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GREEN PRIORITIES

Political Fundraising Reform in
Ontario, May 2016

GPO PRIORITIES FOR FUNDRAISING REFORM

Comprehensive fundraising reform is essential to renewing our democracy, and to restoring trust in the integrity of government decision making.

The government must work with all registered political parties, Elections Ontario, experts, academics and the public to move quickly on fundraising reforms. None of us have all the answers. By working together, we can transform political fundraising rules in a way that is fair, transparent and democratic.

Ontario's new fundraising rules should be in effect well before the 2018 provincial election.

1

END CORPORATE AND UNION DONATIONS TO PROVINCIAL POLITICAL PARTIES AND FOR MUNICIPAL CAMPAIGNS.

The first and most obvious step in getting big money out of politics is to eliminate corporate and union donations to political parties. The federal government did this a decade ago.

It is past time for Ontario to follow.

The GPO supports the immediate elimination of corporate and union donations.

2

INTRODUCE PER-VOTE FUNDING AS A MORE DEMOCRATIC WAY TO FUND POLITICAL PARTIES.

To make sure government decisions are in the public interest, we need a democratic public financing system.

Per-vote funding of political parties is more democratic than our existing public financing system. It is also essential to getting the corrosive influence of big money out of politics.

Currently, public financing of political parties is a pay-to-play model that undemocratically benefits big donors through generous tax credits. For example, a \$2,500 donor will receive a refundable tax credit of approximately \$1,150. Tax dollars cover the cost of almost half of the donation.

A per-vote allowance is a vote-to-play system. It doesn't exclude citizens who don't have deep pockets. It empowers every citizen with an opportunity to help support the party of their choice with their vote.

There may be other ways to create a democratic system for public financing, such as having citizens direct their support annually when filing taxes. The GPO supports a permanent citizen driven public financing system, whether funding is determined by a per vote allowance or through another method.

We believe the funding allowance should be around \$2 per vote or citizen.

3

LOWER ANNUAL CONTRIBUTION LIMITS TO MATCH FEDERAL LEVELS AS A FIRST STEP.

Ontario needs to dramatically lower contribution limits. High contribution limits provide those with deep pockets a greater ability to buy access to power, or to influence government policy.

The GPO supports immediately lowering annual contribution limits to match federal levels. This would reduce contribution limits from \$9,785 to \$1,500. Eventually, the GPO supports transitioning to individual donations limits that are under \$1,000. In Quebec, for example, they are \$100.

4

RESTRICT THIRD-PARTY ADVERTISING DURING WRIT AND PRE-WRIT PERIODS.

Partisan third-party ads can be used as a way for corporations, unions and other organizations to get around donations and spending limits.

There needs to be spending limits and other restrictions on third-party advertising, including individual donation limits for third-party advertising efforts. Such restrictions should target partisan activity and not infringe on freedom of speech. The Supreme Court has ruled on this federally, which provides a guide for us provincially.

5

ELIMINATE THE PARTIAL REIMBURSEMENT OF CAMPAIGN EXPENSES.

The reimbursement of campaign expenses encourages spending rather than good financial planning. Reimbursement only applies to candidates receiving over 15% of the vote. This is clearly unfair to small parties, new candidates and the taxpayers who voted for them. This practise funds the campaigns of established parties with the tax dollars of people who voted against them.

The GPO supports the elimination of the reimbursement of campaign expenses.

However, if Elections Ontario believes that the reimbursement provides a needed incentive to file campaign financial statements on time, then eligibility should be lowered to candidates receiving at least 5%. This threshold is within reach of most candidates and parties.

6

LOWER SPENDING LIMITS FOR POLITICAL PARTIES.

Lower spending limits would create a more even playing field for opposition parties and reduce the pressure for parties to raise large sums of money.

Lower spending limits should be established for election periods and an annual limit introduced between elections.

7

CLOSE THE LOOPHOLES THAT ENABLE DONORS TO EXCEED DONATION LIMITS.

The large sums of money that parties can raise during by-elections and party leadership contests make a mockery of Ontario's already inadequate fundraising rules.

Ontario must take immediate action to close these loopholes before the next by-election is called in Scarborough Rouge River.

Donation and spending limits should also be established for party leadership campaigns.

8

IMPROVE DISCLOSURE AND OVERSIGHT RULES.

Stronger disclosure and oversight rules are needed to ensure that corporations and unions do not funnel donations to political parties through individuals.

In the US, for example, individuals are required to list their employer and occupation when making a donation. Ontario could adopt similar requirements, with parties providing this information to Elections Ontario as part of their real-time disclosure requirements.

9

ESTABLISH A TRANSPARENT AND PUBLIC PROCESS FOR RULES ON TELEVISED LEADER'S DEBATES.

The televised leaders' debates provide a huge financial advantage for participating parties.

Yet, there are no clear rules to determine who participates in the debates. A transparent, public and democratic system should be developed to determine the rules of televised leaders debates.

Establishing such rules may not be included in this fundraising reform legislation, but this should be part of the conversation because of the financial advantage televised leaders debates provide for participating parties.

10

ESTABLISH AN OPEN AND FAIR COMMITTEE PROCESS.

Parliamentary tradition recognizes that laws governing elections are different from regular legislation, thus requiring a special non-partisan process.

This process ensures public trust and confidence in the new election fundraising rules. Neither the public nor the opposition parties will have confidence in fundraising reform if the government is perceived to be using its majority to impose new rules that give it an electoral advantage.

The GPO is disappointed that the government chose not to engage in a non-partisan process for drafting legislation.

Moving forward we strongly encourage the government to work with other parties to develop standing rules to committee that will not allow the government to use its majority to impose its will on committee hearings.

CONCLUSION

It is time to set aside partisan posturing to put the public good first. The GPO is willing to work with the government and opposition parties with and without seats at Queen's Park to get big money out of politics.

We can create a fair, transparent and democratic political fundraising system that will enable MPPs to make better, more objective decisions on behalf of the public. The time to do it is now.



**GET BIG MONEY
OUT OF **POLITICS.****
