



# The Need for Election Reform: Analysis of 2000, 2003 Campaign Contributions

Presentation to Administration Committee  
Information Session

by Paul Farrelly, [VoteToronto.ca](http://VoteToronto.ca)

July 13, 2004

# About VoteToronto.ca

- VoteToronto.ca was founded to educate voters on the electoral process at all levels of public office in the City of Toronto
- VoteToronto.ca is an extensive online resource that publishes research on campaign financing and performance of elected officials for voters, media and the public-at-large.
- We are community-based independent and non-partisan group with extensive background in the voluntary, philanthropic, political and cultural life of the community.

## MILESTONES

- **October 2003:** Site launched with analysis of campaign contributions in the 2000 Municipal Election and voting records in the 2000-2003 Council.
- **June 2004:** Published analysis of the 2000 Federal Election campaign contributions, parliamentary participation by elected MPs from Toronto in the 37<sup>th</sup> Parliament, and a survey of candidates for 2004 Federal Election.

VoteToronto.ca demonstrates a huge capacity for transparency in the electoral and policy-making process and the urgent need for institutional reform to create a more educated voter, an involved citizenry and more responsive government.

## Municipal Elections Governance

- The Ontario Municipal Elections Act, 1996 was proclaimed before amalgamation and (as amended) governed:
  - 1997 Election for 1997-2000 Council, 1<sup>st</sup> Lastman Mayoralty
  - 2000 Election for 2000-2003 Council, 2<sup>nd</sup> Lastman Mayoralty
  - 2003 Election for 2003-2006 Council, 1<sup>st</sup> Miller Mayoralty
- Designates the Election Year Campaign Period: January to December 31
- Specifies a **Ward Expense Limit** for spending by a candidate from the time of filing nomination papers until the end of the campaign, calculated based on the number of electors entitled to vote for the office
  - Mayoralty candidates - \$7,500 + 70 cents per elector
  - Councillor candidates - \$5,000 + 70 cents per elector
- The analysis following uses each Ward Expense Limit as a standard factor to look at campaign income, expense and surplus and examine corporate concentration.

# Comparison 2000 vs 2003 Election Income

## 2000 Election

**Avg. Ward Expense Limit \$22,261**

**Number of Ward Expense Limits by Contributor Type**

	Winners	Losers	Total
Individuals	29	20	49
Labour	3	1	4
Corporate	53	19	72
Sum	85	40	125

### **Elected Councillors**

66% Corporate + Union

33% Individual

## 2003 Election

**Avg. Ward Expense Limit \$31,251**

**Number of Ward Expense Limits by Contributor Type**

	Winners	Losers	Total
Individuals	24	27	51
Labour	2	1	3
Corporate	26	11	36
Grand Total	53	39	91

### **Elected Councillors**

53% Corporate + Union

45% Individual

# 2000 Election Corporate Concentration

**2000 Election Avg. Ward Expense Limit \$22,261**

## Number of Ward Expense Limits Corporate and Union

Business donations are highly concentrated from private sector corporations engaged in development, regulatory, licensing and contracting activities with the City of Toronto

	Winners	Losers	Total
Developers: Real estate development companies	12	3	15
Contractors: Construction contractors and related consultants	13	4	18
Property: Property owners & managers and real estate firms	8	3	10
Media: Communications & other unclassified corporations	7	3	10
Retail: Bars, restaurants, food & beverage, auto & taxi	8	4	11
Lobbyists: Law Firms and consultants	6	2	8
Unions: Organized labour	3	1	4
<b>Total Corporate &amp; Union</b>	<b>56</b>	<b>20</b>	<b>76</b>

Organization Type	# of donations	Total Amount	% of Total
Contractors	872	\$582,464	14.6%
Developers	794	\$508,930	12.8%
Property Managers	618	\$401,653	10.1%
Retail	726	\$384,941	9.6%
Media	647	\$359,739	9.0%
Lobbyists	530	\$250,872	6.3%
Unions	175	\$98,446	2.5%

# Who May and May Not Contribute to a Candidate?

## May Contribute

- Individuals living in Ontario
- Trade unions that hold bargaining rights for employees in Ontario
- Corporations that carry on business in Ontario
  - Corporations that are associated with one another, as defined by section 256 of the Income Tax Act (Canada), are considered to be a single corporation
  - Subsidiaries and affiliated companies are deemed to be a single corporation
- Unincorporated groups, such as a law partnership or ratepayers' groups (individual contributors must be listed)
- The candidate or his/her spouse or same-sex partner

## May Not Contribute

- a federal political party, constituency association or a registered candidate at a federal election.
- a provincial political party, constituency association or a registered candidate or leadership contestant.
- the Crown in right of Canada or Ontario, a municipality or local board
- Charitable organizations or corporations that have been established for charitable purposes
- Public corporations such as public hospitals, crown agencies, boards or commissions, which are, in general, prohibited by statute or common law from making political donations.

# Corporate donations create an unequal system

- Corporate donations allow business owners and executives to donate money two ways, through both corporate and individual donations, while other citizens can only donate as individuals
- Corporate ownership and organization makes disclosure and campaign contribution limits very difficult to enforce, as private companies do not need to release this information – this has led to abuses of the system

- Bans on corporate and trade union contributions have been in place in Quebec since 1977 and in Manitoba since 2000
- The federal government instituted a ban on corporate and union donations to political parties in January 2004 through Bill C-24
- The American government bans corporate and union contributions to candidates for Congress or the Senate
- The Ontario provincial government is currently considering a ban on corporate & union donors

# Ward Expense Limit Base Amount 2003 Election

The Ward Expense Limit is derived on a formula related to the number of electors entitled to vote for the office and is established by the City Clerk one month before election day. The formula is:

- Mayoralty candidates - \$7,500 + 70 cents per elector
- Councillor candidates - \$5,000 + 70 cents per elector

<i>RANK</i>	<i>COUNCILLOR</i>	<i>EXPENSE LIMIT</i>	<i>RANK</i>	<i>COUNCILLOR</i>	<i>EXPENSE LIMIT</i>	<i>RANK</i>	<i>COUNCILLOR</i>	<i>EXPENSE LIMIT</i>
1	Kyle Rae	\$40,508	16	Frances Nunziata	\$32,124	30	Brian Ashton	\$29,727
2	John Filion	\$38,161	17	Doug Holyday	\$31,954	31	Gerry Altobello	\$29,676
3	Bas Balkissoon	\$35,789	18	Gloria Lindsay Luby	\$31,699	32	Rob Ford	\$29,564
4	Michael Walker	\$35,467	19	Norm Kelly	\$31,629	33	Suzan Hall	\$29,518
5	David Shiner	\$34,831	20	Bill Saundercook	\$31,592	34	Joe Pantalone	\$29,112
6	Mark Grimes	\$34,824	21	Glenn de Baeremaeker	\$31,480	35	Sylvia Watson	\$28,930
7	Olivia Chow	\$34,643		<b>AVERAGE</b>	<b>\$31,251</b>	36	Joe Mihevc	\$28,823
8	Peter Milczyn	\$34,289	22	Raymond Cho	\$31,018	37	David Soknacki	\$28,685
9	Gay Cowbourne	\$34,138	23	Mike Del Grande	\$30,649	38	Frank Di Giorgio	\$28,270
10	Michael Thompson	\$33,755	24	Janet Davis	\$30,474	39	Case Ootes	\$27,919
11	Cliff Jenkins	\$33,307	25	Karen Stintz	\$30,425	40	Cesar Palacio	\$27,799
12	Howard Moscoe	\$33,175	26	Paula Fletcher	\$30,294	41	Giorgio Mammoliti	\$26,139
13	Michael Feldman	\$33,106	27	Shelley Carroll	\$30,200	42	Maria Augimeri	\$25,595
14	Sandra Bussin	\$32,901	28	Denzil Minnan-Wong	\$30,194	43	Peter Li Preti	\$25,099
15	Pam McConnell	\$32,836	29	Jane Pitfield	\$30,097	44	Adam Giambone	\$24,632

# Corporate Contributions x Ward Expense Limit

## 2003 Election

Contributions from corporations who carry on business in Ontario. Those associated with one another, as defined by section 256 of the Income Tax Act (Canada), are considered to be a single corporation as are subsidiaries and affiliated companies and may only make a maximum contribution of \$750.

RANK	COUNCILLOR	CORP \$	As Proportion of Ward Limit	RANK	COUNCILLOR	CORP \$	As Proportion of Ward Limit	RANK	COUNCILLOR	CORP \$	As Proportion of Ward Limit
1	Giorgio Mammoliti	\$69,625	2.66	16	Michael Thompson	\$20,826	0.62	30	Pam McConnell	\$6,550	0.2
2	Peter Li Preti	\$65,585	2.61	17	John Filion	\$22,770	0.6	31	Olivia Chow	\$6,758	0.2
3	Kyle Rae	\$63,200	1.56		<b>AVERAGE</b>	<b>\$19,635</b>	<b>0.58</b>	32	Suzan Hall	\$5,649	0.19
4	Howard Moscoe	\$47,247	1.42	18	Gerry Altobello	\$15,875	0.53	33	Raymond Cho	\$5,100	0.16
5	Denzil Minnan-Wong	\$39,250	1.3	19	Mark Grimes	\$16,300	0.47	34	Mike Del Grande	\$4,700	0.15
6	Peter Milczyn	\$41,950	1.22	20	Cesar Palacio	\$11,350	0.41	35	Karen Stintz	\$1,000	0.03
7	Michael Feldman	\$37,905	1.14	21	Jane Pitfield	\$12,275	0.41	36	Gay Cowbourne	\$1,050	0.03
8	Joe Pantalone	\$31,730	1.09	22	Joe Mihevc	\$10,975	0.38	37	Shelley Carroll	\$750	0.02
9	Norm Kelly	\$33,875	1.07	23	Frank Di Giorgio	\$10,400	0.37	38	Doug Holyday	\$400	0.01
10	Maria Augimeri	\$25,419	0.99	24	Bill Saundercook	\$11,350	0.36	39	Paula Fletcher	\$200	0.01
11	Frances Nunziata	\$28,325	0.88	25	Sandra Bussin	\$10,800	0.33	40	Janet Davis	\$200	0.01
12	Case Ootes	\$21,875	0.78	26	Sylvia Watson	\$9,168	0.32	41	Michael Walker	0	0
13	Bas Balkissoon	\$26,650	0.74	27	David Shiner	\$9,700	0.28	42	Glenn de Baeremaeker	0	0
14	Gloria Lindsay Luby	\$23,502	0.74	28	Adam Giambrone	\$6,800	0.28	43	David Soknacki	0	0
15	Brian Ashton	\$20,325	0.68	29	Rob Ford	\$8,000	0.27	44	Cliff Jenkins	0	0

# Individual Contributions x Ward Expense Limit

## 2003 Election

Contributions from Individuals over \$100

RANK	COUNCILLOR	INDIV- IDUAL	As Proportion of Ward Limit	RANK	COUNCILLOR	INDIV- IDUAL	As Proportion of Ward Limit	RANK	COUNCILLOR	INDIV- IDUAL	As Proportion of Ward Limit
1	Norm Kelly	\$40,750	1.29	16	Peter Li Preti	\$15,000	0.6	30	Bas Balkissoon	\$11,900	0.33
2	Joe Mihevc	\$34,363	1.19	17	Peter Milczyn	\$20,024	0.58	31	Frances Nunziata	\$10,500	0.33
3	Maria Augimeri	\$27,420	1.07		<b>AVERAGE</b>	<b>\$15,860</b>	<b>0.51</b>	32	Suzan Hall	\$8,739	0.3
4	Raymond Cho	\$31,550	1.02	18	Michael Thompson	\$17,230	0.51	33	Jane Pitfield	\$8,650	0.29
5	Cliff Jenkins	\$31,350	0.94	19	Michael Walker	\$17,750	0.5	34	Mike Del Grande	\$8,800	0.29
6	Sylvia Watson	\$24,250	0.84	20	John Filion	\$18,648	0.49	35	Gay Cowbourn	\$8,950	0.26
7	Janet Davis	\$25,231	0.83	21	Gloria Lindsay Luby	\$15,048	0.47	36	Gerry Altobello	\$6,258	0.21
8	Olivia Chow	\$27,380	0.79	22	Case Ootes	\$13,025	0.47	37	Brian Ashton	\$5,750	0.19
9	Adam Giambone	\$19,260	0.78	23	Howard Moscoe	\$15,470	0.47	38	Frank Di Giorgio	\$3,950	0.14
10	Paula Fletcher	\$23,180	0.77	24	Giorgio Mammoliti	\$12,075	0.46	39	Shelley Carroll	\$3,951	0.13
11	Bill Saunderson	\$23,018	0.73	25	Rob Ford	\$13,614	0.46	40	David Soknicki	\$3,719	0.13
12	Mark Grimes	\$24,050	0.69	26	Kyle Rae	\$18,625	0.46	41	Michael Feldman	\$2,900	0.09
13	Pam McConnell	\$22,675	0.69	27	Denzil Minnan-Wong	\$13,850	0.46	42	David Shiner	\$2,900	0.08
14	Sandra Bussin	\$20,370	0.62	28	Karen Stintz	\$12,385	0.41	43	Doug Holyday	\$2,456	0.08
15	Cesar Palacio	\$17,189	0.62	29	Joe Pantalone	\$11,839	0.41	44	Glenn de Baeremaeker	\$1,800	0.06

# Union Contributions x Ward Expense Limit

## 2003 Election

Contributions from Trade unions that hold bargaining rights for employees in Ontario

RANK	COUNCILLOR	UNION	As Proportion of Ward Limit	RANK	COUNCILLOR	UNION	As Proportion of Ward Limit	RANK	COUNCILLOR	UNION	As Proportion of Ward Limit
1	Maria Augimeri	\$8,475	0.33	15	Michael Thompson	\$1,350	0.04	30	Bill Saundercook	\$375	0.01
2	Janet Davis	\$9,667	0.32	16	Suzan Hall	\$1,125	0.04	31	Doug Holyday	\$375	0.01
3	Paula Fletcher	\$5,000	0.17	17	Rob Ford	\$1,125	0.04	32	Bas Balkissoon	0	0
4	Adam Giambrone	\$3,575	0.15	18	Peter Li Preti	\$950	0.04	33	Case Ootes	0	0
5	Joe Pantalone	\$4,150	0.14	19	Gloria Lindsay Luby	\$1,125	0.04	34	Cliff Jenkins	0	0
6	Shelley Carroll	\$4,100	0.14	20	Cesar Palacio	\$950	0.03	35	David Shiner	0	0
7	Joe Mihevc	\$3,850	0.13	21	Olivia Chow	\$1,150	0.03	36	David Soknacki	0	0
8	Sandra Bussin	\$2,950	0.09	22	Frances Nunziata	\$1,050	0.03	37	Gay Cowbourne	0	0
9	Denzil Minnan-Wong	\$2,225	0.07	23	Giorgio Mammoliti	\$750	0.03	38	Gerry Altobello	0	0
10	Howard Moscoe	\$2,200	0.07	24	Jane Pitfield	\$750	0.02	39	Karen Stintz	0	0
11	Peter Milczyn	\$2,000	0.06	25	Raymond Cho	\$750	0.02	40	Mark Grimes	0	0
12	Brian Ashton	\$1,550	0.05	26	Glenn de Baeremaeker	\$750	0.02	41	Michael Feldman	0	0
	<b>AVERAGE</b>	<b>\$2,171</b>	<b>0.05</b>	27	Norm Kelly	\$750	0.02	42	Michael Walker	0	0
13	Pam McConnell	\$1,550	0.05	28	John Filion	\$750	0.02	43	Mike Del Grande	0	0
14	Frank Di Giorgio	\$1,175	0.04	29	Kyle Rae	\$750	0.02	44	Sylvia Watson	0	0

# Election Expenses

## **BELOW THE LINE**

- Any expense incurred in whole or in part for goods or services
- market value of any goods held in opening inventory (such as signs and brochures)
- any contribution of goods or services to a candidate during the campaign period.

## **ABOVE THE LINE**

- expenses incurred in holding a fund-raising event
- expenses incurred for parties and other expressions of appreciation after the close of voting
- expenses incurred after voting day
- the nomination filing fee
- auditor's and accounting fees
- interest on loans

# Expenses x Ward Expense Limit

## 2003 Election Expenses

BELOW THE LINE Expense is 1.00  
 ABOVE THE LINE Expense is >1.00

RANK	COUNCILLOR	EXPENSE	As Proportion of Ward Limit	RANK	COUNCILLOR	EXPENSE	As Proportion of Ward Limit	RANK	COUNCILLOR	EXPENSE	As Proportion of Ward Limit
1	Kyle Rae	\$139,478	3.44	16	Case Ootes	\$40,147	1.44	30	Brian Ashton	\$29,082	0.98
2	Peter Li Preti	\$79,539	3.17	17	Mark Grimes	\$47,935	1.38	31	Sandra Bussin	\$31,102	0.95
3	Maria Augimeri	\$77,152	3.01	18	Paula Fletcher	\$41,306	1.36	32	Gerry Altobello	\$25,824	0.87
4	Giorgio Mammoliti	\$73,997	2.83	19	Sylvia Watson	\$38,262	1.32	33	Rob Ford	\$24,898	0.84
5	Howard Moscoe	\$82,996	2.5		<b>AVERAGE</b>	<b>\$41,198</b>	<b>1.32</b>	34	Karen Stintz	\$24,846	0.82
6	Joe Mihevc	\$63,685	2.21	20	Michael Thompson	\$41,460	1.23	35	Bas Balkissoon	\$27,881	0.78
7	Olivia Chow	\$68,370	1.97	21	Michael Feldman	\$40,567	1.23	36	Suzan Hall	\$22,475	0.76
8	Joe Pantalone	\$55,991	1.92	22	Cesar Palacio	\$33,901	1.22	37	Jane Pitfield	\$21,295	0.71
9	Adam Giambrone	\$44,595	1.81	23	Bill Saunderoock	\$36,257	1.15	38	Denzil Minnan-Wong	\$20,100	0.67
10	Norm Kelly	\$55,450	1.75	24	Frances Nunziata	\$34,484	1.07	39	Michael Walker	\$19,475	0.55
11	Peter Milczyn	\$59,038	1.72	25	Cliff Jenkins	\$34,996	1.05	40	Mike Del Grande	\$14,797	0.48
12	Gloria Lindsay Luby	\$53,528	1.69	26	Shelley Carroll	\$30,751	1.02	41	David Shiner	\$15,440	0.44
13	Raymond Cho	\$48,437	1.56	27	John Filion	\$38,486	1.01	42	Gay Cowbome	\$11,320	0.33
14	Janet Davis	\$44,660	1.47	28	Glenn de Baeremaeker	\$31,464	1	43	David Soknacki	\$8,958	0.31
15	Pam McConnell	\$47,294	1.44	29	Frank Di Giorgio	\$27,679	0.98	44	Doug Holyday	\$3,334	0.1

# Surplus to 2006 x Ward Expense Limit

## 2003 Election Surplus to 2006 / (Deficit)

RANK	COUNCILLOR	SURPLUS (DEFICIT)	As Proportion of Ward Limit	RANK	COUNCILLOR	SURPLUS (DEFICIT)	As Proportion of Ward Limit	RANK	COUNCILLOR	SURPLUS (DEFICIT)	As Proportion of Ward Limit
1	Case Ootes	\$45,927	1.65	16	Olivia Chow	\$11,007	0.32	30	Peter Li Preti	\$21	0
2	Norm Kelly	\$50,906	1.61	17	Brian Ashton	\$9,429	0.32	31	Frank Di Giorgio	\$7	0
3	Gloria Lindsay Luby	\$49,080	1.55	18	Michael Walker	\$10,712	0.3	32	David Soknacki	\$0	0
4	Denzil Minnan-Wong	\$40,817	1.35		<b>AVERAGE</b>	<b>\$9,093</b>	<b>0.29</b>	33	Doug Holyday	\$0	0
5	Joe Pantalone	\$33,886	1.16	19	Peter Milczyn	\$8,552	0.25	34	Michael Thompson	-\$36	0
6	Kyle Rae	\$35,944	0.89	20	Janet Davis	\$4,389	0.14	35	Mike Del Grande	-\$497	-0.02
7	Joe Mihevc	\$25,243	0.88	21	Suzan Hall	\$3,111	0.11	36	Adam Giambrone	-\$777	-0.03
8	Bas Balkissoon	\$25,173	0.7	22	Cliff Jenkins	\$2,971	0.09	37	Paula Fletcher	-\$957	-0.03
9	John Filion	\$25,951	0.68	23	David Shiner	\$2,837	0.08	38	Cesar Palacio	-\$2,063	-0.07
10	Howard Moscoe	\$21,939	0.66	24	Maria Augimeri	\$1,342	0.05	39	Mark Grimes	-\$6,935	-0.2
11	Raymond Cho	\$18,255	0.59	25	Sylvia Watson	\$1,203	0.04	40	Gay Cowbourn	-\$8,313	-0.24
12	Frances Nunziata	\$17,574	0.55	26	Gerry Altobello	\$1,207	0.04	41	Pam McConnell	-\$9,023	-0.27
13	Sandra Bussin	\$16,824	0.51	27	Bill Saunderson	\$1,001	0.03	42	Karen Stintz	-\$10,361	-0.34
14	Giorgio Mammoliti	\$10,947	0.42	28	Michael Feldman	\$438	0.01	43	Shelley Carroll	-\$20,530	-0.68
15	Jane Pitfield	\$10,765	0.36	29	Rob Ford	\$32	0	44	Glenn de Baeremaeker	-\$27,889	-0.89

## Multiple donors in Toronto elections

- The current election finance system does not prevent people from donating multiple times through business and individual names
- By examining names, addresses and corporate officers of donors in 2000, VoteToronto.ca found numerous examples of multiple contributions through what appear to be related entities:
  - **Greenwin-related:** 72 donations, 23 candidates: \$40,950
  - **Jeffrey Lyons & related:** 70 donations, 15 candidates: \$40,100
  - **183 Universal Workers Union:** 33 donations, 7 Candidates: \$33,550
- Some have expressed concern that banning corporate donations will drive donations 'underground'
- No real enforcement system

## Support Reform of the Electoral Process At Council

1. Prohibit corporate and union campaign contributions.
2. Require campaign surpluses to become property of the City.
3. Include fundraising and thank-you parties in the maximum campaign expenditure limit, increased 25% + inflation.
4. Require electronic filing and interim filing.
5. Outsource enforcement to Elections Ontario.

## For more information

VoteToronto.ca has prepared extensive information about campaign finances in Toronto, including greater detail on the information presented.

In addition, see a paper by York University Professor Robert MacDermid on the necessity for campaign finance reform.

### **Contact VoteToronto.ca**

Website: [www.votetoronto.ca](http://www.votetoronto.ca)

E-mail: [info@votetoronto.ca](mailto:info@votetoronto.ca)