most federal third parties do not spend nearly as much as they might. Ontario's third parties appear to have comparatively greater resources at their disposal. They may spend closer to the limits than their federal counterparts.

In election laws, contribution and spending limits are often adopted together. We see this, for example, for other political entities. Bill 201 does not propose contribution limits to third party advertisers.

**I recommend contribution limits be adopted.** I think this is an area the Committee may wish to invite comment on from presenters that appear before it.

I have some additional recommendations related to third party advertising that in practical terms will help strike the balance between freedom of speech and electoral equality. These recommendations address:

- anti-collusion provisions;
- advertising between elections; and,
- The need for clear and contemporary definitions.

### Anti-Collusion

From a regulatory perspective, the primary risk of collusion in respect of third party advertising – especially when there are contribution and spending limits for parties and candidates – is collusion between those running for office and third parties. For

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<sup>31</sup> *Harper v. Canada (Attorney General)*, [2004] 1 S.C.R. 827 at 873.

example, a candidate may be tempted to coordinate his or her activities with a sympathetic third party advertiser in order to circumvent contribution and spending limits.

I think that Bill 201 should have more stringent anti-collusion provisions.

To prove collusion under our current legislation, collusion can only be established where it can be proved that a third party's advertising has been done with the knowledge and consent of a candidate or party. It essentially means that the candidate has to have controlled the advertising.

I will leave it to lawyers to tell you how hard it is to prove there is direct evidence of this sort of control.

What I will tell you as an election administrator is that it undermines confidence in the electoral process. The public can plainly see that candidates, and organizations that claim to be non-partisan, are able to actively coordinate their advertising. They are not prohibited from doing so because neither is exercising direct control over the other.

This sort of coordination is especially troubling when an organization relies on former political staff or partisan strategists to shape a third party's advertising.

The public sees this as an apparent conflict of interest. I do, too.

I believe our election law needs to directly address this matter. There are clear regulatory precedents for doing so. In the United States, the Federal Election Commission and a number of state jurisdictions have adopted rules that prohibit coordination between campaigns and independent organizations – the PACs we read so much about in U.S. elections.

**I recommend that our election law have new provisions that prohibit coordination among parties and third party advertisers.**

Specifically, there need to be rules that deem it to be coordination when former political staff, party officials, or a party's consultants are involved with third party advertising activity. Unless we have this sort of "deeming rule", it is virtually impossible to prove collusion between a candidate and a third party. In the U.S. provisions to which I refer, a person can defend against this "deeming rule" if they can prove their work is not timed or coordinated with a campaign.

#### Advertising between elections

I am glad to see that Bill 201 recognizes that political advertising between elections is an increasing practice that distorts the level playing field. This is an area that is not

currently addressed in federal rules. I think it important that Ontario's legislators turn their minds to this issue – as what they adopt may become a model for the country.

What is proposed is that in the six month period before a regularly scheduled general election is called, the political advertising of parties be limited to \$1,000,000 and for third parties it be limited to \$600,000.

I am concerned that the advertising of third parties has not been regulated throughout the whole period between elections.

The restriction would only, in effect, regulate activity in the last 6 months of the life of a Legislature. In cases where there is a minority government, where some may say a party's hold on power hangs in the balance and political advertising may dictate whether it rises or falls, these proposed rules have no effect.

Because of what Ontarians have witnessed in the way of third party advertising prior to the 2014 General Election, which was not a scheduled general election, I do believe that activity needs to be made more transparent.

The spending on advertising between elections that directly depicts leaders and their parties -- and specifically advocates that citizens support or oppose them when they are next at the ballot box – should be regulated.

You may hear from lawyers and constitutional experts that imposing spending limits throughout the full period between elections may pose constitutional challenges. To that concern, I would note that, even if there are no limits imposed, it would serve Ontarians well to know who is spending what on trying to effect the outcome of the next election.

#### Clear and Contemporary definitions

When I administer our election laws, I believe it is important that the rules be up to date and clear. When they are not, it can confuse citizens and afford opportunity for some to argue and interpret the rules for their own partisan advantage.

I have said for many years that the definition of political advertising needs to be updated. When the *Election Finances Reform Act* was first passed, it provided some very specific definitions as to how the dominant media of the day should be regulated.

It applied to television advertising, radio advertising, daily newspapers, weekly newspapers. When the Act was amended in 1999, it imposed a general rule for a new medium called the "Internet" and has since been amended to acknowledge such things as "websites".

Think of what the "Internet" embraces today. In the 1970's, it would have been like simply saying advertising transmitted using "electricity" was subject to blackout.

Our Act has not kept pace with technological developments and their use in the campaign context. It needs to be updated. It should be revisited in a thoughtful way.

I am concerned that, apart from the need to be updated in terms of the means of communication, the definition of what is political advertising needs to be carefully considered.

Having read Hansard from the Assembly, there is debate that government advertising – depending on its content – may in some cases now be treated as “political advertising” and be subject to review under the *Election Finances Act*.

As Chief Electoral Officer, I would like some clear direction about whether or not government-sponsored advertising is now covered by this statute. This is why:

The definition of political advertising has been changed to include “advertising that takes a position on an issue with which a registered party or candidate is associated”.

I understand the policy intent behind this provision. I agree with the intent as it is designed to level the playing field. I am concerned about how this rule applies in practice.

Applying this rule is not just as easy as reading party and candidate platforms or reading their news releases. That in itself can be a challenging task as there are, at any one time, more than 20 parties in Ontario and there are several hundred candidates in each election. No election agency can have perfect knowledge of the issues at play in every corner of the province.

An issue that is not associated with any party or candidate one day, may be associated with them the next day. One day a third party could lawfully engage in an unregulated, multi-million dollar advertising campaign. The next day, if it becomes an issue that a party or candidate becomes associated with, it becomes an unlawful activity.

So that means that I would need to advise organizations who wish to comply, what the “real rule” is. The “real rule” is not whether the advertising is associated with a party or candidate, the “real rule” is whether it may become associated with a party or candidate.

This uncertainty helps no one. I know this definition is borrowed from the federal law passed sixteen years ago but I would like to recommend that Ontario legislators adopt a clearer rule.

The challenge with drafting this provision is that no one has a desire to interfere with free speech. It is an important concern and is the subject of much constitutional debate in Canada and the United States.

During an election, it is impossible to make a principled and consistent distinction between what is campaign advertising and what is issue-based advertising.

As decisions of the United States Supreme Court have noted on at least two occasions<sup>32</sup>:

"What separates issue advocacy and political advocacy is a line in the sand drawn on a windy day."

Closer to home, the Lortie Commission grappled with this very issue and came to the same conclusion. The Commission noted that<sup>33</sup>(emphasis added):

Any attempt to distinguish between partisan advocacy and issue advocacy – to prohibit spending on the former and to allow unregulated spending on the latter – cannot be sustained. At elections, the advocacy of issue positions inevitably has consequences for election discourse and thus has partisan implications, either direct or indirect: voters cast their ballots for candidates and not for issues.

I see this bill, therefore, as inevitably requiring that Elections Ontario regulate issue advertising.

However, the period that is regulated now precedes the call of a scheduled general election by six months.

I am therefore concerned that the new definition, coupled with the extended non-election period to which it now applies, could capture advertising activity that was not intended. This is one reason, for example, I want it to be very clear whether or not the Act applies to government-sponsored advertising.

In light of these particular questions, and the comments I have made for regulating third party advertising between elections, I have a recommendation to make to this Committee.

**I recommend that the definition of political advertising proposed in the bill apply only during writ periods** – in other words it not apply to the six months preceding the call of a scheduled general election.

I believe that we should have the same rules in place regardless of whether or not there could be an unscheduled general election. I believe that *all* third party political advertising should be regulated for the *whole* period between elections. Like other political entities, an organization that regularly solicits contributions for political advertising -- and sponsors such advertising – should publicly report on the source of those contributions and how much they spent annually and in elections.

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<sup>32</sup> *McConnell v. Federal Election Commission*, 540 U.S. 93 (2003) and *Federal Election Commission v. Wisconsin Right to Life, Inc.*, 551 U.S. 449 (2007).

<sup>33</sup> *Lortie Commission*, p. 340.

Between elections, issue-based advertising should not be regulated. I do not think it is helpful, in the non-writ period, to use the measure whether or not the advertising is associated with a candidate or party.

Rather, I propose that the third party political advertising that is subject to regulation and reporting is solely limited to advertising that directly depicts leaders and their parties -- and specifically advocates that citizens support or oppose them when they are next at the ballot box.

I think these recommendations meet three policy objectives:

1. They respect the level playing field; they strike a balance between the competing concerns of freedom of speech and electoral equality.
2. They make transparent activity that is designed to influence electoral outcomes that would otherwise remain undisclosed.
3. They provide clear and discernible standards that are clearly understood and can be consistently administered.

Having discussed third party advertising rules in detail, I would like to turn to the other equally important aspects of the Bill.

#### **4) OTHER PROPOSED RULES**

Like the Camp Commission, this Committee needs to ensure that parties have adequate funds to conduct research, organize, communicate between elections, and campaign in elections.

Bill 201 proposes the most significant re-design of Ontario election finance law in more than 40 years. The most important proposal is the elimination of union and corporate contributions and the adoption of an annual subsidy.

In some cases it proposes rules similar to those in place federally but in other cases departs from those rules. There are five major subjects the Bill addresses:

1. Contribution Sources
2. Annual Subsidies
3. Contribution Limits
4. Campaign Spending Limits
5. Campaign Expense Reimbursements

Let me summarize some important considerations in respect of these five subjects and then say a few words about some technical amendments.

The first area that I would like to discuss is contribution sources.

### Contribution Sources

Federal contributions from individuals, corporations, and unions were lowered in 2004. Corporate and union contributions were finally banned in 2007 at the same time individual contribution limits were again lowered. Rather than adopt a piecemeal approach, this Bill in one step prohibits all contributions from corporations and unions and lowers the limits for individuals to be in line with the federal system.

As was the case at the federal level, eliminating corporate and union donations will have a significant impact on party income levels. In the period from 2012 to 2014, which contained three annual periods, several by-elections, and a general election, union and corporate contributions made to Ontario's four largest parties amounted to just over \$50 million [**Appendix 2: Summary of Contributions by Source, 2012 to 2014**].

Eliminating corporate and union contributions may encourage campaigns to rely on loans to a greater extent than is the case today.

It could also be the case that individual contributions may be used to mask contributions from union and corporate sources. Elections Ontario will need to implement compliance strategies to address any regulatory risks.

My next remarks on annual subsidies are closely tied to the topic of contributions.

### Annual Subsidies

Federally, an annual subsidy was introduced in 2003. Corporate and union contributions were not prohibited at the federal level for another four years, so subsidies were introduced in circumstances unlike those before this Committee.

Federally, special transitional rules were adopted to immediately implement an annual allowance (paid quarterly) to registered parties. They were paid \$1.75 for each vote the party received in the last general election.

In 2011, the *Canada Elections Act* was amended to *phase out* the awarding of the annual party subsidy. It was phased out over a three year period from 2012 to 2015.

In contrast, Bill 201 proposes that Ontario *phase in* an annual party subsidy over a five year period [**Appendix 3: Annual Subsidy Model, 2017 to 2021**].

In the first year an eligible party would receive \$2.26 per vote; that multiplier is steadily reduced until it "flatlines" at \$1.13 in the fifth year. This would give the four largest parties approximately \$10.7 million in 2017 and \$4.7 million in the first half of 2018.

If the \$1.75 1 per vote subsidy that once existed federally was adopted, it would only provide the four largest parties with approximately \$8.3 million in 2017 and \$4.2 million in the first half of 2018.

In comparison, in 2014, these parties, their associations, and their candidates took in over \$26 million from corporate and union donations.

The proposed subsidy does not provide a dollar-for-dollar replacement of the expected loss of contribution income from corporate and union sources or the individuals who once donated more than \$1,550 every year.

While the subsidy provides a more stable source of funding, and the elimination of corporate and union contributions means less overhead costs are incurred in relation to attracting such contributions, the proposed annual subsidy does not appear to be designed to over-enrich the party coffers of our largest parties.

The level playing field needs to apply to all political parties and the proposed approach is prudent given that Elections Canada itself noted that federal “public funding measures introduced in 2004 (and partially repealed since) have benefitted mostly the parties represented in Parliament, and the gap between those parties and the others have grown”.

### Contribution Limits

Generally, the contribution limits proposed for Ontario are similar to those in place federally. The proposed contribution limits also have the effect of leveling the playing field.

Currently, in an annual cycle with a general election, the provincial rules allow a single contributor to give a party, its candidates, and its associations a total of \$33,250. This amount is compounded because multiple and overlapping contribution periods are allowed when by-elections occur.

Bill 201 proposes to lower individual contribution limits and remove what some have called the by-election loophole.

The Committee should be aware that while the annual individual contribution threshold is being lowered, it may not significantly limit what donors actually give parties and candidates.

Our research from the 2014 General Election and annual period shows that 94 per cent of all individual contributions to candidates and associations for the four largest parties were for amounts of less than \$1,330. For these four parties, 82 per cent of their contributions from individuals were below \$1,525 [**Appendix 4: Summary of Contributions by Amount, 2014 General Election and Annual Period**].

I think that, overall, these provisions will serve to limit the disproportionate amount that some individuals were able to donate in comparison to their fellow citizens. I welcome these amendments.

I would next invite the Committee to consider the issue of spending limits.

### Campaign Spending Limits

Campaign spending limits in federal and Ontario elections, with two major exceptions, are similar.

The two exceptions distort the level playing field. Federally, travel and research and polling expenses are subject to spending limits. Federal parties and candidates cannot significantly outspend each other on these expenses and what they do spend may be reimbursed. Parties and candidates in Ontario, by contrast, can outspend each other and are not reimbursed for these expenses.

#### **I recommend that:**

- 1. Research and Polling expenses be subject to spending limits.**
- 2. Travel expenses be subject to spending limits.**

I'd now like to move to the subject of reimbursements.

### Campaign Expense Reimbursements

I am heartened that the threshold for obtaining candidate reimbursements has been lowered as they have been lowered federally.

I am interested that the thresholds for party reimbursements have not been similarly lowered -- and that, in respect of party and candidate reimbursements, the qualifying amount has not been increased to match what it is in the *Canada Elections Act*.

Federal reimbursement thresholds were lowered, and reimbursement thresholds were increased when contribution limits from individuals, corporations, and unions were lowered in 2004.

While the expense reports from the 2015 General Election will not be reported until later this month, the expense reports from the 2011 Federal General Election show the following reimbursements for parties and candidates:

- The Conservative Party of Canada received \$21,113,105.
- The Liberal Party of Canada received \$17,389,175.
- The New Democratic Party received \$14,160,073.
- The Green Party received \$1,205,790.

Following the 2014 General Election, their provincial counterparts respectively received these amounts:

- The PC Party of Ontario received \$1,800,614.
- The Ontario Liberal Party received \$1,786,228.
- The Ontario New Democratic Party received \$1,020,713.
- The Green Party of Ontario received \$43,566.

Even taking into account the differing scale of the respective elections, federal election reimbursements are considerably greater than they are in Ontario.

I look forward to observing what presenters before the Committee have to say with respect to reimbursements.

Finally, there are a few administrative matters that Bill 201 addresses.

### Technical Amendments

Bill 201 proposes that:

- Nominations contests will now be subject to registration, contribution, spending, and reporting requirements.
- Loans will be regulated more in accordance with the federal rules.
- Leadership contests will be subject to greater contribution, spending, and reporting requirements.

I look forward to observing the discussion on these matters and providing my perspective on them as this bill proceeds through the legislative process.

Before I conclude my remarks, I would like to thank you again for inviting me to assist with this process.

## **5) CONCLUSION**

I believe Ontario is at a watershed moment.

This Committee, and ultimately the Assembly, is considering how best to regulate political finances – the very lifeblood of election campaigns – for the 21<sup>st</sup> century. In doing so, the Assembly must strike the careful balance between free speech and the principles of egalitarian elections in the modern electoral context.

I have made extensive comments on political advertising, public subsidies, and other matters addressed by this Bill. Thank you for providing me time to share my thoughts on these subjects with you. I anticipate that I am going to be the first of many who do so.

I am very cognizant that Bill 201 has been referred to committee directly after first reading. This provides both the Committee, and the people who appear before it, the opportunity to consider the legislation from first principles.

At the outset of my presentation, I discussed the concept of the level playing field at some length. I believe it is the guiding principle that should inform the design of election finance legislation. It provides a principled standard against which the comments and recommendations made to you in the course of these hearing can be assessed.

I hope my recommendations from today will be of use and I look forward to assisting you as you proceed.

I am looking forward to observing the submissions from others as I am sure they will be very informative. If, at the conclusion of your hearings, I have further thoughts to share in light of what I have heard, I would welcome the opportunity to present to you again.

Thank you for your attention this afternoon.

I would be happy to answer any questions you may have.

### Appendix 1: Third Party Advertising Summary, 2007 to 2015

GENERAL ELECTION	Registered Third Parties	Total Spent by Third Parties (\$)	Third Parties Spending \$100K to \$1M	Third Parties Spending Over \$1M	Registered Parties	Registered Candidates	Total Spent by Political Parties, Associations and Candidates (\$)	Total Spent in Election (\$)	Percentage of Total Spent by Third Parties
2007	20	1,847,660	3	1	12	605	37,223,664	39,071,324	5%
2011	22	6,084,468	1	3	21	665	38,834,805	44,919,273	14%
2014	37	8,644,020	6	3	20	621	41,122,837	49,766,857	17%

BY-ELECTIONS	Registered Third Parties	Total Spent (\$)	Third Parties Spending \$100K to \$1M	Third Parties Spending Over \$1M
<b>March 5, 2009</b> Haliburton - Kawartha Lakes – Brock	0	-	-	-
<b>September 17, 2009</b> St. Pauls	0	-	-	-
<b>February 4, 2010</b> Toronto Centre	0	-	-	-
<b>March 4, 2010</b> Leeds – Greenville Ottawa West - Nepean	0	-	-	-
<b>September 6, 2012*</b> Kitchener – Waterloo Vaughan By-Elections	8	1,660,546	2	0
<b>August 1, 2013</b> Etobicoke – Lakeshore London West Ottawa South Scarborough – Guildwood Windsor - Tecumseh	7	63,859	0	0
<b>February 13, 2014</b> Niagara Falls Thornhill	2	32,730	0	0
<b>February 5, 2015</b> Sudbury By-Election	5	127,078	0	0
September 3, 2015 Simcoe - North By-Election	2	1,000	0	0

**\*Note:**

The parties and candidates collectively spent only \$1.05 million. Third party spending constituted about 61 per cent of all spending in this campaign period

## Appendix 2: Summary of Contributions by Source, 2012 to 2014\*

Period		Ontario Liberal Party	PC Party of Ontario	Ontario New Democratic Party	Green Party of Ontario	Total
2012	Individual(\$)	3,291,765	5,172,579	2,956,808	500,710	11,921,862
	Corporate(\$)	4,834,688	3,823,344	311,938	10,427	8,980,397
	Union(\$)	619,359	27,694	918,268	0	1,565,321
2013	Individual(\$)	4,915,316	6,028,330	2,947,032	604,321	14,494,999
	Corporate(\$)	5,239,348	5,480,539	590,331	3,816	11,314,034
	Union(\$)	949,251	6,841	1,140,391	0	2,096,456
2014	Individual(\$)	6,905,524	8,564,174	4,447,733	813,989	20,731,429
	Corporate(\$)	7,715,950	7,115,207	937,133	10,289	15,778,579
	Union(\$)	5,181,460	3,157,861	1,947,276	0	10,286,597

Year	Corporate(\$)	Union(\$)	Total (\$)
2012	8,980,397	1,565,321	10,545,718
2013	11,314,034	2,096,456	13,410,490
2014	15,778,579	10,286,597	26,065,176
<b>Total</b>	36,073,010	13,984,374	50,021,384

**\*Note:**

This is contribution information for Ontario's four largest registered political parties

### Appendix 3: Annual Subsidy Model, 2017 to 2021\*

Party	2017		2018		2019		2020		2021		TOTAL
	Ontario Model (\$2.26)	Federal model (\$1.75)	Ontario Model (\$1.9775)	Federal Model (\$0.3825)	Ontario Model (\$1.695)	Federal Model (\$0.255)	Ontario Model (\$1.4125)	Federal Model (\$0.1275)	Ontario Model (\$1.13)	(N/A)	
Ontario Liberal Party	4,212,423	3,261,832	3,685,870	712,943	3,159,317	475,296	2,632,764	237,648	2,106,212	-	<b>20,484,305</b>
PC Party of Ontario	3,409,865	2,640,383	2,983,632	577,112	2,557,399	384,741	2,131,166	192,371	1,704,933	-	<b>16,581,602</b>
Ontario New Democratic Party	2,587,198	2,003,362	2,263,798	437,878	1,940,399	291,918	1,616,999	145,959	1,293,599	-	<b>12,581,110</b>
Green Party of Ontario	533,120	412,815	466,480	90,229	399,840	60,153	333,200	30,076	266,560	-	<b>2,592,475</b>
<b>TOTAL</b>	<b>10,742,607</b>	<b>8,318,391</b>	<b>9,399,781</b>	<b>1,818,162</b>	<b>8,056,955</b>	<b>1,212,108</b>	<b>6,714,129</b>	<b>606,054</b>	<b>5,371,304</b>	-	<b>52,239,492</b>

**\*Note:**

This projection is based on 2014 General Election Results. The next general election is scheduled for 2018 so projections after that date do not take into account results from that general election.

## Appendix 4: Summary of Contributions by Amount, 2014 General Election and Annual Period

### Individual Contributions made to Associations and Candidates in the 2014 General Election and Annual Period

Party	\$0 - \$1,330		\$1,331 - \$2,660		\$2,661 - \$3,990		\$3,991 - \$5,320		\$5,321 +		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Ontario Liberal Party	2,662,619	91%	157,210	5%	29,770	1%	18,275	1%	46,550	2%	2,914,424	100%
PC Party of Ontario	3,870,485	97%	55,709	1%	21,750	1%	0	0%	39,900	1%	3,987,844	100%
Ontario New Democratic Party	1,735,238	93%	102,857	6%	13,250	1%	10,640	1%	0	0%	1,861,985	100%
Green Party of Ontario	194,248	100%	0	0%	0	0%	0	0%	0	0%	194,248	100%
<b>Total</b>	<b>8,462,590</b>	<b>94%</b>	<b>315,776</b>	<b>4%</b>	<b>64,770</b>	<b>1%</b>	<b>28,915</b>	<b>0%</b>	<b>86,450</b>	<b>1%</b>	<b>8,958,501</b>	<b>100%</b>

### Individual Contributions made to Parties in the 2014 General Election and Annual Period

Party	\$0 - \$1,525		\$1,526 - \$2,000		\$2,001 - \$3,000		\$3,001 - \$5,000		\$5,001 - \$7,500		\$7,501 +		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Ontario Liberal Party	1,931,672	74%	78,037	3%	86,162	3%	283,622	11%	86,610	3%	141,910	5%	2,608,013	100%
PC Party of Ontario	2,481,221	82%	37,504	1%	93,791	3%	95,013	3%	30,450	1%	295,972	10%	3,033,951	100%
Ontario New Democratic Party	2,217,014	90%	44,929	2%	55,808	2%	40,926	2%	23,970	1%	87,256	4%	2,469,903	100%
Green Party of Ontario	541,544	88%	17,257	3%	42,640	7%	6,075	1%	-	0%	9,500	2%	617,016	100%
<b>Total</b>	<b>7,171,451</b>	<b>82%</b>	<b>177,727</b>	<b>2%</b>	<b>278,401</b>	<b>3%</b>	<b>425,636</b>	<b>5%</b>	<b>141,030</b>	<b>2%</b>	<b>534,638</b>	<b>6%</b>	<b>8,728,883</b>	<b>100%</b>