



Legislative Assembly of Alberta

The 29th Legislature
Second Session

Select Special
Ethics and Accountability
Committee

Election Finances and Contributions Disclosure Act Review

Thursday, September 8, 2016
10 a.m.

Transcript No. 29-2-12

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The 29th Legislature
Second Session**

Select Special Ethics and Accountability Committee

Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND), Chair
Miller, Barb, Red Deer-South (ND), Deputy Chair
Dach, Lorne, Edmonton-McClung (ND),* Acting Deputy Chair

Anderson, Wayne, Highwood (W)
Clark, Greg, Calgary-Elbow (AP)
Connolly, Michael R.D., Calgary-Hawkwood (ND)
Cortes-Vargas, Estefania, Strathcona-Sherwood Park (ND)
Cyr, Scott J., Bonnyville-Cold Lake (W)
Dang, Thomas, Edmonton-South West (ND)**
Drever, Deborah, Calgary-Bow (ND)
Jansen, Sandra, Calgary-North West (PC)
Loyola, Rod, Edmonton-Ellerslie (ND)
Malkinson, Brian, Calgary-Currie (ND)***
Nielsen, Christian E., Edmonton-Decore (ND)
Nixon, Jason, Rimbey-Rocky Mountain House-Sundre (W)
Renaud, Marie F., St. Albert (ND)
Starke, Dr. Richard, Vermilion-Lloydminster (PC)
Sucha, Graham, Calgary-Shaw (ND)
Swann, Dr. David, Calgary-Mountain View (AL)
van Dijken, Glenn, Barrhead-Morinville-Westlock (W)

* substitution for Barb Miller

** substitution for Estefania Cortes-Vargas

*** substitution for Deborah Drever

Office of the Chief Electoral Officer Participants

Glen Resler	Chief Electoral Officer
Kevin Lee	Director, Election Finances
Drew Westwater	Deputy Chief Electoral Officer

Support Staff

Robert H. Reynolds, QC	Clerk
Shannon Dean	Law Clerk and Director of House Services
Trafton Koenig	Parliamentary Counsel
Stephanie LeBlanc	Parliamentary Counsel
Philip Massolin	Manager of Research and Committee Services
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

10 a.m. Thursday, September 8, 2016

[Mrs. Littlewood in the chair]

The Chair: Good morning, everyone. I would like to call the meeting of the Select Special Ethics and Accountability Committee to order. Welcome to members and staff in attendance.

To begin, I will ask the members and those joining the committee at the table to introduce themselves for the record, and then I will address members on the phone. I'll begin to my right.

Mr. Dach: Good morning. My name is Lorne Dach, MLA for Edmonton-McClung, this morning substituting for MLA Barb Miller, Red Deer-South, and acting as deputy chair.

Loyola: Rod Loyola, MLA for Edmonton-Ellerslie.

Mr. Sucha: Graham Sucha, MLA, Calgary-Shaw.

Mr. Nielsen: Chris Nielsen, MLA, Edmonton-Decore.

Connolly: Michael Connolly, MLA, Calgary-Hawkwood.

Mr. Malkinson: Brian Malkinson, MLA for Calgary-Currie, substituting for Deborah Drever, Calgary-Bow.

Ms Renaud: Marie Renaud, St. Albert.

Mr. Dang: Thomas Dang, MLA for Edmonton-South West, acting as official substitute for MLA Cortes-Vargas.

Mr. Lee: Kevin Lee, director of finance, Elections Alberta.

Mr. Resler: Good morning. Glen Resler, Chief Electoral Officer.

Mr. Westwater: Good morning. Drew Westwater, Deputy Chief Electoral Officer.

Mr. Cyr: Scott Cyr, MLA, Bonnyville-Cold Lake.

Dr. Starke: Good morning. Richard Starke, MLA, Vermilion-Lloydminster.

Mr. Clark: Good morning. Greg Clark, MLA, Calgary-Elbow.

Dr. Swann: Good morning, everyone. David Swann, Calgary-Mountain View.

Dr. Amato: Hello. Sarah Amato, research officer.

Dr. Massolin: Good morning. Philip Massolin, manager of research and committee services.

Mr. Koenig: Good morning. Trafton Koenig, Parliamentary Counsel.

Ms Rempel: Good morning. Jody Rempel, committee clerk.

The Chair: Thank you.

I'll just restate for the record that we have some official substitutions. Mr. Dang is substituting for Member Cortes-Vargas, Mr. Dach is substituting for Ms Miller, and Mr. Malkinson is substituting for Member Drever.

A few housekeeping items to address before we turn to the business at hand.

Ms Jansen: Sorry. On the phone, Chair, we have people.

The Chair: Sorry. Please go ahead.

Ms Jansen: Sandra Jansen, Calgary-North West.

Mr. van Dijken: Glenn van Dijken, Barrhead-Morinville-Westlock.

Mr. W. Anderson: Wayne Anderson, Highwood.

The Chair: Thank you very much.

Is there anyone else on the phone?

Mr. Nixon: Yeah. Jason Nixon, Rimbey-Rocky Mountain House-Sundre.

The Chair: Okay. Thank you very much.

A few housekeeping items to address before we turn to our business. A reminder again that the microphone consoles are operated by the *Hansard* staff, so there's no need for members to touch them. Please keep cellphones, iPhones, and BlackBerrys off the table as these may interfere with the audiofeed. Audio of committee proceedings is streamed live on the Internet and recorded by *Hansard*. Audio access and meeting transcripts are obtained via the Legislative Assembly website.

Up next we have the approval of the agenda. Does anyone have any changes to make? If not, would a member move to approve the agenda.

Mr. Nielsen: So moved.

The Chair: Moved by Mr. Nielsen that the agenda for the September 8, 2016, meeting of the Select Special Ethics and Accountability Committee be adopted as distributed. All in favour? Any opposed? On the phones? That is carried.

Next are the minutes from our last two meetings. Up first we have August 15, 2016. Are there any errors or omissions to note with these minutes? If not, would a member move adoption of the minutes as circulated.

Dr. Starke: So moved.

The Chair: Moved by Dr. Starke that the minutes of the August 15, 2016, meeting of the Select Special Ethics and Accountability Committee be adopted as circulated. All in favour? Any opposed? On the phones? That is carried.

Next are the minutes from the August 16, 2016, meeting. Are there any errors or omissions to note with these minutes? Seeing none, would a member move adoption of the minutes, please.

Loyola: I so move.

The Chair: Moved by Member Loyola that the minutes of the August 16, 2016, meeting of the Select Special Ethics and Accountability Committee be adopted as circulated. All in favour? Any opposed? On the phones? That is carried.

Up next we are going back to our deliberations on the Election Finances and Contributions Disclosure Act. As per the agenda we will start with motions that were adjourned at previous meetings. We did post an updated document listing the motions. That was included with the briefing materials for this meeting.

Ms Renaud.

Ms Renaud: Yeah. Thank you, Madam Chair. Before we dive into the adjourned motions in the order that they're listed, I wanted to test the will of the committee on something a little bit different. I know there are a lot of issues yet to debate that we might not fully agree on, but I do know there are several motions that from our side we can support. As well, we have a few additional research requests with regard to third-party advertisers. So instead of starting from a

place of disagreement today, I wanted to see if we could order the meeting based on common ground and work from there.

I would propose that we start with motions that I know on our side we can agree with: Motion 3, Dr. Swann's motion on surpluses; Motion 6, Mr. Cyr's motion on social media and sharing of political views; Motion 9, Mr. Clark, on consolidating and modernizing the act, on which we do have some clarification questions; and Motion 10, Mr. Cyr's motion on filing paperwork before the writ.

Also, given that we have a few additional research requests on various third-party advertising proposals, I'd like to make sure we include those today to give the research team and Elections Alberta enough time to gather the information.

Would the committee be agreeable with this starting order?

The Chair: Okay. Any discussion about it?

Dr. Starke: Madam Chair, I actually would like to say that I appreciate Ms Renaud's suggestion with regard specifically to third-party advertising. I've had some informal discussions with other committee members, and it's pretty clear that the whole question of third-party advertising and third-party involvement in our electoral process is one that is changing and relatively new. I think that it's important in our consideration of this legislation that we not remain silent on this area but that we try to obtain the most up-to-date information possible with regard to what is happening in other jurisdictions, a survey of trends that are happening, you know, not just in Canada but in other parts of the world with regard to this. I'd be curious to know from the Chief Electoral Officer what he has to say, and given the quality of the research services that we have available to the committee, I would really like to see some more information before we proceed on trying to draft suggestions for how legislation could be modified with regard to third-party advertising. So I actually appreciate the suggestion and would like to see us proceed accordingly.

The Chair: Okay. Did you want to make the formal proposal for what research you would like to see brought together from Parliamentary Counsel? Did you want to put that together right now, Dr. Starke?

Dr. Starke: Well, you know, I think what we should do is take a look at the adjourned motions, and I have to look to see with regard to the motions coming up that deal specifically with third-party advertising. I'm looking at adjourned motions 12 and 13 specifically and Motion 7. I'm just kind of going through and picking out the motions that involve anything regarding third parties.

I think, for that matter, it's important that we take a look at some of the trends that we are seeing, especially from the American situation with regard to what are called super PACs and how they affect the American political landscape, and try to the best of our ability – and I know it's a little bit difficult to perhaps predict the future and where things are going – to assess how that has already affected some of the electoral landscape in the U.S. and, you know, get an assessment from Albertans as to whether that is a trend that they would like to see adopted here in Canada.

10:10

I think, you know, it's important that we have this particular opportunity right now, at a time when we're reviewing legislation, to at least make an initial attempt at putting some parameters around the involvement of these organizations in our political process. It is such a new area. I mean, five years ago these entities just weren't there – they weren't on the political landscape – yet now we see

them cropping up relatively regularly, and they can have an effect on the overall political discourse. It strikes me that we are taking great pains to regulate and to put parameters around both contributions and advertising and other aspects of what political parties and political candidates are able to do, yet in the case of third parties it's a relatively wide-open field.

Like I say, if the restrictions are placed on political parties, which are registered under the election finances act, but there's relatively little restriction on third parties, it could end up, I think, being a very skewed situation, and it may be some time before we have an opportunity to have that discussion again in such a way that it provides for some measure of control – again, I hesitate to use the word "control" – to have some measure of limitation, let's say, as to the influence that these outside agencies could have.

The Chair: So you would be agreeable, then, to going to the motions listed – 3, 6, 9, and 10 – before going forward with formalizing the research request?

Dr. Starke: I would say so, yes.

The Chair: Is there any further discussion on that right now?

Okay. Motion 3 is regarding leadership surplus funds. Ms Rempel, would you mind reading that motion into the record before we discuss?

Ms Rempel: Certainly, Madam Chair, and I will also make it appear. I believe the motion under consideration was:

Moved by Dr. Swann that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to adopt the proposed sections 44.951(1) to (4) from the Office of the Chief Electoral Officer:

44.951(1) Any surplus funds held by a leadership contestant at the end of a campaign period must be dealt with in one or more of the following ways:

- (a) donate the surplus to a registered charity;
 - (b) return the surplus to the contributors if they can be identified;
 - (c) give the surplus to the registered party that held the leadership contest, as long as it is made clear to each contributor whose funds constitute the surplus:
 - (i) that the leadership contestant intended to pass all or a portion of the contribution made to the leadership contestant to the party under this Act;
 - (ii) the amount of the contribution that would become a contribution to the party under this Act; and
 - (iii) the contributor had an opportunity to object to the proposed contribution to the party.
 - (d) pay the surplus into the General Revenue Fund if the surplus or any portion of it cannot be dealt with in accordance with clauses (a) to (c).
- (2) In the event of a surplus dealt with under subsection (1)(c), the party must treat it as a contribution by the contributor to the party, and the party must issue a receipt under section 33.
 - (3) The leadership contestant shall advise the Chief Electoral Officer of its decisions under this section.
 - (4) The chief financial officer of a leadership contestant that has not dealt with its surplus funds under subsection (1) shall file a report with the Chief Electoral Officer within 6 months after the date of the leadership vote.

The Chair: With that, I will open discussion. Mr. Malkinson.

Mr. Malkinson: Thank you, Chair. I think it's indispensable in the spirit of transparency to have clear guidelines around leadership contests and their surpluses and how they should be reported. You know, I think Albertans will trust in the political process, especially around how their contributions are being managed. You know, I agree with Dr. Swann's motion here that we need to have a way to manage leadership campaign surpluses, but I also have a couple of questions I'd like to direct towards our Elections Alberta staff here because I want to make sure we are clear about the implications of this particular motion. For Elections Alberta: if the surpluses are being donated to the registered party itself, how would the leadership contestants and the parties themselves ensure that no individual is allowed to overcontribute in a particular year? How would you imagine that working?

Mr. Resler: Well, currently the contribution limits under the legislation – there are no limits. If any limits do exist, they're set by the political parties within their own guidelines with their leadership contests. With what is proposed as far as placing limits on leadership contestants, that still exists. The reporting of contributions comes to our office, and we go through that information. As far as any limits, that is a separate item for a leadership contest, then, for the political entities themselves: the parties, constituencies, candidates. They're distinct in that measure.

Mr. Malkinson: May I ask a follow-up?

The Chair: Go ahead.

Mr. Malkinson: Where would you see the onus lying to prevent an overcontribution? Would that be from the particular political entity?

Mr. Resler: Well, as far as contributions themselves the onus is on the contributor to begin with, and then it falls with the chief financial officer to ensure that what is being received falls within the legislation and then, thirdly, on our office in the oversight role that we provide. All three play a role in ensuring that they're kept within the maximum amounts.

Mr. Malkinson: So from an administrative perspective that would be sort of how you'd imagine it would be working. Each person in the process has got their own part to play in it.

Mr. Resler: Exactly. It's the process that currently exists for the other political entities and the limits that currently exist. Yup.

Mr. Malkinson: Okay. Thank you. That answers my questions, and I think it clarifies some of my questions I had on Dr. Swann's motion. I am in support of it.

The Chair: Are there any speakers on the phone that would like to be added to the list? Go ahead, Mr. van Dijken.

Mr. van Dijken: Yes. Just a question with regard to 3(a), "donate the surplus to a registered charity." I'm just curious if there needs to be some clarification with regard to if that should be an identified charity previous to leadership candidates receiving the donations. You know, the donations are given in the spirit of being utilized in a leadership campaign, and there needs to be respect given to the people donating if the surplus is to be utilized for a registered charity and if they would agree to that. I don't know if any thought has been put into that. If Dr. Swann or Elections Alberta would like to maybe speak to that, how those mechanics would work.

Mr. Resler: Currently the process that we put forward in this recommendation is a process that exists for the third parties already as far as surplus funds. There is no restriction on the charity of choice. You know, the real purpose as far as dealing with the surplus, because it's silent in the legislation right now, is so it's not for the benefit of the leadership contestant. These monies are provided to the contestant. They don't become a personal fund for themselves, so this deals with the surplus funds. Whether it's to a charity, whether you go back to the contributor that provided the money that is surplus and ask them if they want to contribute directly to the party, it's a transparency aspect, and the intent of the funds isn't for personal gain in that sense.

10:20

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. The goal of this motion: does that mean that you're going to be filing financial statements for these leadership contests from this point forward then?

Mr. Resler: Financial statements are already completed.

Mr. Cyr: Today? Okay.

Mr. Resler: As far as this recommendation this is what we already recommended to all the leadership contests that have existed in the last few years. This is our recommendation, that most are following already.

Mr. Cyr: Thank you.

Dr. Starke: Just a quick question to Mr. Resler with regard to mechanics. Is the surplus, then, pro-rated across all of the contributors? In terms of an example, if a campaign collects a certain sum of funds overall and expends, let's say, 90 per cent of the funds, leaving a 10 per cent surplus or 10 per cent of the funds that were collected, does that mean that 10 per cent of all of the various contributions from all of the contributors have to be dealt with according to the provisions, or do you pick out certain contributions that arrived later in the campaign? How exactly does that work?

Mr. Resler: Yeah. Our suggestion is kind of: the first in are the funds that are first spent, so whatever contributions come at the end, that total, say, if it's the 10 per cent surplus amount, those are the ones that you would contact.

Dr. Starke: Okay. Thank you.

The Chair: Further questions? Go ahead, Mr. van Dijken.

Mr. van Dijken: Yeah. Just also a question with regard to how – I'm not clear on how donations to leadership contestants are handled from a CRA perspective. If I could get some clarity on that.

Mr. Resler: There is no relationship with CRA as far as the contributions. It is not an official tax receipt. They receive the tax receipt as far as their contribution, but it's not used for a rebate as far as provincial income tax.

The Chair: Are there any further questions or discussion on the item?

Seeing none, all those in favour of the motion, say aye. Any opposed? On the phones? That motion is carried.

We're moving on to Motion 6. Ms Rempel, would you mind reading out Motion 6, please?

Ms Rempel: Thank you, Madam Chair. Motion 6 was:

Moved by Mr. Cyr that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to make it clear that the sharing of political views of any kind via free social media is not prohibited during any election period for individuals.

The Chair: Mr. Dang.

Mr. Dang: Thank you, Madam Chair. I just want to say that I think it's really great that we can all get around this table and agree on this point. I understand that Mr. Cyr does want to ensure that basic freedom of expression is protected, and I really do think that our caucus and yours agree on that. While I do understand that some of these aspects are already covered under this act, I think it's going to be important that we make this explicit, and I think that we can support each other in this proposal.

Thank you.

The Chair: Is there anyone on the phone that would like to be added to the speakers list?

Dr. Starke: Chair, I'm very much in favour of the intent of this. As Mr. Dang has mentioned, I think it's important that there be a clear indication that this type of political discourse through the course of social media is not restricted. But there are a word and a phrase that do concern me a little bit. I guess the first is "the sharing of political views" and then the phrase "of any kind."

I know what the intent is. I know the intent is to make it, you know, very clear that the political views that are expressed can express basically any opinion. But if it's specifically stated and explicitly states "of any kind," I am concerned a little bit that that does throw the door completely wide open and may – and I'm not a lawyer; don't get me wrong. I'm just concerned whether that creates a scenario whereby certain statements that would otherwise not be allowed to occur in public discourse would then be allowed because of the phrase "of any kind." So I am concerned by that.

The second one is with regard to "via free social media." Social media, in general, is a free platform, but we also know that certain aspects of social media can be promoted in certain ways by paying fees. I think that as long as the payment of those fees is part of what is tracked, as far as the expenses that get tracked, I'm not sure that there should necessarily be a restriction whereby that social media can only be used if it's in fact free.

Those are the two things that as I read this, which I think is otherwise a very reasonable suggestion, I wonder if we need to do some more delving into. You know, I certainly would accept some input from our legal counsel with regard to whether the phrase "of any kind" could potentially get us into some difficulty. I guess the second area is just some conversation with other committee members with regard to whether the word "free" is too restrictive and, in fact, makes it potentially interpretable that the social media that can be used has to only be social media that there's no payment for and that you're somehow offside if you decide to pay to promote a post or pay to promote a tweet or any other form of social media. I throw the floor open on those two issues.

The Chair: Mr. Koenig, did you want to go first?

Mr. Koenig: Sure. I can make a few brief comments. It may be useful for the committee to have Mr. Cyr maybe talk about that issue, "of any kind," and what the intent is in terms of what's to be captured within that. I think that might be a good place to sort of tackle that issue, if I could offer that suggestion.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. The fact is that we just want to make sure that we don't start to limit people's freedom of speech, and unless you're very clear what – the fact is that our freedom of speech trumps everything else. I personally think that there's a value in having it in here. I think that when we start to look at what people can say or can't say, that's an important one, that we don't start going down that road.

Also, the thing is that free social media – what happens is that as soon as you start to sponsor, you potentially become a third-party advertiser. I would say that in this case here – and I would love to hear the CEO's interpretation on that. We want to make sure that the people that are getting their opinions out using freedom of speech have the ability to do that without having any concern that the Alberta government can come in and start to dictate what's right or wrong. I would love to hear your thoughts on this and if there is something that you think would be a compromise.

The Chair: Mr. Resler.

Mr. Resler: Thank you. I want to agree. Freedom of speech, the Charter rights are prevalent here, and the legislation currently reflects that. As far as the sharing of political views of any kind, that currently exists.

Where we look at third parties and how they're regulated, they're regulated via a threshold. So unless a person or an individual or a group expends or intends to spend more than \$1,000, then they have to register as the third party. So that's your threshold. Anything under that – the setting up of a website falls under that, any social media in which you're personally engaged with – that's free social media in that sense. That's allowed. There are no restrictions. Even though there's a registration process and a disclosure process, there still is not a restriction on the freedom of speech. It's just a transparency aspect when the dollar value grows over \$1,000.

I do have some concerns as far as, you know, the same concerns with "of any kind," specifically looking at free social media. When we're looking at third parties, when you talk about free social media, they can spend hundreds of thousands of dollars on a slick ad or production and post it on free social media. Does that mean that's exempt from the third-party regulation, then?

10:30

You know, the courts have ruled as far as – I think currently the Supreme Court is looking at a case in B.C. talking about free speech. They don't have that threshold currently in their legislation. They're looking to impose a threshold of \$500. Our threshold is even higher. There's less infringement as far as Charter rights there. So I think our legislation does address this adequately and appropriately. It does state that freedom of speech is prevalent and allowed.

The Chair: Mr. Clark.

Mr. Clark: Thank you. Yeah. I want to pick up on that because I absolutely agree with the spirit of Mr. Cyr's motion in that freedom of speech is absolutely paramount and a cornerstone of our democracy. But when we get into the discussion of third parties, as Mr. Resler has said, and again with tremendous respect to Ms Renaud and the spirit behind agreeing to try to find some common ground on what should be something that we can all agree on, that being free speech, I wonder if this discussion is more appropriate within the context of the third-party advertising discussion. Once we've framed that, we can then decide either that we've addressed this issue or if we feel like we need to pass a motion to reinforce

our belief in freedom of speech, we can certainly do that. I think the two pieces, the “of any kind” and the “free social media,” are things that I think we need to dive deeper into. I wonder if we can put that into the remit of research services when we talk about third-party advertising.

Thank you.

Mr. Sucha: You know, I have to in many parts agree with the comments I’ve heard from Dr. Starke and from Mr. Clark in relation to the third-party advertisement piece because we’re now in a global market where things aren’t just solely built within our homes and advertised within our homes. Even recently with some of the comments that we’ve heard in relation to BitTorrent and piracy and how people set up operations and servers out of country to get around loopholes, around protection of these rights, to that extent, some of the questions that have been going through my mind relate to: what if a third party is spending money outside of the province or outside of the country or setting up these parties outside of the country? How do we regulate and enforce these sorts of things as well, too?

I stand behind the intent of the free speech element of this as well, too. We’ve seen how social media plays out. We saw that in Calgary in some of our mayoral elections as well. It’s an important factor now, that we play into. But there are a lot of sort of unanswered questions that we have here as well.

The Chair: Mr. Dang.

Mr. Dang: Thank you, Madam Chair. I think it’s important to recognize also that this motion does speak for individuals. It’s not speaking necessarily to some of the third parties that we’re raising some concerns about.

While I agree with some of the comments that Dr. Starke made here, I do have some questions when we’re talking about “via free.” I think in Dr. Starke’s case he’s thinking about paid platforms such as professional networking sites or whatnot whereas I think the intent of “via free” was to eliminate things like paid sponsorships or paid advertisements on social media platforms. On Facebook or Twitter, for example, you can pay to promote your post so that it appears at the top of people’s feeds. I think that’s the intent of what Mr. Cyr is getting at. He can correct me if I’m wrong. It’s to prevent those types of influences on the social media network that would then cause conflict with what we consider free or not, right? If you’re just registering for a site, that’s free, but if you’re paying to promote your content, that isn’t. Whereas if you’re registering for LinkedIn or whatever, then that changes the game again.

I think this is a very complex topic to talk about as we delve more into it. Maybe there might be more comments on what “free” may mean or whether we’re talking about individuals or third parties, et cetera, et cetera.

The Chair: Mr. Cyr, did you want to respond?

Mr. Cyr: Yes. I do think that Dr. Starke has made a good point about “political views of any kind,” and I’m willing to amend my motion to remove “of any kind” from the motion.

The Chair: Is there someone that would like to move that amendment? He cannot move his own amendment.

Mr. Koenig: Just a quick point of clarification: the member wouldn’t be able to amend his own motion, so another member of the committee would need to do that.

Dr. Starke: A question, Madam Chair, just back to the Chief Electoral Officer: did I hear you say earlier, though, that as it exists presently, that exact phrase “sharing of political views of any kind” is currently in the legislation? Is that currently part of the legislation?

Mr. Resler: That’s not currently in legislation. The legislation currently allows that. There is no restriction on the freedom of speech of individuals unless they spend more than \$1,000 dollars.

Dr. Starke: But the actual phrase “political views of any kind” does not appear currently?

Mr. Resler: No.

Dr. Starke: Well, given that, Madam Chair, I don’t see this actually as being a restriction in any way on freedom of speech, which I would not want. But I am troubled by the phrase “of any kind,” as to what that could throw us open to. So I would make an amendment to strike the words “of any kind” from the motion by Mr. Cyr, that was adjourned on July 27, so that it would then read: to make it clear that the sharing of political views via free social media is not prohibited during any election period for individuals.

The Chair: Dr. Starke, did you want all of that language in the amendment?

Dr. Starke: The only part of the amendment, I think, is just to simply strike the words “of any kind” from the motion by Mr. Cyr.

The Chair: Does the amendment on the screen there look like what your intent is?

Dr. Starke: Exactly. Correct. Thank you.

The Chair: Ms Rempel, would you mind reading that into the record, please?

Ms Rempel: Thank you, Madam Chair. Dr. Starke has moved that the motion be amended to remove the words “of any kind.”

The Chair: With that, I will open the floor for discussion.

Mr. Resler: Just a clarification for kind of my understanding. One point I want to make is that individuals can be third parties. A third party doesn’t mean it’s a group or an organization. They can be individuals.

With this motion, is the intention that if you expend more than \$1,000 sharing on free social media, as far as production of whatever is being posted, that that doesn’t fall under third-party advertising? Or are we talking two different issues?

The Chair: Currently we’re on the amendment.

Mr. Resler: Okay.

The Chair: Is there anyone that would like to speak to it? Mr. Nielsen.

Mr. Nielsen: Thank you, Madam Chair. Certainly, I want to agree with Dr. Starke. When I first saw the motion, I was a little bit concerned with regard to those three words “of any kind.” I mean, we’ve certainly seen in the very recent past here how some of the political discourse can sometimes get a little bit offside. We certainly don’t want to inhibit free speech, but at the same time we don’t want to let it, you know, run right out the door either. So I’m

certainly happy with this amendment, and I'd be willing to support this once the discussion is finished.

The Chair: Mr. Dang.

Mr. Dang: Thank you, Madam Chair. I agree with what the intent of this amendment I think is and what Mr. Nielsen just said. It's very important that we don't imply complacency in any way for things like hate speech or slander or libel. I think that this clarifies that by the removal of these words and that it makes the motion stronger as a whole.

Thank you.

The Chair: Is there anyone on the phone that would like to speak to the amendment?

Is there anyone else who would like to speak to the amendment?

10:40

Mr. Koenig: I'm happy just to make a few very brief comments on that last point that was brought forward. Any restrictions that would be placed on the freedom of expression generally – the example of hate speech was raised – I mean, those would still be in place. Any constitutional limit on somebody's freedom of expression would still be in place, so things that are criminal in nature, curtailments of what a person is permitted to express. Those would still be in place, just to provide the committee with clarity on how that would be applied. A person wouldn't be, you know, authorized to say anything they wished. There would still be limits on those kinds of expressions.

The Chair: Thank you.

With that, all those in favour of the amendment, say aye. Any opposed? On the phones? That amendment is carried.

We are back to the amended motion, then. Further discussion on the amended motion?

Mr. Cyr: I would like to hear your points again regarding your concerns with the free social media part.

Mr. Resler: I was just looking as far as clarification on the intent of this motion, whether that alleviates an individual from the requirement to register as a third party if what they're posting on free social media exceeds the \$1,000 threshold as a third-party advertisement.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. My intent in bringing up third parties was that there is a process in place if you start to advertise over the \$1,000. In this case here I'm more or less saying that if it's free and it's a political view, you should be able to share it. My intent isn't to change third-party rules in all of this. It's just stating that . . .

Mr. Resler: So if someone was to spend – and this has happened in the last election and different elections, and that's why I bring it forward. If you have the same advertisement that is shown on TV and significant money is spent to produce it – you have the appropriate authorizations, disclosure type of thing on that advertisement, you put it on a free social media, and then all of sudden it's free – then is there a cost associated, right? That's where the clarification is. You can have the exact same advertisement or view being put forward: one is in a paid manner and one is in a free manner as far as the posting of it.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I do know that that's always a concern, that the production part of this needs to be addressed, in my opinion. Again, I believe that this should be addressed in the third party, when we discuss that moving forward.

This one here is more or less targeting just that if you're an individual wanting to get your political view out there that you are not subjected to onerous rules in order to be able to get your point across to the public. More or less I'm just reinforcing that the individual should be able to speak out, but I would love to have that discussion further when we have the third-party discussions here.

Mr. Resler: Thank you.

The Chair: Mr. Clark.

Mr. Clark: Yeah. That's exactly where I was going to go as well because I think that, again, we all agree that freedom of speech is paramount. But the discussion, as Mr. Resler has said, is that when we talk about free social media, this motion as currently worded appears to create an unintended loophole.

The other question, I suppose, is: does this motion, in fact, address a problem that we currently have? I understand, I think, the importance of being very clear with Albertans that we are not restricting their freedom of speech as an individual to post an opinion on Twitter or Facebook or to stand on a street corner and yell it at the top of their lungs. I've seen it happen.

Dr. Starke: Is that the Alberta Party way?

Mr. Clark: It is not, no.

Dr. Starke: Just curious.

Mr. Clark: You take it as it comes. Yeah.

An Hon. Member: Voters want to know.

Mr. Clark: That's right. Exactly. One elector at a time.

You know, I guess if we were to pass this motion in its current form, I think it creates some challenges. I don't know, Mr. Cyr, if I heard that perhaps you would be willing to entertain a motion to adjourn. I'm not making that motion at this moment, but my personal feeling is that we ought to consider this question in the broader context of third-party advertising. I think that would be wise.

Mr. Cyr: I'd just like to call the vote, please.

The Chair: Is there more discussion on it?

Mr. Resler: Just one additional comment as far as the definition of political advertising. It does not include

the publication without charge of news, an editorial, an editorial comment, an interview, a column, a letter, a debate, a speech or commentary in a bona fide periodical publication, a radio or television program or a website or online discussion forum.

The definition of political advertising enables exactly what you're suggesting in this motion, so it complements what's being discussed here.

Dr. Swann: I move that we adjourn debate on this.

The Chair: Okay. All those in favour of adjourning the debate say aye. Any opposed? That motion is adjourned.

We are on next to Motion 9. Ms Rempel, would you mind reading that into the record, please.

Ms Rempel: Thank you, Madam Chair. The motion was:
Moved by Mr. Clark that the Select Special Ethics and Accountability Committee recommend that the Election Act and the Election Finances and Contributions Disclosure Act be consolidated and modernized.

The Chair: With that, I will open discussion. Member Loyola.

Loyola: Thank you, Madam Chair. I think that we mentioned at the last meeting that in principle we support this motion but wanted clarity on the implications of supporting the motion at this point in the committee's review. I just wanted to clarify that Elections Alberta has made a large number of recommendations, some which are purely administrative but others that are quite substantive. In supporting the intention of this motion, I don't want it to be confused that the committee would be inadvertently supporting all of the Elections Alberta recommendations at this time.

Again, there are some recommendations that are simply aligning the two acts, and I support those in principle, but we have not yet had the opportunity to review the Election Act, so although I do in principle support this motion, I want to make sure that this would not have any unforeseen consequences for the discussion we will be having regarding the Election Act.

I'd just like to open the discussion on it.

The Chair: Mr. Clark.

Mr. Clark: Thank you. Yeah. I think that's a fair comment. In making this motion, I was picking up on one of the recommendations of Elections Alberta, and the reason I made the motion in the form that I did was partly because that is the language that Elections Alberta used in their submission, but also it leaves, in my opinion, a fairly broad scope for the drafters of the legislation to choose what consolidation and modernization actually mean. This is intended to be a very broad motion, which is this committee saying, essentially: "We have two acts. We probably only need one. Let's figure out how we make that happen." That's not a very parliamentary way of saying it, but that's why I made the motion in the way that I have. In my opinion, anyway, the intent is to leave enough scope for the drafters to ensure that in consolidating and modernizing there are no unintended consequences. I'm not trying to handcuff; I'm trying to enable.

The Chair: Is there anyone on the phone that would like to be added to the speakers list?

Mr. Resler.

Mr. Resler: Thank you. I agree with that comment. The intention of the consolidation and modernization of the legislation covers the administrative aspects of the recommendations that I have submitted, so consistent definitions. A person is defined differently in the two different pieces of legislation. We're looking at language modernization or updating the terminology. For example, "depository on record" is a financial institution, so updating that language, using language that people understand. Not everyone understands what polling is or polling day; it's election day. Updating that, more enabling language, less prescriptive in that sense, and building in electronic communication into the legislation. When the legislation came to be, fax machines didn't exist, you know, and we've moved forward since then.

10:50

Mr. Clark: Good news. We don't need to change that.

Mr. Resler: Yeah. Exactly.

It's very prescriptive in a sense. Everything that you file with me as far as financial statements, registration forms: all that must require original signatures. We want to be able to provide web-enabled access so you can file information with our office online so there isn't a restriction as far as if you live in southern Alberta versus downtown Edmonton, where you can drive and drop it off in person or it's several days in order to provide it to us. So it's just updating that.

The modernization does not include changes in policy, and that's something that we want to bring forward in that case. Leah has a document that I have compiled as far as the recommendations. We have 55 recommendations. Of those that fall into the policy component, there are only about 9 that are actually policy decisions that haven't been dealt with already by the committee, so most of them fall under the administrative side.

The Chair: I'll just ask for that document, then, to be handed out to the table.

Mr. Resler: The document that's being distributed – some of those items, when you look at the middle column, are adjourned motions, so they're going to be dealt with as you move through your process. The balance of them are recommendations that we consider are policy decisions. I've also discussed them with Justice as far as what they would consider also to be policy decisions.

Examples. Deleting foundations and trusts as a preregistration process for political parties. So that's streamlining the administrative process; it's not something that's required. Leadership contests we touched on before as far as the surplus items. There's also the front end of it as far as contestants' deposits in that they don't become a fundraising arm for political parties. Quarterly reports we discussed previously, and we're looking at where someone fails to file quarterly reports, that they are a basis for deregistration.

As you can see, it's clarifying, really, the practice of the processes that are in place within our office.

The Chair: For those on the phone, what we're doing right now is that staff are scanning a copy of this, and it will be up on the internal committee website as soon as possible.

Is there further discussion on the motion?

Does anyone on the phone want to be added to the speakers list?
Dr. Koenig.

Mr. Koenig: Thank you. I'm not actually a doctor, but I appreciate it. They call it a juris doctorate, I think, now, a JD, but anyway you don't have to call me doctor.

For the benefit of the committee in terms of this motion my understanding is that in other jurisdictions they do have the content of what's in the Election Act and the content of what's in the Election Finances and Contributions Disclosure Act consolidated into one piece of legislation, so that aspect of this motion is fairly clear. The wording "and modernized," what exactly it includes, what would be covered in that in terms of what the Chief Electoral Officer is providing in terms of recommendations may be somewhat less clear, so it may be something that the committee wishes to consider, what exactly is being recommended as part of this motion, what is included in modernization. Something that may be worth considering.

The Chair: Member Loyola.

Loyola: Yes. Madam Chair, I think that I've made it quite clear. That would mean that as long as we're still going to be able to deliberate on the other matters, then I feel comfortable with

supporting this motion. I think that what I'm hearing around the room – correct me if I'm wrong – is that everyone is of the same mindset, that yes, we'll still be able to deliberate on these matters, but at the end of the day we would like to consolidate all this into one act. I'd like to test the room and hear from others if that's what is being understood. Yes? No?

The Chair: Okay. Is there any further discussion, then?

All in favour of the motion, say aye. Any opposed? On the phones? That motion is carried.

I think right now we'll take a 10-minute break and reconvene at six minutes after 11. Thank you.

[The committee adjourned from 10:56 a.m. to 11:09 a.m.]

The Chair: Thank you, everyone. I will call this meeting back to order.

The next motion that we will be looking at will be Motion 10. Ms Rempel, would you mind reading that into the record, please?

Ms Rempel: Thank you, Madam Chair. The motion is:

Moved by Mr. Cyr that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to allow a candidate who has been nominated by a registered party or is an independent candidate to complete and file all registration paperwork in advance of the issuance of the writ.

Loyola: Madam Chair?

The Chair: Mr. Loyola.

Loyola: From my understanding from a previous meeting, Elections Alberta stated that in principle this wouldn't really change anything, which is the common practice that we have right now in terms of the paperwork and how it's filed, but the registration wouldn't be official until the writ drops. This being my understanding, I want to respect Mr. Cyr's motion and his intent to make it more explicit. I just wanted to state that I support the motion, and I suggest that my colleagues support it as well.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you. The fact that it's already in practice, just not being done within guidelines, is always a concern, so I'm glad that you'd be willing to support this. I'm hoping we can move together and pass this motion.

Mr. Resler: I just wanted to comment. Part of the discussion earlier phrased it around the federal election, and that was enabled during that period. I looked at the federal legislation, and the nomination papers as far as the filing and the timing is similar to our legislation. The difference: what happened federally last time is that you had an 11-week election period, so it is definitely a longer election period. Part of that provided an additional timeline for candidates to submit that paperwork, and that enabled preplanning as far as administrative matters.

One key difference, federally to provincially, is that federally they have a fixed election date. You're able to do that preplanning. You're able to know the date that the election is. We have a period which it may fall in. If an election is held within that period, under the current legislation we do have a timeline, as far as February 1, in which the campaign period would commence. The election at a minimum would be the 28 days but could extend longer. So we are able to provide that preregistration process within the current definition. It would be better, obviously, if we had a fixed election date, as recommended.

This is a general motion, but a caution as far as if it is regulated: I am restricted to follow the legislation, so I may not have the flexibility if it's an early election call, if it's a by-election where those dates aren't known to provide that preregistration process. So it can restrain me even though the thought is that it will provide guidelines and be out there. Just to give you that concern.

The one thing in both processes, federally and provincially, is that the nomination papers are still provided by the returning officer, so we still have to wait until the nomination process to file it. But when we look at the election the last time, it was an early election call. I provided a preregistration process that was three weeks in advance of the call even though I didn't know when the election was going to be called, but I did try to enable that in order to accommodate the process because it's to our benefit also. We want to provide that financial registration, under the EFCDA, in advance as much as possible, provide you the opportunity so then when the nomination or the writ is dropped, you're able to immediately process your nomination papers.

I just wanted to make that comment.

The Chair: Is there anyone on the phone that would like to be added to the speakers list? Is there any further discussion on the motion?

Seeing none, all in favour of the motion, say aye. Any opposed? On the phones? That motion is carried.

I believe that at this time there was agreement to discuss third-party research direction. Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. I guess I'd just like to start off maybe with just a few questions to kind of get the discussion flowing. I guess if I could ask our folks from Elections Alberta first. Third parties that have spent or plan to spend \$1,000 on election advertising must report annually between elections if they receive election advertising contributions or incur election advertising expenses outside the campaign period. I do believe this was the discussion that we had the last time. Is this correct?

11:15

Mr. Resler: I wasn't at the meeting, the original meeting, in which you discussed the third parties. But you want to ensure as far as clarity that third parties are only required to advertise, as you said, the intent to or if they do spend \$1,000 or more during the election period. So if your intention is to advertise before then, there's no requirement to register; there's no requirement for transparency. You can advertise as much as you want without limitations. As soon as the writ is issued, then you're required to register. If your intention is to spend those funds at that point in time, so between the election period, there are no requirements either. They're not considered a third party that's required to register. It's only if it's during that election period.

Mr. Nielsen: Okay. Great. Thank you.

I must say that I've been watching with interest a sort of similar review process that I think is currently happening in Ontario. There the Chief Electoral Officer has made an interesting proposal with regard to third-party advertising, arguing that there needs to be a relation between elections of third-party advertisers, not in terms of contribution or spending limits but disclosure of both spending and contributions. I was thinking around my original motion. We've discussed to some extent what has already been implemented. I think during his testimony – I believe it was on August 11 – at the all-party committee examining reforms in Ontario he recommended, if I can quote, and I'm just referring to my notes here:

Between elections, issue advertising should not be regulated. However, if an interest group sponsors advertising between

elections that specifically promotes or attacks the next election of a party or leader, the group should be required to report on their contributions and spending.

In fact, he goes on to suggest that there is a need for two different types of advertising to be regulated, one called political advertising, that would be reported on between elections, and the other would be election advertising, that would be regulated during the election period itself, including spending and potential contribution limits.

I'm just wondering if you folks there at Elections Alberta have followed these proposals and have any thoughts on these proposals. How would you think this would impact your opinion on freedom of expression?

Mr. Resler: Thank you. I guess to start off with, I think we can agree that third parties have the right to participate in the democratic process. The Charter ensures individuals and groups the freedom of opinion and expression, but the courts have also ruled that reasonable restrictions can exist to preserve the equality of their democratic rights and to ensure the participation of the person or group does not hinder their communication opportunities. Dr. Starke commented earlier today as far as looking to our neighbours in the south and seeing how these third parties can influence elections and their unregulated, unlimited amounts of money.

In Canada third parties haven't been a significant factor. It has started as far as federally and in Ontario, where there have been concerns. When we look at the dollars that are spent in Ontario by third parties, the amount increased from \$1.8 million in 2007 to over \$8 million in the 2014 election, but it should be noted that Ontario currently does not have any spending or contribution limits. When we contrast that with the legislation in Alberta, we have contribution limits that are the same as the political parties. As a result, we haven't seen the imbalance in the advertising that you've seen in Ontario. Total dollars spent in the 2015 provincial general election were only \$62,000 by third parties.

This doesn't mean I don't have concerns. I hope that the committee looks at maintaining the integrity of the electoral process in finding the correct balance with the legislation and the Charter rights. Our recommendations are slightly different than Ontario, where we're looking to prohibit contributions for corporations and trade unions. We want to treat third parties the same as political entities. The prohibition as far as Bill 1 to apply also to third parties: we want them to receive contributions only from persons ordinarily resident in Alberta.

The registration and disclosure process would continue as it currently exists. We'd also maintain the \$1,000 threshold. It's also a recommendation, and that's to ensure the freedom of speech for the individuals and not to be an administrative burden either.

Advertising between elections. I agree with Mr. Essensa, the CEO of Ontario. When we look at the fixed election date as far as a proposal and that fixed period if it currently exists, money exists that's out there for political purposes. If you're going to restrict at the political level as far as the parties, constituencies, candidates, that money will be funnelled to third parties if we don't have similar restrictions there, and it will create an unlevel playing field. There's a risk that they'll convey that message and that it'll influence the outcome of the election.

I would also recommend that the regulation of third parties between the elections would not apply as far as issue advertising. That would be restricted to political advertising with the purpose of promoting or opposing a registered political party or the election of a candidate. It's very specific in that sense. It's not restricting the freedom of speech, but it's requiring a registration and disclosure of these third parties when it is directly related to political advertising. I feel that – and we've had discussions with our counsel

on this – that will not impact as far as any Charter rights. The restrictions as far as what would be considered minimal impairment as far as the Charter rights with the courts have allowed would still exist during the election period.

Where our recommendations are different: instead of having spending caps on third parties, because that's where the courts have ruled against – I think the BC Teachers' Federation was looking at a 60-day period prior to the election period, so extending when the prohibition or the restraints would exist. That was dismissed by the courts. So you have to watch as far as what you're impairing. For them there were limits as far as spending. We weren't recommending spending limits. We were recommending contribution limits being reduced and who is able to contribute. So you're controlling it from a different direction, but you're not impairing freedom of expression because they're able to express without restraint.

Then, because of the other limits, also looking at – and Mr. Essensa also mentioned that in his recommendations in Ontario – anticollusion provisions. Again, because we have the restraints as far as the political entities, they aren't setting up, whether it's a party candidate, friends of, or political aides type of thing, third party entities, political action committees, that type of thing, and funnelling the money through that part and really having both entities, the third party and the political organization, spending in those and, really, a collusion. We're looking at a deeming rule that specifically addresses the third party's use of former political staff or party officials that are involved with third-party advertisers.

Mr. Nielsen: Thank you so much for that. You know, I think you probably hit the nail right on the head there. We want to try to find that balance, which I think probably everybody in this committee is looking for, certainly, having your chance to have your say but ensuring that there is disclosure in terms of where that backing is coming from.

I don't want to take up all the airspace, so I'll pass it to my colleagues.

The Chair: Mr. Clark.

11:25

Mr. Clark: Thank you very much. A couple of points. As principles transparency and reporting, I think, in and of themselves do not impede free speech. As we move into this new world of third parties, I agree with much of what our friends from Elections Alberta have said, in particular about limiting contributions only to Alberta residents. I think that's very important. I don't think we want to see forces from outside of Alberta influencing Alberta politics and Alberta elections.

You know, I'd be interested in similar disclosure rules for third-party advertisers as to what we see from political parties. I think it could be challenging to limit those contributions or limit what it is that they're allowed to say but similar disclosure rules that span the entire election cycle, that aren't just related specifically to election advertising. I think that it's very tempting to see spending move out of political parties because there's a tremendous amount of rigour, and now we're going to have spending limits and donation limits, and we've already limited corporate and union donations. I think that we need to be very mindful of what the knock-on effect of that would be.

I did just want to ask Mr. Nielsen. There was some interesting language in your review of the process that Ontario is going through. It was wording something along the lines of: promotes or attack a political party or leader. I think that was some of the wording in there. What I am interested in is that that is actually quite

a narrow definition. There's a difference between going after party X and saying, "I don't like you; I don't like your leader," and going after government policy. There's perhaps a grey area there. I'd just be interested, if you wouldn't mind, please, to just read that again because that's something I want to reflect on. Of course, fair comment on government policy is one thing, but government policy and the party that is in power are two interlinked things. I'd just be interested to hear that language again so that I can then take that away and do a bit of thinking and research on my own on that.

Mr. Nielsen: Yeah. For sure. You know, just to reiterate, I'm quoting Ontario's CEO. Again, it was on August 11, 2016.

Between elections, issue advertising should not be regulated. However, if an interest group sponsors advertising between elections that specifically promotes or attacks the next election of a party or leader, the group should be required to report on their contributions and spending.

Dr. Swann: Back to Mr. Resler if I could. I was a bit confused by your comments earlier about spending limits for third parties. As I understand it, you said \$1,000 per year.

Mr. Resler: For registration purposes.

Dr. Swann: For registration purposes. This does not, then, include the costs of the advertising per se?

Mr. Resler: If they expend any funds in excess or intend to spend in excess of \$1,000, they're required to register and then report their contributors.

Dr. Swann: And did I also hear you say, then, that you wanted to put more limits on contributions to third parties rather than on spending limits of third parties?

Mr. Resler: Contribution limits currently exist. The limit is \$30,000 per contributor. My recommendation would mirror what the limit is for a party.

Dr. Swann: I'm still confused.

Mr. Resler: So if the contribution limit is reduced to \$4,000 in the year, that same contribution limit would exist for third parties, from contributors or individuals that are contributing to that third party.

Dr. Swann: In a calendar year.

Mr. Resler: Yes. However, it's defined by the political party. But, yes, to mirror that legislation. It levels the playing field as far as influence within the election period.

Dr. Swann: So a particular third party could receive all kinds of money from many different sources up to \$4,000 with no spending limit under these regulations, but they would have to register specifically . . .

Mr. Resler: Register, report, and disclose their contributors. Yes.

Dr. Swann: So it's quite a departure from the \$1,000 limit we have currently.

Mr. Resler: No. The \$1,000 limit: that's just for registration. That continues.

Dr. Swann: Oh, I see.

Mr. Resler: That currently exists and would continue to exist as far as the registration process. The recommendation would lower the

contribution limit to what is being proposed or what is passed here for political parties and then a restriction as far as no corporate or union contributions. So it would just be from an individual resident in Alberta.

Dr. Swann: Thank you for the clarity.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much. What I'm struggling with – and, again, I'm going to take this away and do some thought and reflection on my own – is that there's a very grey area between issue advertising and fair comment on government policy or just public discourse. It comes back to a similar discussion around the social media conversation that we were having previously. I guess: do you have a definition or do you have some thoughts on what those lines are? What is the difference between a group putting together a campaign to advocate for a particular policy position or against a particular policy position that may be very clearly associated with the government or very clearly associated with an opposition party yet not crossing the line into saying specifically, "And therefore you ought to vote for party X"? It just is raising awareness about a particular issue. In your opinion, is that something that ought to fall into the third-party advertising guidelines? Is it something that ought to fall outside of that? Is there any way that you can succinctly define what those two things are and what it looks like?

Mr. Resler: It's difficult, and it's difficult to enforce, and that's why outside of the election period the recommendation is to remove issue advertising. Also, you know, you have organizations; say, the Alberta Teachers' Association. They're advocates for the education system in Alberta. They may advocate for classroom size, that classroom size should be restricted to 25 children, and they're advertising prior to an election and promoting quality education in Alberta. A political party then issues a platform in which it states that classroom size should be 30 children. All of a sudden what they're advocating becomes political advertising because of the issue that they're promoting and the comparison to a platform of a political party. They're not in a breach to begin with. As soon as that platform comes out, they're in breach of what their political advertising is required to register and disclose.

Outside of an election period I think that issue advertising is not required or shouldn't be required as part of the legislation and be really restricted as far as promoting or opposing a political party or a candidate.

Issue advertising during the election period: when we look at it, when we get complaints on issue advertising, we're looking at the political party platforms. What does every party have out there? Is it an issue that relates to the parties, or is it a government issue? If it's related to a government policy and that, that doesn't fall under political advertising. It's not simple; it's not clear. Each item is looked at individually. It's pretty hard to pinpoint and to find that.

The Chair: Member Connolly.

Connolly: Thank you very much. Madam Chair. While we're discussing this, I just want to test the will of the committee. I understand that many of us around the table are interested in different ways to better regulate third-party advertising here in Alberta. There are a few other adjourned motions that we are meant to deal with later today or tomorrow on third-party advertising, and in order for the committee to make informed decisions, I think it would be helpful to get further research on these, which could take some time for our research staff to put together.

However, I am referring to Mr. van Dijken's motion in terms of union and corporate contributions to third parties and on lowering their contribution limits. First, I was wondering: in terms of contributions to third-party advertisers, could Elections Alberta please refresh the committee's knowledge on how the current regime works – who can contribute, how much – and on any other issues as to how you as Elections Alberta monitor third-party advertising contributions in Alberta?

11:35

Mr. Resler: Well, the current process as far as third parties: as stated, they're required to register if they spend or intend to spend over \$1,000 during the election period. Once they're registered, any contributions that are received are disclosed on a reporting basis. Six months after the election they report to us, and then they have to report annually any additional contributions. For most of the current third parties there are no returns that are filed on an annual basis, so the activity would occur during the election period.

Did I answer all your questions? I'm not sure now.

Connolly: Yeah, I think so. I have a couple more if I can.

Mr. Resler: Yeah. Currently the limits are \$30,000 per contribution. There are no restrictions as far as who can contribute. It can come from corporations, individuals, trade unions, employee organizations.

Connolly: Right. Thank you very much.

In particular, I have questions about the banning of corporate and union contributions. I wanted to first thank the member for bringing this forward. I think it is clear that we are all interested in ensuring that third-party advertising is effectively regulated and is transparent to Albertans.

Once more to Elections Alberta: I understand that you are proposing that third parties be treated as regulated entities and thus, in effect, banning contributions from corporations and unions to third-party advertisers, which is essentially what the member opposite is proposing with his motion. Two quick questions: do you have any concerns regarding impacts on freedom of expression if these contributions are banned, and how are you proposing to mitigate these impacts on freedom of expression?

Mr. Resler: We feel that, yes, there is an impact, absolutely, but it is an infringement that minimally impairs the right to have freedom of expression. From the court cases that have already preceded this, we feel that it's to ensure the promotion of fair elections. Third-party advertising limitation is during the election campaign, and that promotes the opportunity for as many people as possible to speak and be heard and to make informed decisions on how to vote so that one voice doesn't overpower everyone else.

Connolly: Right. Thanks.

I have more questions, but there are other people.

Mr. Cyr: This is all very important to discuss. I guess my concern here is that we're actually not dealing with any motions. We're asking for reviews to be done, and we'll probably be asking all of these same questions once those reviews are completed. I heard that we were going to put the third-party discussions off. I'm not sure why we're not dealing with some of the outstanding motions that are on the table that we can deal with still.

The Chair: There was discussion and agreement this morning discussing what the research to be put forward to our Parliamentary Counsel would be, so that's what we're dealing with right now.

Mr. Cyr: Okay. Right now Member Connolly is getting information from the CEO to work out what reviews he wants completed by research. I'm just trying to get from A to where we're going. If we're going to have the same discussion later on, I would like to move that discussion forward to the other day and continue on with some of these motions that are still outstanding.

The Chair: I believe that in the interests of giving Parliamentary Counsel time to be able to come back with that research, that's why the members were trying to get those research requests together today.

Mr. Cyr: Okay. What research requests do we have so far? What have we come up with for requests for research? It's just that we've had a lot of these same questions answered several times now. Trust me, I feel that there's value in hearing these answers, but it's just that I'd like to see some sort of direction.

The Chair: Mr. Nielsen, were you on the speakers list?

Mr. Nielsen: Yes, Madam Chair. I certainly understand where you're coming from. You know, I think that before I'm firm on what I want to request, I certainly want to ask a couple of questions, make sure I know what I'm going to be asking the research staff to go back and do the research on. I certainly don't want to speak for anybody, but I think that sometimes you ask a few questions to make sure you know what you're about to ask of the legislative staff rather than just tell them to go and research something for the sake of researching. I do have eventual requests.

The Chair: Okay. Member Connolly.

Connolly: Thanks. Yeah, I would just want to reiterate what Mr. Nielsen said. I want to get a little bit more background and then ask for a request so it's not as generalized as it could be, if that's all right.

The Chair: Go ahead.

Connolly: Thanks. I just have a couple more questions. Back to the Chief Electoral Officer, the CEO: you specifically argue in your recommendations that anybody can be a third party, which would limit the impact of freedom of expression. This includes persons or groups. How would you argue that this would mitigate any impacts on freedom of expression issues that could be raised with the proposed change?

Mr. Resler: With the proposed change the freedom of association still exists. They're able to associate, form the third parties. Most of what exists under our legislation is the transparency as far as the registration and disclosure of who contributors are. That doesn't change. That doesn't impair their freedoms. The minimal infringement is during the election period, during that 28-day period. The courts have shown that there is support for that infringement, so I do not believe that it would change what currently exists.

Connolly: Right. Thanks.

You recommend amending the definition of a group, meaning a "group of persons or corporations acting in consort for a common purpose and includes an individual not ordinarily resident in Alberta, a corporation and an unincorporated association or organization." Why are you recommending this change now? Is this connected to the proposed changes in this motion and your recommendation to treat third parties like regulated entities?

Mr. Resler: Do you have the specific recommendation number on that one?

Connolly: I don't at the moment, unfortunately.

Mr. Resler: As far as clarifying the definition as far as who a group is or defining what a third party is, third-party legislation just came into effect after, I think, January 2013, so the 2015 election was really the first test of the third-party advertising legislation. What we're proposing in some of these recommendations is based on experiences that we had during the last election, difficulties that we've had as far as the enforcement part of it. One of the recommendations that we're looking at is that we're not able to enforce or prosecute a third party if they fail to register because there was a miss in the legislation itself. These are just items that we've learned through the last general election and clarifying items in order to ensure that we're able to enforce the legislation's intention as it exists.

11:45

Connolly: Okay. Thanks. Actually, I've just found it; it's number 47.

Mr. Resler: Forty-seven?

Connolly: Yeah. Just once again quickly, if corporations can themselves be a third party, could a business possibly run ads or could they donate money to an umbrella organization or group?

Mr. Resler: With the change as far as from individuals only, no, the business couldn't. The business owner could as an individual.

Connolly: Right. What about existing umbrella groups like labour federations or the chambers?

Mr. Resler: Those groups have membership, so then it's the membership. You can set up a group as far as the entity, but as far as where those contributions come from, they would have to come from the members themselves.

Connolly: Great. Thanks.

I understand that Nova Scotia also only allows individuals to contribute to third parties. Have you looked at how that province has balanced the right to freedom of expression and regulating third parties? Has this been challenged or tested in the courts yet?

Mr. Resler: I don't believe that it's been tested in the courts in Nova Scotia, or there haven't been any challenges in that sense. Third-party advertising is a very priority item in all jurisdictions across Canada. It's something that we all watch closely both here and in the U.S., and we have discussions on a regular basis on it. So, yes, we have discussed it. We've asked what works, what doesn't work. The conversation that Ontario is having currently with the legislative process and here today, too: I think we're moving forward to try to mitigate any concerns that may arise in the future.

Connolly: Great. Thank you very much, Mr. Resler.

At this time I would like to request that either Elections Alberta or our fantastic research staff do some further research into whether this proposal would be open to a constitutional challenge.

Mr. Resler: Any proposal would be open to a constitutional challenge.

Connolly: Right.

Mr. Resler: I can answer that right now.

Connolly: Yes. The likelihood that it would succeed as well.

Mr. Koenig: Certainly, a legal opinion could be provided just in terms of any precedent that has been, you know, provided by the courts to date on this issue in other jurisdictions as well as some advice or comment on what a possible decision might look like here in Alberta. Indeed, that's possible.

Connolly: Right. Yeah. We'd be looking for them in case law or freedom of expression.

Mr. Koenig: Yup. Thanks.

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. I guess with the permission of the committee, as long as there are no other further questions before I make my request of research – like I said, I don't want to necessarily stop anybody from bringing up any other points.

The Chair: Go ahead.

Mr. Nielsen: Okay. I was wondering if research services or Elections Alberta – I guess it doesn't really matter – could research a little more on the proposals with regard to the recommendations from the Chief Electoral Officer from Ontario, bring them back to the committee, but in particular if we could get our research staff to draft a summary of what the Chief Electoral Officer is proposing. Maybe have someone reach out to their office, ask what they're proposing to ensure that the recommendation would not adversely impact freedom of expression or be open to a constitutional challenge. But I would also like to see, you know, some summary case law in terms of the limitations of freedom of expression or freedom of speech – you know, have the courts referred to disclosure? – and all their rulings on balancing freedom of expression and the need to regulate third-party spending.

Mr. Koenig: If I might just clarify to ensure that the requests are clear. It sounds like there are two separate requests. One is in terms of restrictions placed on third parties, any case law that's been provided to date in other jurisdictions, you know, precedents that may be applicable in Alberta, and advice or recommendations on how such restrictions might be dealt with in this jurisdiction. The second request, then, relates to recommendations that have come forward from the CEO in Ontario with respect specifically to third parties and summarizing those comments for the committee's future consideration.

Mr. Nielsen: That is correct.

Madam Chair, I guess with that, we should give our folks some time to put that all together. As Dr. Starke said, I think we need to have that information in order to try and make any informed decisions.

The Chair: Dr. Starke, I know that you had brought forward a number of concerns this morning when you were talking about research that you would like to see, so I'm just wondering if there is further research that you would like to suggest.

Dr. Starke: Well, I think, you know, the initial parameters that Mr. Nielsen has laid out are certainly questions that we would like research to take a look at. I guess other areas that I would suggest in terms of broadening the scope of what we're talking about – there are really three, I'm going to say, distinct periods of time during

which advertising or we'll call it lobbying efforts or public information efforts, whatever you want to call it, by third parties falls into. I would suggest that those are the actual writ period, which we already have some specific regulations around. I'm going to call it the prewrit period, or the period leading up to an election, which is somewhat variable, but I think we can safely say that in the calendar year leading up to an anticipated election date we could anticipate there would be some ramping up of that sort of activity. Then there would be the interim period, the period between elections.

I don't think it's unreasonable to look at whether it's feasible or even possible to adopt regulations that apply to each of those three timings within the electoral cycle. Again, we come back to this again and again. It's about striking a balance between allowing for the freedom of expression for individuals and groups within our province to set forward and set out specific positions yet at the same time not having a situation whereby the restrictions we place specifically on candidates and political parties put them at a disadvantage to other bodies, other entities from putting forward their views on a specific issue.

Like I say, and in, I think, the example that the Chief Electoral Officer put forward, for example, at any time a group like the Alberta Teachers' Association should be able to freely put forward a position statement with regard to if they want to make a statement on, for example, class sizes. Absolutely, they should be able to do that freely and not be restricted from doing that. Again, how that then changes during those three time periods is important.

The other area, though, that we haven't really talked about very much – and I do think it's something I would need some more information on, and I would like to know a lot more about how it's affecting things in the U.S. situation and to what extent it is already moving into the Canadian sphere – is the whole field of political action committees, or super PACs or whatever you want to call them. I mean, clearly we've talked a lot in this committee about being concerned about the potential influence of large sums of money on the political process.

It would seem to me that it is a bit of a head-in-the-sand attitude to spend a lot of time and effort on the minutiae of what the appropriate levels of contribution limits, spending limits, and all the other stuff are as it applies to political parties and political candidates and to completely ignore the super PACs and the influence that they can have. So I think it's important that we at the very least have some discussion and be aware of what other jurisdictions have experienced, and then we as a committee can make the decision as to whether we want to delve into the, you know, somewhat uncharted waters of regulating these entities or if we want for now, at least, even with the information we're provided, to decide that we do not recommend that these entities be regulated or restricted in any way. But at the very least I think it behooves us as members of the committee, if we're going to be complete and thorough in the work that we're doing, that we at least look at these entities.

The Chair: Okay. Thank you.

Yes. Dr. Massolin.

11:55

Dr. Massolin: Thank you, Madam Chair. Just to be clear, I think I understand the research on the second of your two requests there about the super PACs and the effects on the process. The first one, just so I am absolutely clear as to what the request is, are you asking for crossjurisdictional sort of information on what regulations are in other jurisdictions with respect to those three periods: the prewrit,

so called; the writ period; and the interelection period, if I can call it that?

Dr. Starke: That's correct. I mean, crossjurisdictional but also, to a certain extent: what's even the feasibility of designating those three periods? Is that even something that's reasonable? I mean, the writ period is very clearly defined – we know exactly what it is – and, I guess, all the rest of the time is the nonwrit period. But, you know, realistically speaking, I think we can all understand that, let's say, the four- to six-month period leading into the writ period itself can be a time of considerable political activism and activity, and perhaps it has to be dealt with in a way that is slightly different from the – add them up – remaining 34 months of the election cycle.

Mr. Koenig: What I might offer to the committee, if it's helpful, is to incorporate some comments specifically on these issues within the case law summary and discussion of precedent because while I don't want to get ahead of myself with, you know, what that case law will say, I would suggest that it's probably likely that those are areas that the courts are increasingly commenting on because there are changes to legislation requiring certain restrictions or prohibitions outside of that writ period. So there may in fact be commentary from the courts in Canada on that point. If it is satisfactory to the committee, I'm happy to make that clear in the research that's brought back in terms of case law and precedent, what the direction from the courts has been on this, on how to treat these different periods in terms of writ period, prior to writ period, and interim between elections.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I'm not sure if it answers this or not, but do we have definitions for what political activism means and advertising?

Mr. Resler: Political advertising is defined in section 44.1(g).

Mr. Cyr: Is our definition similar to other jurisdictions?

Mr. Resler: It would be similar, yes.

Mr. Cyr: Very similar. Okay. Thank you.

The Chair: Is there anything further on research for third-party advertising?

With that, I will call lunch, and we will reconvene at 1 o'clock. Thank you.

[The committee adjourned from 11:58 a.m. to 1 p.m.]

The Chair: All right. Thank you, everyone. We will reconvene the meeting, then, for this afternoon.

Going back to the top, Motion 1. Ms Rempel, would you mind reading that into the record for the committee, please?

Mr. Cyr: Madam Chair, I just have a quick question on Motion 9, that Mr. Clark had put forward. I believe there's a little confusion. Did we pass all of the EFCDA recommendations that were handed out along with this motion, or are those going to be discussed at a later date?

The Chair: Mr. Resler, could you clarify?

Mr. Resler: No, they did not address those motions listed on there.

Mr. Cyr: Okay. So we still need to address those at a later date?

Mr. Resler: It is hoped, yes.

Mr. Cyr: Okay. I wasn't clear what "modernized" meant.

Mr. Resler: Everything, with the exception of those. The recommendations as far as changing definitions, updating the language, terminologies: that is considered modernization.

Mr. Cyr: So these are policy changes?

Mr. Resler: Those are policy changes.

Mr. Cyr: That we need to hopefully address later.

Mr. Resler: Yes, please.

Mr. Cyr: But the other ones were mechanical in nature.

Mr. Resler: Administrative, yes.

Mr. Cyr: Thank you. That was very helpful.

The Chair: Okay. Thank you.
Ms Rempel.

Ms Rempel: Sorry. This is Motion 1?

The Chair: Motion 1. Yes, please.

Ms Rempel: Thank you, Madam Chair. Members may recall that we were at the point of having a subamendment moved on this motion, so I'll begin by reading the motion, followed by the amendment that was moved, followed by the subamendment. The original motion by Mr. Nielsen was that

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act reduce the contribution limit to \$4,000 per calendar year and be indexed to inflation with no variation during the campaign period.

An amendment was moved by Mr. van Dijken that

the motion be amended by adding the words "for registered parties" after "\$4,000" and by adding "and to include an additional contribution limit of \$2,000 per constituency association with an aggregate amount of \$4,000 for constituency associations" and adding the following after "campaign period": "and further allow an additional contribution limit during the campaign period of \$2,000 per candidate with an aggregate maximum of \$4,000 for candidates."

A subamendment was moved by Mr. Clark that the proposed amendment be amended

to strike the words "and to include an additional contribution limit of \$2,000 per constituency association with an aggregate amount of \$4,000 for constituency associations" and replace those words with "and to include a contribution limit of \$1,000 per constituency association to a maximum of \$3,000 in the aggregate."

The Chair: With that, I will open up discussion on the subamendment. Mr. Clark.

Mr. Clark: Thank you very much, Madam Chair. Just to pick up where we left off, the intention here through my motion is to create two buckets of funding, as it currently exists, where parties are able to raise a certain amount of money – it's limited in this case to \$4,000, which I can certainly support – but also that constituency associations then have access to a separate pool of funding, for many of the reasons I enumerated previously. Constituency associations are almost exclusively run by volunteers and do a lot of individual fundraising in their own right.

Also, the administrative overhead of comparing which contributions have gone to constituencies and whether or not that would therefore exceed an individual donor's \$4,000 limit, that has perhaps gone to the party, I think adds undue burden on the volunteers that run political parties and constrains constituency associations and parties in a way that isn't helpful. Frankly, I don't think it solves the problem that this committee seeks to solve. It doesn't do anything to, quote, unquote, get big money out of politics because we're not talking about big money. We're talking about true, genuine grassroots support. I don't believe this creates any sort of loophole for people to unduly influence the electoral process.

One point I would like to make – and thank you to Drs. Amato and Massolin for identifying this potential challenge with wording. In the words "include a contribution limit" the word "include" could be sticky. I want to be careful on what I intend by that. In fact, I think Mr. van Dijken's wording "and further allow an additional contribution limit" is really more what I'm driving at. I think the wording I chose in my subamendment was perhaps not quite as accurate as I might like. Procedurally I'm not quite sure what we can do about it, but I guess I want to just emphasize the intent behind this subamendment is to allow for constituency associations to have access to a separate pool of donations, as was Mr. van Dijken's intent as well.

I don't believe there's merit in raising the limit to a \$2,000 maximum for a constituency association from the current \$1,000 limit. I think that is an appropriate limit. And reducing that total aggregate to \$3,000 from \$5,000 I would hope addresses any concerns that this creates some sort of loophole that donors of financial means may be able to exploit.

I guess my final point here is that I would ask that if there are members of the committee who disagree that we need two different buckets of funding, if they can provide us with data that would show that this is a means by which individual donors have in fact contributed substantially more than would otherwise have been intended. If so, how many? If they believe that has in the past been an issue, if they can show us some data to show that, in fact, that is a problem. I personally don't believe it is.

With that, I would welcome comments from my colleagues on the committee. Thank you, Madam Chair.

Mr. Nixon: Madam Chair, can I be put on the speakers list?

The Chair: Yes. Thank you.
Dr. Starke.

Dr. Starke: Well, thank you, Madam Chair. You know, fundamentally we're looking at two questions here. Then after that, if we decide or land on, you know, what the answer to those questions are, then we are, shall we say, bargaining over what the right numbers are and going a little bit back and forth.

I guess the first question that is fundamental to this discussion is whether there should be two separate streams or buckets or whatever term you want to use for the central provincial party and for constituency associations, and I'm going to argue very strongly that there does need to be separation of those two. I think what that does is that it respects a party's structure, that includes both a provincial party as well as constituency associations. To structure it in a different way, in my view, does not acknowledge and provide for the fact that different parties organize themselves in different ways. The party that I happen to represent includes constituency associations across the province as well as a central party, and to have only a single limit, as is being proposed, does not acknowledge that and makes it, in fact, I would suggest, difficult for individual

constituency associations to fund raise apart from the provincial central party if you wish. I think that's the first question.

I think it's extremely important that we have one limit for contributions to the provincial party and then a second limit for constituency associations. Our current limit for constituency associations of \$1,000 per year is one that I'm comfortable with. Then the question becomes: should we have it for five separate constituency associations, as is provided in the legislation now, or whether that should be reduced to a smaller number. Now, Mr. Clark has suggested, instead of \$5,000, to make it \$3,000. I guess I'd be okay with that. I'm not sure that's necessarily the right number.

1:10

I guess the part of Mr. Clark's subamendment that I am concerned with, though, is that he is eliminating the provision that would allow for, if you wish, a top-up or a doubling of the contribution limit during the writ period. I think that – and I made this point when we previously discussed this – during the writ period the costs and expenses of running either a political party or indeed a constituency association continue. If you don't have provision whereby there can be contribution to continue the operation of especially the provincial party but also constituency associations for at least the period of not just the writ but the period of time where fundraising is being done on behalf of the candidate or on behalf of the party, during that period of time, it can be a difficult time to also have the necessary funding flowing into the party or to the constituency association. That indeed is why there is a provision – that's the rationale behind the doubling of the funding during the writ period, or during the campaign period.

I'm inclined to support in principle Mr. Clark's subamendment. I'm fine with the notion of the \$1,000 per constituency to a maximum of \$3,000 in the aggregate; in other words, for support up to – well, I guess it could be more than three constituencies, but the maximum would be \$1,000 per constituency. If that is then passed, I would go back and return to a suggestion that there be provision for higher limits during the campaign period.

Dr. Swann: Mr. Resler, what is the relationship, if any, allowed between the constituency funds and the central party funds? Are these indeed quite separate and not allowed to be shared? Under what circumstances does the money flow from the central party to the constituencies or vice versa?

Mr. Resler: Currently you have the contribution limits for each entity, whether it be the party, constituency, or candidate. Those limits are reported by each of those entities. You also have the capacity within the party for those three entities to share or transfer funds between them, and there are no restrictions on those transfers.

Dr. Swann: Thank you.

The Chair: I have Mr. Nixon on the phone.

Mr. Nixon: Thanks, Madam Chair. I would echo some of the things that have already been said. From my perspective and I think from most of my colleagues' perspectives, two pots are critical for the way that our party runs. We recognize that maybe the government members' party runs a little bit different, and that's fine, but certainly there is a history and a structure within political parties within our province that run this way.

Let's be very clear that the simple fact is that party headquarters are not going to be able to keep track of donations that are coming into constituency associations anywhere near real time. The fact is that we've also now eliminated quarterly reporting, which is going

to complicate that process a little more. These constituency associations are being run by volunteers, and we want to get people at the grassroots level involved in politics. I've just heard members from all sides of the aisle say that. I would submit that putting forward more restrictions in this way is going to complicate matters. It's going to make it tremendously more difficult for volunteers who are trying to be involved in politics at the constituency level.

I also would like to point out for the record that if the main goal is to get big dollars out of politics, something that it sounds like all members of this committee support, this actually is increasing how much a constituency association could get. You know, in an average cycle now, with this \$4,000 number, you'd be able to get about \$16,000 between an election cycle off one donor whereas before for a constituency association would only be able to get \$4,000.

I echo Dr. Starke's comments that maybe we need to discuss some of the numbers and whether we're going to reduce the doubling up and how many constituencies can be donated to in a cycle, but certainly we adamantly believe that we need two pots.

The Chair: Thank you.

Mr. Clark.

Mr. Clark: Thank you very much. I just want to make a couple of points to address Dr. Starke's comments. My subamendment to Mr. van Dijken's amendment does not eliminate the last part of Mr. van Dijken's amendment, which is "during the campaign period of \$2,000 per candidate with an aggregate maximum of \$4,000 for candidates." It's not a true doubling up of the \$4,000 limit because it would go specifically to the candidates and not the parties if I'm to interpret the way Mr. van Dijken's amendment was made. Having said that, we would discuss the specific merits of that portion of his amendment once we get through my subamendment, and I would argue at that time that perhaps the numbers could change a little bit. Regardless, it does introduce the idea of a campaign period as distinct from the noncampaign period, which, again, I believe is an important principle as well.

Back to the subamendment, I want to echo Mr. Nixon's comments and just remind the committee again – this is something I've said many times – that our job in this committee is not to make rules that benefit one particular party over another and should not bias one particular party structure and way of doing business over another. I understand the government party primarily raises money through the central party and then fans that out to constituency associations and has less of an emphasis on constituency associations, which is why this would make sense for them. Most other parties, in fact, that I know of don't do it that way and historically have not done it that way. This appears and runs the risk of looking like it's the government party putting rules in place that benefit their party over and above other parties or are detrimental to the way other parties operate.

I'm not necessarily speaking too much about my own party. Frankly, we operate a little more like the government party in our current form. We tend to raise money in our central party and fan that out to constituency associations as needed. By that measure one might expect that I would argue that this is a great idea. I don't think it is because I don't think it serves democracy. I don't believe that by adding a constituency stream of funding as distinct from a central party stream of funding in a limited way – I think this is a very limited way – that we are doing a disservice to democracy, in fact, or overemphasizing the amount of money in the political process. In fact, I think we are doing a service to democracy to allow for stand-alone, grassroots fundraising at the constituency level and allowing people close to home to make a contact and

connection with people in their own community as opposed to making a connection with some large, monolithic political entity. It allows for both options.

I think that's a fundamentally important principle that this committee ought to support. We can debate and argue about the specific numbers. I'm hopeful that the numbers I've come up with meet the test of not being too high as to introduce a loophole to allow significant donations. The fact is that in the past donations to constituency associations has not been a way for wealthy donors to bump up their donations. It really has been a way of grassroots, ordinary folks to make a \$50, \$100, \$200 donation to a constituency association or a candidate in their neighbourhood, in their town or community who is connected to that community. That's something I think we want to encourage rather than discourage.

Thank you, Madam Chair.

The Chair: I just want to make a note to those on the phone and around the table that the handout to show the different contribution proposals has been posted to the website as well as the document that was passed out by Mr. Resler's office this morning.

With that, I will call on Mr. Nielsen.

Mr. Nielsen: Thank you, Madam Chair. You know, I think what we're trying to achieve, the two main goals, is reducing the contribution limits. I mean, I'm sure there's no disagreement in the room that currently what we have is out of control. It allows very affluent folks to inject an unfair amount that others can't do, so it almost, in a sense, pushes folks around in the sandbox here a little bit. We need a very robust limit that reduces the amount that that individual can do.

I've gone back to my constituency, and I've had some discussions with some folks based on the different amendments. These are folks that, you know, I tried to make sure maybe didn't necessarily support me in the last election. When I was trying to explain some of the details, they all arrived at the same thing: why don't you just have one limit straight across the board and keep it simple? The more often I heard that – and I certainly didn't try to put my original motion forward as part of that discussion. These folks kept arriving at that on their own. I think by keeping a limit that's just even, straight across the board, it's simple for everybody to understand and it allows them to know that there is that balance that's within our electoral system.

1:20

You know, looking at some of these numbers from the handout that just came out, under our current system there is \$105,000. We're proposing \$16,000, \$36,000, \$32,000. Based on what other jurisdictions – there are a couple of other jurisdictions out there that have some limits. Manitoba is one, and I think it's Nova Scotia that might have the other. The electoral process hasn't broken down in those areas. It continues to run. Elections still happen. People go into office. So it's not like we're doing anything necessarily different here. It's already been shown to work in other areas.

I think we need to keep that balance. We need to keep it simple, straightforward, that people understand and they still have that choice to decide whether they want to give it directly to a party, give it directly to an individual, both, or something else in between that.

Mr. Nixon: Madam Chair, could I be on the speakers list, please?

Mr. van Dijken: Glenn van Dijken also, please.

The Chair: Yeah. Thank you.

Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I would like to point out that it's not as simple as you're trying to break this down to. The fact is that your party, at least – we'll go to the Wildrose Party. The Wildrose Party is a society, and then we've got our constituency association, which is another society, and your candidate is an individual. Now, all three of them are unique but all related. The reason that you would have different limits for each one is because it's going to create contention between all three of those parties. Now, my concern here is: what are you going to do? Let's say, for instance, an individual does give to the party at \$4,000 and the constituency association at \$4,000. Who gives the money back?

The process is flawed because these are unique to each other. They are related but unique. I have concerns that when you don't put different limits on them, there is no way to track this until there has actually been somebody that has contravened the rules. Then once you've done that, how do you resolve it? This is why the bucket system works so well in Alberta. If you give more to a constituency association, then that's something you're going to have to deal with, that one specific entity.

I'm very concerned that we're moving away from the bucket system. I can see that this is going to bring some concerns. This probably isn't going to affect the government party as they don't rely on constituency associations as much as some of the other parties do. It does seem to be that you're looking to put a hardship on the parties that do depend on their grassroots.

So I would like to point out that while this is well intentioned, it's going to create a burden on our CEO and their office. It's going to create a burden for the party. It's going to create a burden on the constituency associations and the candidates that are all involved in this process. I don't understand why we would want to do that.

The Chair: Mr. Nixon.

Mr. Nixon: Thank you, Madam Chair. You know, just in response to the last government member who spoke. First of all, let's be very clear. I think I've heard members from all parties speak during our time in this committee about the importance of lowering contribution limits, so the discussion we're having right now is not about whether we need to reduce contribution limits; it's about whether or not we need two buckets. To be clear, though, the member put forward the argument that the reason that they're pushing to not have two buckets is because they want to make sure we lower the limits, but, in fact, the way they've put it forward right now, they're increasing the donation limits on individual constituency associations by four times what it currently can be right now. I have to wonder. That argument really has no bearing on the two buckets.

The issue is what this impact is going to be administratively, what this impact is going to be on individual Albertans who are volunteering and participating in the constituency association process and in politics, which I think is important. You know, what is being presented by the government members currently may work for a party that has their roots based just in Edmonton and is focused primarily on a central party divvying out money to all their constituency associations. But it does not work for parties, which we do have in this province, that have their roots all across the province and operate in a different way. So this is not about candidates. It's not about MLAs. It's about Albertans that are participating in the political process and building something that is so complicated that it's going to cause nothing but administrative troubles while at the same time actually increasing the donations that can go into individual constituency associations.

Mr. Sucha: I'm hearing from the opposition members that they're concerned about losing the two-bucket funding model and losing the two-bucket donation model, and that doesn't have to happen with what Mr. Nielsen is proposing. I will refer back to self-enforcement. The Alberta NDP for a very long time made the decision that they did not want to take corporate donations in, so we self-enforced that. We would not accept them, and we would send back cheques if they came from corporations.

Underlying parties. The memberships can go back to the party and say that they want to keep the bucket system, and every underlying party can make a determination whether \$2,000 is the max that someone can donate to a central party and \$2,000 is the max that they can donate to a constituency association. So there is still that method to have the two buckets if a party deems that that's important to them as well.

You know, I feel that there is a way that all political parties can continue to maintain the system that works best for them, so I like the idea of removing a high threshold of money. When I look at this, we're looking at nearly doubling the amount that someone can donate to a political party and a constituency association within that political party monetarywise, potentially even higher than doubling it.

I'm supporting Mr. Nielsen's initial motion just because I feel that he has the right structure in place and that any party can make their rules as they see fit.

The Chair: Mr. van Dijken.

Mr. van Dijken: Yeah. Thank you, Madam Chair. I guess I'm trying to get a handle on: are we talking about the subamendment here, or are we not? Then we go to the greater motion.

The Chair: Yes. You're on the subamendment.

Mr. van Dijken: Yeah. One thing for clarification for myself. Member Clark discussed the wording. Did we clarify that the wording would be "and further allow" as opposed to "and to include" a contribution limit? I'm just not sure if that was actually decided on.

Mr. Clark: I would be enthusiastically in support of changing that. I'm just not quite sure how we do it procedurally given that we're already on a subamendment. If it's possible to change the wording here, I'd certainly like to do that if we can because I agree with Mr. van Dijken. The "and further allow" language is I think much more clear and consistent with what I'm trying to achieve in this subamendment.

The Chair: Mr. Clark, you would be able to withdraw your subamendment and then make a new subamendment.

Mr. Clark: With the permission of the committee, I will do precisely that.

The Chair: All those in favour? Any opposed? On the phones? That subamendment is withdrawn.

Mr. Clark, would you like to propose a new subamendment?

1:30

Mr. Clark: You're, like, reading my mind, Madam Chair. Why, yes, I would. I would like my subamendment to be precisely what it was previously. I see where that came from. That actually – I'm a little confused. Mr. van Dijken has two elements to his amendment; mine only has one. Instead of "further allow," let's just say "allow." No. Let's keep "further allow." Let's do that. We can

wordsmith Mr. van Dijken's as necessary should this pass, which I sincerely hope it will.

The Chair: I think we'll need to read that in to make sure that those on the phone know where the subamendment would be.

Ms Rempel: Thank you, Madam Chair. Mr. Clark's new subamendment reads that

the proposed amendment be amended to strike the words "and to include an additional contribution limit of \$2,000 per constituency association with an aggregate amount of \$4,000 for constituency associations" and replace them with "and to further allow a contribution limit of \$1,000 per constituency association to a maximum of \$3,000 in the aggregate."

The Chair: Thank you, Ms Rempel.

With that, I will open up discussion on the subamendment. Mr. Clark.

Mr. Clark: Thank you very much, Madam Chair. I, too, wanted to address Mr. Nielsen's and now Mr. Sucha's comments. Unfortunately, having sat in this committee for many hours, as you all have as well, I sense that we're going around that mulberry bush that ultimately ends up in the government side voting down a subamendment. I hope that through our arguments we can in fact sway that vote. I live forever in the hope that that is possible.

I want to address Mr. Nielsen's comments about the maximum allowable donation in an election cycle. First off, the document that's been distributed, circulated to the committee I don't believe is an accurate reflection of how people actually donate. I think most people will donate either to a party – and they donate, therefore, to the limit. They can donate to the limit. Very few do. At \$4,000 perhaps more will. Who knows? Then there are other people, completely different people, who donate, generally speaking, relatively small amounts to a constituency association, and they're often very different people. Unfortunately, I haven't had the opportunity to do a deep data analysis of exactly how often you would see one person donate the maximum to a party and donate the maximum to a constituency association. I would submit to the committee that that's exceedingly rare and that it would not be a way of creating a loophole.

The other thing I would suggest to the members of this committee is that if this committee comes out with a headline that says, "Select Special Ethics and Accountability Committee reduces maximum donation by two-thirds," that's a big win. That's a really big win. If we're going to use these numbers, which I'm not convinced are valid numbers – they're in front of us, so let's use them – if we take the maximum donation allowable down from \$105,000 to \$32,000, that's taking a lot of big money out of politics. That's a big win. That's a really big win.

I would caution the government that should you press ahead with your plan to take it down to \$16,000, the single bucket, you run the risk, again, of it appearing that you were using this committee to lock in your own advantage and to disadvantage all other parties because this is the way your party works and no other. I hope that that's not what you're trying to do, but I caution that there is a risk that that perception is created. I would really encourage members of the government side to think hard about that and about whether, in fact, that's the perception you want to create. I think we can get there. I think we can reduce the amount of money yet still accommodate the way different parties work in raising money without restricting the way the government party operates either.

Thank you, Madam Chair.

The Chair: Dr. Starke.

Dr. Starke: Well, thank you, Madam Chair. Certainly, following up on Mr. Clark's comments, I think it is important that the government members on the committee consider carefully what impression will be left by the elimination of the two-bucket system, because if you eliminate the two-bucket system, it is very clearly a measure that is intended to favour your party. That's not the intent of this committee, but it is certainly exactly how it will be interpreted. I mean, it's been explained now by members of various parties on this side why the two-bucket system is important in terms of how we operate in the political realm. You know, granted, we are now in opposition, but I think it's important that you respect the fact that we have been operating political parties in our province for a number of years and that that is how we finance ourselves.

I also want to talk a little bit about if – okay? – for the sake of simplicity, as Mr. Nielsen says, we eliminate the two-bucket system. If we eliminate the two-bucket system, a potential and, I would suggest, unintended consequence – but one of the goals that we hear again and again from the government members is to get the influence of big money out of politics. Well, let's just say, based on the proposal that Mr. Nielsen has put forward, that a donor provides a constituency association with the full maximum, \$4,000 per year throughout the election cycle, in other words \$16,000. Based on that, five donors could provide a constituency association with \$80,000 over the course of an election cycle. If we also pass the \$70,000 spending limit, those five donors, five individuals, could completely finance the campaign of the candidate within that constituency. I don't think that you really want to create a situation whereby five individuals could completely finance the campaign of a candidate in an election, but that's exactly what could happen if your motion passes. You know, this is the concern, quite frankly, and this is part of the rationale for having separate buckets.

The other thing I'll point out, which I think is very clear, is that the cost of running a central party, not just the operational side of a central party but, you know, call it the campaign war chest, if you will, that the central party wants to build up over the course of a four-year election cycle, is significantly higher than what it is for an individual constituency association or for an individual candidate. But under the situation where there is not a separation in the limitations, when the donation limit is between what can be given to the central party and what can be given to an individual candidate, in fact that same \$4,000 limit applied to an individual constituency association can result in a large amount of money being accumulated from a relatively small number of donors. That's, I would suggest – and I could be wrong – exactly the scenario that you're trying to mitigate. That's exactly the scenario you're saying that you're wanting to get rid of, the influence of big money in politics. But if you've got a \$70,000 spending limit for a campaign, five individuals in a constituency could completely bankroll the campaign. That's, quite frankly, a situation I wouldn't want to see.

You know, you talk about the undue influence of specific individuals on elected officials. Having five individuals completely bankroll a campaign: that's not a situation that could exist now, under the current situation, but under your proposal of no separation between contribution to a central party and contribution to an individual candidate or an individual constituency association that's exactly what could happen.

I maintain that the two-bucket system, albeit you feel that it's not a simple system – sometimes when you aim for things that are too simple, you in fact create distortions or unintended consequences. I think the unintended consequence here could be that you have wealthy individuals or individuals of means and a small circle of

them being the full source of funding for a candidate, and I, quite frankly, think that that would be a situation we would all want to avoid.

1:40

Those are my comments. I support Mr. Clark's amendment. I think it strikes a good balance, and I think it also honours the principle of separate funding limits for constituency associations and for central parties, that also honours the fact that different parties in this province operate in different ways. I think it's important that as a committee we respect that and that we not create rules that specifically hamstring the traditional way whereby some political parties in this province have operated.

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. There have been a few points that have been brought up here. Hopefully, I've been able to keep track of them. I guess, first, to comment – and I'll ask our Chief Electoral Officer to help me out here. I don't have the benefit of the Blues in front of me, but I do believe that the onus was on the contributor to ultimately keep track of how much they donate.

Mr. Resler: The contributor is responsible for their contribution limits and their contributions but also the chief financial officers for whether it's a candidate, a constituency, or the party.

Mr. Nielsen: So there's still a little bit of onus both ways here?

Mr. Resler: Yes.

Mr. Nielsen: Okay. Thank you.

When I'm talking about contribution limits and limiting them and how individuals could take over a campaign, in terms of the limiting I guess I wonder: what happened in other jurisdictions when they reduced their contribution limits? Did democracy in those jurisdictions fall apart? Did they cease to exist? You know, could whatever parties that were there all of a sudden no longer operate and they folded? I'm kind of curious if that happened or if democracy continued on and those parties figured out how to make it work and life went on for them. I guess I'm wondering: why wouldn't Alberta be able to do the same?

You know, when I'm talking about what I see the donations being limited to in terms of one bucket, two buckets, eight buckets, again, I've talked to folks, and they were the ones that were telling me: "Just keep it simple, one direction. That way, everybody knows that they don't have to keep track of a bucket over here or a bucket over there." One, straightforward: their idea. I didn't suggest it. I didn't lean it in any direction. This is what they told me. So could five people, I guess, hijack a campaign? Five people can hijack a campaign right now.

Dr. Starke: No.

Mr. Nixon: Madam Chair, can I get on the speakers list, please? [interjections]

The Chair: Sorry. People on the phone are just speaking over each other. Is that Mr. Nixon?

Mr. Nixon: Yes.

The Chair: Okay. Mr. Nixon. And who else is trying to be added to the speakers list?

Mr. van Dijken: Glenn van Dijken.

The Chair: Okay. Thank you.
Go ahead, Mr. Nielsen.

Mr. Nielsen: Thanks. You know, we have an individual right now that has donated hundreds of thousands of dollars at one crack. I mean, at the very least, let's try to rein that in a little bit. I'm not too sure how to, I guess, explain what I've heard, but folks were very clear: "Keep it simple. You know, rein in the spending." It's been done in other jurisdictions; we can do it here.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I'd like to build on Dr. Starke's comments about five people. With the 50 per cent refund back to the constituency association, or to the candidate in this case, that would mean that you would need even less and that you could actually do this with two people, possibly a husband and wife, with the \$16,000 that you've got . . .

Mr. Malkinson: Or husband and husband.

Mr. Cyr: Thank you. I've been corrected. Or whatever the pairing is.

The fact is that if you have a pair that are both contributing \$4,000 each, you could end up with actually not even going out and fully controlling this. Now, I do take some concern that you're saying that they presently can do that with a constituency association, but right now the most that they can contribute to one constituency association would be \$4,000, or \$8,000 if it was a pair. That doesn't seem to be overly, I guess, a control mechanism that they can use.

It is important to note that the system we've got does seem to be working. I have heard – and you can correct me if I'm wrong on this – that when we start looking at the different parties and how we structure it, many of our constituencies have got bank accounts, but I hear that many of the government constituency associations don't have bank accounts even. So it shows you that you're not even using your constituency associations for grassroots. If you are, then please correct me if I'm wrong.

You can see that there's a drastic difference, and having flexibility for all parties that are involved in this process needs to be considered. I get a concern here that whenever we start looking at what's best for one party and leaving out the others and the drive to bring money out of politics, which is admirable but in the end can actually influence it to the point where two individuals could dramatically increase their ability to give to a constituency – it brings concern for me. We keep reiterating this as the opposition, but it doesn't seem to be moving forward that there is the possibility, by making this too simple, that you are actually creating more problems than you're trying to solve.

The Chair: Mr. Nixon.

Mr. Nixon: Thank you, Madam Chair. First, let's talk about the keep-it-simple argument that keeps coming up from government members on the committee. There's a bit of a flaw in that argument, I think, on this particular topic. Just a little while ago we voted to bring the acts together to make them easier for candidates, make them easier for voters, make the process easier for parties, which are primarily run by volunteers – let's be clear – and then right away we jump to this motion, which is doing the exact opposite. Now we're going to depend on individual people. They're going to have to audit themselves, keep track of how much they're spending on the tickets, on donations. On top of that, we're going to have two separate entities that are connected, but they are separate as far as their accounting, so CAs in the party are only going to be able to

see each other's documents and details once a year now because we've changed the quarterly process. We're going to create a lot of confusion for a lot of people that are volunteers. Let's be very clear on that.

But as we bring that up with the members, they don't want to address that issue. Instead, they keep coming back to that they want to lower contribution limits and big money in politics. We agree with the government members on that, but this motion, we have pointed out very clearly, will do the exact opposite at the constituency association level. In fact, it will increase it by at least four times what an individual can provide to a constituency association, which has been pointed out very clearly by opposition members in several parties on this committee, and again the government members will not address it. They keep coming back to that they're trying to make it simple and take big money out of politics, but when presented with very clear arguments that that won't work and that it's doing the exact opposite, they won't address those arguments, which I find very, very frustrating.

Let's be clear. As far as I'm aware, government members on this committee and any government members in the NDP Party or any constituency association in the NDP Party do not even have bank accounts or constituency associations that operate similar to the other parties in this province. So, at the very least, whether intentional or not, it definitely appears that if the government continues down this road, they are going to use their majority on a committee to manipulate the rules to give themselves an advantage. I mean, this is a governing party that is currently spending \$6 million a year in taxpayer dollars sharing their views on climate policy attempting to use a committee to punish volunteers and people that work at the grassroots level in politics and create a complicated system to give themselves an advantage. At the very least, that's what it looks like.

1:50

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much, Chair. I believe it was Mr. Cyr, on the other side, who was mentioning that, you know, our party on the government side doesn't have local riding association bank accounts. I can't speak for every member here, but I know most definitely my riding association of Calgary-Currie does indeed have a stand-alone bank account that is managed exclusively by the Calgary-Currie political NDP riding association. I mean, there are buckets of money, so to speak, from our side as well. I just wanted to make that clarification and add that to discussion as well as a point of clarification.

The Chair: Mr. van Dijken.

Mr. van Dijken: Yeah. Thank you, Madam Chair. Just to further the discussion with regard to Member Nielsen and his claims that these are ideas that are coming from the people that have entered into his office and that he has had discussions with, I would suggest that, sure, these people maybe came to him with those types of suggestions based on the input that he had given them and possibly that he had not fully represented the nuances that . . .

The Chair: I'm sorry, Mr. van Dijken. I don't think that in this committee you can make statements saying that someone has made a misrepresentation, so I'll just ask you to be mindful of that.

Mr. van Dijken: Yeah. I can withdraw that.

I just want to highlight that the people that were apparently giving Member Nielsen direction possibly did not have all the information at their disposal as to how other parties actually are able to function

and engage the grassroots members in the work of doing democracy within Alberta.

You know, Member Clark, who has proposed this subamendment, had spoken to it also with regard to that there are two very different types of people a lot of times. There are individuals within my constituency that are very active at my constituency level as opposed to being active within the party. They want good representation within their constituency. That's their primary concern, and that's where they become very active. There are other people that are much more involved at the party level. With the recognition that these people operate in separate functions and in different ways, I think that we have to actually allow them to be able to continue in the methods that they have become very comfortable with and accustomed to.

I also think that, yes, elections do run in other jurisdictions, but I'd never buy my car based on what somebody else is driving in another jurisdiction. It would be fine to say that elections are running, but I want to be able to drive a limo as opposed to driving a Lada.

I think that we have to recognize that we have a system in place within most parties in Alberta that is functioning quite well and that allows Albertans to engage in a level of politics that they feel best suits their needs, and I don't want to jeopardize that environment that is already there.

The Chair: Mr. Clark.

Mr. Clark: Thank you. I just want to pick up again on what Dr. Starke said. If we have five individuals who donate \$4,000 each to an individual constituency association every year, that adds up to \$80,000. Dr. Starke said that, well, now we have five people running a campaign or funding an entire campaign. We could have one family funding an entire campaign. You've got a couple and three children. One family now funds an entire constituency association campaign in a four-year period. Is that the intention of the government? I don't think it is, but that's exactly what this allows. I'd remind the government that that's simple enough to fit into a tweet, and I can't imagine that's something you'd like to have discussed out in social media. I don't think that's what you're trying to do, but that's exactly what happens here. So I'd really encourage you to reconsider this because I don't think this is what Albertans want. I don't think it's good for democracy, and I'd really encourage you to reconsider.

Thank you.

The Chair: Further discussion on the subamendment? Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. Just to address a couple of concerns that I've heard within the committee here as well, as I reiterated in addressing concerns in relation to the two buckets, there is some self-enforcement that can still be put in there. I just wanted to reiterate that a little bit further. Our side does not feel comfortable with exceeding the \$16,000 over an election period. As it relates to Dr. Starke's concerns, I would be more than happy to address that when we get back to the main motion, but for now we don't feel comfortable with exceeding these limits.

The Chair: Thank you.

Dr. Starke: Well, sure. Let's talk. You know, I have to say, quite frankly, that I find the unwillingness to at least consider or at least look at the arguments that are being put forward by members with regard to the difference between constituency association funding and central party funding – they are fundamentally different.

If you just simply set a single limit – in the aid of simplicity, I can tell Mr. Nielsen that I've talked to a lot of people about this, too, and these are people who've had considerable experience in the work of fundraising for political parties, and those people tell me unequivocally that it's important that we have separate limits for the central party contribution and for individual constituency contributions. While a simplistic – and that's what I would characterize it as – situation may seem more appealing or more attractive, for folks who actually have been involved for years with fundraising for both political parties as well as for constituency associations, those folks will share with you the experience that it is important that there be guidelines and that there be limits for both. I would suggest that a limit of \$4,000 per year for the central party and a limit of \$1,000 per year for an individual constituency is a reasonable limit considering that you're coming down from \$15,000 per year and \$1,000 per year.

Like I say – I come back once again – I think that the unintended consequence of not doing separate, specific contribution limits allows for and opens the door for five individuals to bankroll the entire campaign of a candidate. Now, you've been saying all along how you want to remove the undue influence of specific wealthy individuals upon the political process. What level of beholdenness – I'm not sure that's a word, but it is now, and it's worth a pile of points in Scrabble – does that person now have when five individuals have bankrolled the entire campaign under the \$70,000 limit? Not only bankrolled the campaign, but \$10,000 over the four-year period: that's pretty much the operating costs of most constituency associations.

If we're interested in getting more people involved in the political process, we would want to keep the limits at a lower level, but if you don't set a separate lower level for constituency associations, then constituency associations, the work they do fundraising, could become very simple: you basically find five individuals who have the means, and you cover yourself for the entire four-year period.

Ms Jansen: Big money.

Dr. Starke: You talk about getting big money out of politics? You've just put big money into politics.

You know, take a real close look at this. I mean, again, it's a very simple statement. Five people bankroll candidates under the rules that you're proposing. I'm going to come back and urge you to consider – quite frankly, I'm okay with a \$4,000 limit per year to political parties. That's a significant decrease from the \$15,000 that is allowed now, but I would argue that the \$1,000 per year for the constituency association provides a good balance between not providing for a high level of undue influence but allows constituency associations to put on the fundraising dinners, the golf tournaments, the various other things that they do within their communities.

2:00

Quite frankly, eliminating that distinction between central party and individual constituency, although it may have the at-first-blush appeal of being much simpler, opens the door to a level of, you know, I'm going to call it a distortion within our system that would allow, again, for five individuals of means to essentially bankroll a candidate. Like I say, I don't think that's what your intent is, but make no mistake that if the motion passes as is being proposed, that's exactly what can happen.

I mean, quite frankly, if you want to sort of follow the path of least resistance and you want to make your fundraising really, really simple and you want to offer five individuals an unprecedented level of influence over the candidate running in the next election,

you go to them and say: I need \$4,000 a year for the next four years. Then you've bought yourself your candidate. I don't think that's what you want. I really don't.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I have a quick question for the CEO. How do you get money into constituency association bank accounts if you don't do it through fundraising?

Mr. Resler: Through a transfer from the party to the constituency or to a candidate directly if you're going directly during the campaign period.

Mr. Cyr: Is that pretty much the only way that you're going to be able to get money into your constituency account, then?

Mr. Resler: You have general collections, pass the hat, that fall under the \$50 contribution, so the anonymous contributions in that sense. You can have fundraisers. Locally within a constituency you can have fundraisers where all the contributions are made out to the party itself, right? So the money is centralized, and then from there, the party decides how it's allocated.

Mr. Cyr: I guess my next follow-up question is, then: for parties that utilize the fundraising method, do you believe that this one-size-fits-all is really going to hamper our ability to be able to fund raise?

Mr. Resler: I wouldn't be able to comment on that. It changes. Each party has a different structure. All parties fund raise. It has been separated before in the current legislation. But, yeah, as far as how it impacts, Manitoba, New Brunswick, Nova Scotia have an aggregated contribution limit currently, and they also have constituency associations. That's about all I could provide on that.

Mr. Cyr: One more question, Madam Chair.

The Chair: Go ahead.

Mr. Cyr: Are you aware of any concerns that they've had to deal with because of the one-bucket system?

Mr. Resler: I haven't had any concerns or anything voiced to me. The one concern I see as far as the contributions: we're not looking at it as an aggregate. I believe that in the motions on the table it's a flat \$4,000 aggregate across the board. That's across. Some people donate to multiple parties. You wouldn't have the knowledge of that contribution either. It really is up to the contributor to be able to track their information. If you go in this direction, the parties do have to play a central role in having knowledge of what is being contributed at each level.

Mr. Cyr: You brought up a point I'd like to work, that never occurred to me. You're going to have to have, say, the government party comparing their lists with the Wildrose Party to ensure that if they have people that have overcontributed, then, who gets the contribution.

Mr. Resler: The parties wouldn't have that knowledge. That would either be – once the actual financial statements are reported and posted online, you have the online capacity to see what's contributed. It would be a process by our office to ensure contributors aren't exceeding their limits in aggregate across all political spectrums within each calendar year. That's something that we'd have to manage on a reporting and accountability process.

Mr. Cyr: You don't currently manage that?

Mr. Resler: We do that within the party or within constituencies because you have \$1,000 to a maximum of \$5,000. We do that within constituencies, within candidates, and the party contributions. So we do that internally within the parties. We do not apply it across the board because it isn't legislated right now.

Mr. Cyr: Thank you.

The Chair: Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. I realize my haste – and I apologize if I'm out of order – but if my father is listening in, I wish him a happy 65th birthday today.

Moving on, I really hear the concerns that are coming from Dr. Starke in regard to a very small number of individuals being able to bankroll an entire campaign and constituency association. So I'm willing to meet him halfway and look at an amendment, once we get back to the main motion, that addresses that concern, where we would be open to a \$1,000 cap per constituency within the confines of \$4,000.

Ms Jansen: I want to speak just a little bit in generalities here. You know, one of the things I think we want to be very careful of here is – and we've had this conversation, certainly, within our party and in our constituencies over the past year, and that's a conversation about getting people more involved in the process. We use a term that sometimes is overused, "grassroots democracy," where we talk about that we want to make sure that people feel involved in the process again. That process over the last number of years has been taken out of people's hands, and it seems to be that they don't feel that they're a part of the political process anymore. I worry that in the conversation I'm hearing here today, with all good intentions, we are doing exactly that. We are removing people's individual ability to really be involved in the grassroots process.

One of the big problems with that is – so let's say that you're in the community. I'm assuming this is what we want to do. We want to take big money out of campaign contributions. We want to make sure that individually in your community you find a great candidate. You get behind that candidate, you want to support that person, you want to support that party, and you want to get out there and help that person. So what do you do? You go out, you have fundraisers, and you support that person with your own contributions. Maybe you support the party. You know, if you're really lucky you've got people who do both, but generally, as we discussed before, that doesn't happen. I'm concerned here that we're starting to put limitations that take away people's incentive to get out there and contribute in their own communities to their own constituencies and their own parties. I find that worrisome right now.

One of the added side outcomes when we start to put all of these limitations on fundraising – and I think Dr. Starke touched on this very briefly – is the rise of the super PAC. Because as soon as people look at the overall picture and see that there's a limitation here and there's a limitation here and here, all of a sudden people start thinking: well, how do we get the money to fund our campaigns? We are seeing unfold before us people looking for another way in order to be able to creatively fund campaigns, and I find that deeply concerning. We haven't had a really fulsome discussion about the super PACs. You know, we say "third party." We're all being kind and gentle, but let's face it: the elephant in the room is that this is a concern that we're going to have to discuss at some point, and I worry that in all the conversations we're having, that is an issue.

2:10

Then, just briefly, I wanted to throw one question out to our Chief Electoral Officer, Mr. Resler. You mentioned the \$4K limit, and you brought up the idea that perhaps there are people who donate to multiple parties. You know, it twiggged something in me because I remember in the last few years having conversations with people who said to me: “Oh, yeah. You know, absolutely. I threw some money at your party and another party, and I do that because I like the candidates and I also work in this sector and I want to make sure that I’m hedging my bets.” People do that.

I’m concerned about the reporting process and how exactly that works when we’re looking at the whole enforcement piece. I don’t know how you tackle that issue. I think it happens more often than not, Mr. Resler.

Mr. Resler: Thank you. That is part of our review process. We would look at – if there’s an instance where it’s an overcontribution that exists, it would be handled in an advisory capacity, so we’d be providing advice to the political entity. It would be whoever received the last contribution which exceeded the contribution limit and requesting them or recommending to them that they have those monies refunded to that contributor. If they did not follow through in that capacity, then it moves on to an investigation.

Then we also look at the contributor themselves – because they have a responsibility to ensure they don’t overcontribute – and to ensuring that they aren’t knowingly trying to circumvent the legislation.

Ms Jansen: Just quickly, the changes that we are discussing today: do they make your job more onerous?

Mr. Resler: It adds a level of complexity. It broadens as far as what we have to look at, the reporting. It’ll add a bit of time, a bit of, you know, changes to our computer systems in order to accommodate this, yes.

Ms Jansen: Okay. Thank you.

The Chair: Mr. Dang.

Mr. Dang: Thank you, Madam Chair. I’ve had the opportunity to talk this over with some of my colleagues on this side, and I think there needs to be some clarity around what the intent of the motion actually is. I think that there’s a bit of misunderstanding that the motion actually intends to set the limit at – and this might need to be clarified when we get back to the main motion – \$4,000 per party. So it wouldn’t create that extra work at the administrative level because it would be \$4,000 per party, similar to how we currently have been doing, those contribution discussions at the CA level. I think that there was a misunderstanding here on what the intent of the original motion was from my colleague Mr. Nielsen.

Then further to that, this motion wouldn’t restrict any individual person from still directly donating to a constituency association, right? There would be the \$4,000 cap between the association that the party is associated with, but there wouldn’t be the limitation for me being able to go donate to the Edmonton-South West NDP Constituency Association as well as donating directly to the party. If they’re separate bank accounts, I could still donate to both of those. It wouldn’t force me to only donate to the central party or to only donate to the CA.

I think a lot of that choice is still there for the individual. I think it might need to be clarified, but the ability to donate to multiple parties is still there, and it wouldn’t create that onerous administrative overhead.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. That’s never been in question, whether or not one individual could donate to a constituency association or multiple constituency associations and a party. The challenge – and I have to educate the member on how other parties do things. Other parties have active, strong constituency associations that raise money from local members of their community, often \$5 and \$10 and \$50 at a time. You have a potluck supper; you do whatever. Then there’s the central party, which also raises money for its purposes. Sometimes that money is transferred back and forth between the constituency association and the party. That’s all well within the bounds of the rules, and that wouldn’t change.

The concern is that the people who run the constituency associations are volunteers, and they have no idea that the person who has just bought a \$50 ticket to their potluck has already donated \$4,000 to the party. How do we know that? Technically Mr. Resler is absolutely correct that it is up to the individual to know that – right? – and I can see the parties putting a notice out that if you’ve already given money to the party, it’s cumulative and it’s your responsibility. Absolutely, it is, but that adds a tremendous amount of overhead to volunteers who are running the constituency associations, and it adds administrative and therefore dollars-and-cents cost to Elections Alberta to administer all of this and then go back. I mean, the hassle and the headache of going back and saying: “Here’s an overcontribution. You need to pay back that contribution from the party, document that it happened.” Perhaps there’s a penalty involved. There’s all sorts of chaos, frankly, that’s caused by this.

I come back to the fundamental point, which I want to pick up on, which I believe Mr. Sucha had said around – and, again, perhaps we’ll get back to this if ever we get back to the main motion. What it sounds like the government will propose is that within that \$4,000 bucket, you may not give more than \$1,000 dollars to a constituency association, which addresses, presumably, some of the concerns that we’ve raised about wealthy individuals funding a single campaign. It doesn’t solve the problem, and that’s why I continue to advocate for my subamendment and why I think it’s very important fundamentally, from a principle of representative and participatory democracy, that individuals continue to be allowed to donate directly to their constituency association with as minimal overhead and concern and hassle as possible.

What the proposal, should you accept my subamendment attached to the main motion, ultimately would mean, as you’ve handed out in this handy document, is that we have reduced the maximum allowable contribution from any one individual in a four-year cycle from \$105,000 to \$32,000. That is a 70 per cent drop in funding. Talk about getting big money out of politics. That’s a fantastic win for this committee. Most importantly, it’s a big win for Albertans. But to drop that further, to drop it 85 per cent, looks punitive to other parties. It is. It doesn’t look; it is punitive to other parties. It hampers and handcuffs how other political parties except the NDP operate. If you couple that with all the other things that this committee has passed – the 50 per cent per-vote subsidy, the spending limits – it adds up to disadvantaging certain parties at the advantage of one, and that’s not what we should be here to do in this committee.

I want to emphasize that I’m speaking from the perspective of a single-member party at the moment in the Legislative Assembly. In many ways severe restrictions on a large party’s ability to spend money is actually, by one measure, to my advantage. So I’m sitting here arguing against my own personal political advantage because

I think it's right that all parties have an opportunity to get their message out to Albertans.

It also is incumbent on me and it's incumbent on the thoughtful and dedicated and hard-working members of my party to get out in our constituencies and our communities and earn the trust of Albertans to vote for us, to volunteer for us, to donate money. That's our job, and if we can't do that to the level that other parties can, that's on us. That's on us to do that. But we shouldn't be using legislation to lock in an advantage of one party over all the others. That's what this is about. That's why I really encourage the committee to please reconsider and vote in favour of this subamendment.

Thank you.

The Chair: Are there any further speakers?

Mr. Nixon: Madam Chair, can I get on the speakers list, please?

The Chair: Go ahead, Mr. Nixon.

Mr. Nixon: Yeah. I just want to build a little bit on what Mr. Clark said. To my earlier point about the bank account, yes, the NDP do have bank accounts. The Member for Calgary-Currie points out that they have one, but if you check online, that account hasn't had any donation activity for three years. In fact, the NDP CAs in their last disclosures make it clear that none of their CAs had donation activity. So this is coming down to a couple of members from other parties, that are represented in this committee, picking out some of the serious flaws – increased expenses, a burden on volunteers, increased taxpayer expenses for the Chief Electoral Officer to deal with this – and pointing out the unique circumstances of having to administrate that.

I really want to just stress to the government members: please listen to that. I mean, clearly, your party operates in a different way, which is fine. But, clearly, you know, just based on some of the questions that have come from a lot of members on the government side in the last few minutes, it shows that because you operate in a different way, you're not fully understanding how other parties' CAs operate. This, as Mr. Clark said, just has the look, at the very least – I don't know if that's your intention – of government members who do not get donations at the CA level using a government-dominated committee to make life difficult for other political parties and, in fact, make life difficult for grassroots Albertans who are trying to get involved in the political process.

Now, you know, the government says that that's not their intent. I'll take you at your word, but that is exactly what you're doing with this motion. So I really encourage you to take a look at that and listen to some of the other members around the table who have a different experience with how they run a party.

2:20

The Chair: Are there any further speakers to the subamendment?

Seeing none, I will take the vote. All those in favour of the subamendment, say aye. All those opposed?

Mr. Clark: A recorded vote, please.

Mr. van Dijken: A recorded vote, please.

The Chair: Yeah. We'll take a recorded vote. Thank you. I'll start to my right.

Mr. Dach: MLA Dach. No.

Loyola: MLA Rod Loyola. No.

Mr. Sucha: MLA Graham Sucha. No.

Mr. Nielsen: MLA Chris Nielsen. No.

Connolly: Michael Connolly. No.

Mr. Malkinson: Brian Malkinson. No.

Ms Renaud: Marie Renaud. No.

Mr. Dang: Thomas Dang. No.

Mr. Cyr: Scott Cyr. Yes.

Ms Jansen: Sandra Jansen. Yes.

Dr. Starke: Richard Starke. Yes.

Mr. Clark: Greg Clark. Yes.

Dr. Swann: David Swann. Yes.

The Chair: Those on the phone?

Mr. van Dijken: MLA van Dijken. Yes.

Mr. W. Anderson: Wayne Anderson. Yes.

Mr. Nixon: Jason Nixon. Yes.

Ms Rempel: Madam Chair, it's a tie vote.

The Chair: The vote is tied. Jessica Littlewood. No.

We are back to the amendment. Ms Rempel, would you mind reading the amendment into the record?

Ms Rempel: Thank you, Madam Chair. The amendment moved by Mr. van Dijken is that

the motion be amended by adding the words "for registered parties" after "\$4,000" and by adding "and include an additional contribution limit of \$2,000 per constituency association with an aggregate amount of \$4,000 for constituency associations" and adding the following after "campaign period": "and further allow an additional contribution limit during the campaign period of \$2,000 per candidate with an aggregate maximum of \$4,000 for candidates."

The Chair: With that, I will open the amendment for discussion. Is there anyone on the phone that would like to be added to the speakers list?

Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. Well, I mean, here we are. We're looking at the numbers, and we're just talking about allowing even more money in, you know. So at this time I'm not prepared to support the amendment. Our position is to reduce the amount of money that is being allowed into politics. I guess, maybe just on a side note, whether it be \$36,000, \$32,000, playing devil's advocate, we could still have a few individuals do the exact same thing in this area that you're saying could happen, Dr. Starke, and we could do it with even fewer people than the five that you were using as the example.

Yeah. I can't support this amendment right now, Madam Chair.

The Chair: Further speakers to the amendment?

With that, I will take the vote. All those in favour of the amendment, say aye. All those opposed? On the phones? That amendment is defeated.

We are back on the main motion. Ms Rempel, would you mind reading the main motion into the record?

Ms Rempel: Thank you, Madam Chair. The main motion.

Moved by Mr. Nielsen that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act reduce the contribution limit to \$4,000 per calendar year and be indexed to inflation with no variation during the campaign period.

The Chair: With that, I will open it to the floor for discussion. Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. As we discuss this and as I alluded to when we were speaking in relation to some of the amendments that were on the floor and having really heard some of the concerns that came from Dr. Starke, I would be open to hear an amendment in relation to putting a limit on the amount constituency associations can receive to be \$1,000. You know, I'd be happy to have some help with drafting this as I don't have anything prepared at the moment. Ultimately, my intent is that, combined with both the political party and the constituency association, no more than \$4,000 can be donated within the year and that within the constituency association itself no more than \$1,000 can be donated per year. Hopefully, that can address some of the concerns we've heard in relation to only a few individuals bankrolling an individual campaign as well, with us continuing to focus on removing big money from politics, which is something that we've reiterated.

The Chair: I believe someone would need to make that amendment.

Dr. Starke: Madam Chair, then I'll move an amendment that the Select Special Ethics and Accountability Committee amend the motion by Mr. Nielsen to add the words after "per calendar year": "and an additional contribution limit of \$1,000 to individual constituency associations."

I think this is slightly different from what Mr. Sucha is proposing. Instead of carving \$1,000 out of the \$4,000, I'm saying to take the \$4,000 for the party and \$1,000 for the constituency association.

Now, the difference between this and what Mr. Clark had recommended or had suggested is that now there would not be provision for contribution to two additional constituency associations, that all of the contributions would have to go to one constituency association or to a maximum of \$1,000.

It does address the issue with regard to the bankrolling of entire election campaigns. Again, I think it also reflects the facts twofold. The budget for a central party is significantly different from the operating budget over a four-year election cycle for a constituency association, and having one limit of \$4,000 and another limit at \$1,000 reflects that. Secondly, it also acknowledges and gives the government members an opportunity to acknowledge that there are political parties in the province other than their own and that other political parties indeed have different operational models than their own.

Simply trying by way of legislation to force other political parties to conform to the operational model of the NDP is not democratic, nor is it in the spirit of this committee. I would respectfully ask the members of the government to show respect to other political parties and acknowledge that they have different ways of doing business and different ways of conducting themselves, and I think that only stands to reason.

My amendment, Madam Chair, is that in addition to the \$4,000 contribution limit per calendar year to political parties there also be a \$1,000 limit per calendar year for constituency associations. I

would suggest that the suffix "and be indexed to inflation" – we'll get back to "with no variation during campaign period," but "and be indexed to inflation," I'm fine with that, leaving that in there, and that would apply to both the \$4,000 and the \$1,000.

2:30

The Chair: Thank you.

I think I heard Mr. Nixon. I'll add you to the speakers list.

I just want to ensure, Dr. Starke, that the amendment there reflects what you had put on the record.

Dr. Starke: That's captured it, yes. Thank you very much.

The Chair: Okay. Thank you.

With that, we will take a coffee break and come back in 15 minutes.

[The committee adjourned from 2:31 p.m. to 2:46 p.m.]

The Chair: I'll call the meeting back to order.

I will just allow Dr. Starke to review the amendment to see that it meets what you're saying.

Dr. Starke: Yes. Madam Chair, thank you very much. When I did a sort of cursory review of the wording, I wanted to make sure that it's an additional aggregate limit of \$1,000 per calendar year to constituency associations. What I mean by aggregate limit is that you can either give \$1,000 to one constituency association or give whatever \$1,000 divided by 87 is to 87 different constituency associations. The reason for that is really a very practical reason. Many members will be invited to attend fundraising events in neighbouring constituencies to provide support to those neighbouring constituencies, and you end up, in fact, providing contributions to a number of different constituency associations.

I mean, I think that the intent here is – you know, if the intent is, and I would take it that it is, to keep it below \$1,000, then so be it – that it be possible for someone to provide financial support to more than one constituency association but that the aggregate limit of all of that be \$1,000. I can tell you that you can rack that up pretty quickly, as you would well be aware of when you're asked to bid on certain auction items or participate in silent auctions because we do receive a taxable donation receipt for that, for the amount that the item is worth more than the market or the donated value of the item.

I think that this is a reasonable amendment. It provides for the kind of limitation that we talked about, but it also provides for the \$4,000 per calendar year for the central party.

The Chair: Thank you.

Mr. Nixon, I had you on the phone on the speakers list. Did you still want to speak?

Mr. Nixon: Yes. Thanks, Madam Chair. I'd just like to speak in favour of this amendment. I encourage all members to seriously have a look at it and vote for it. I think it deals with the two stated objectives of the government members on the committee. One is to make the process simple – for several of the arguments already presented, I think this amendment keeps care of that – and the second is to make sure that the amounts are kept low, which is the intent of the committee. This amendment does both of those, and I will certainly be voting for it.

The Chair: Ms Renaud.

Ms Renaud: Thank you, Madam Chair. I think there's been a lot of discussion, a long day. I think we've heard some really good ideas,

and I think it is good that we are coming together and our goal is about strengthening democracy and putting it back in the hands of all Albertans, where it belongs, the decision-making power. If the committee agrees, I would like to suggest that

we adjourn debate until tomorrow on this so that we have an opportunity to think about it and just spend some time thinking about it and what it means.

Thank you.

The Chair: All in favour of adjourning debate on the amendment, say aye. Any opposed? On the phones? Debate is adjourned.

Dr. Starke: Recorded vote, please, Madam Chair.

The Chair: Just a moment, and we'll get a piece of paper so that we can record that vote. Thank you.

To my right.

Mr. Dach: MLA Dach. Yes to adjourn.

Loyola: MLA Rod Loyola. Yes to adjourn.

Mr. Sucha: MLA Sucha. Yes.

Mr. Nielsen: MLA Chris Nielsen. Yes.

Connolly: Michael Connolly. Yes.

Mr. Malkinson: Brian Malkinson. Yes to adjourn.

Ms Renaud: Marie Renaud. Yes to adjourn till tomorrow.

Mr. Dang: Thomas Dang. Yes.

Mr. Cyr: Scott Cyr. No.

Ms Jansen: Sandra Jansen. No.

Dr. Starke: Richard Starke. No.

Mr. Clark: Greg Clark. No.

Dr. Swann: David Swann. No.

The Chair: On the phones. Mr. van Dijken.

Mr. van Dijken: No.

The Chair: Sorry. Just make sure that you state your name and then your vote, please. Thank you.

Mr. van Dijken: van Dijken. No.

Mr. W. Anderson: Wayne Anderson. No.

Mr. Nixon: Nixon. No.

Ms Rempel: Madam Chair, we have a tie vote.

The Chair: With that, I will vote yes to adjourn debate. Jessica Littlewood. Yes.

The next motion, number 2. Ms Rempel, would you mind reading that into the record, please?

Ms Rempel: Thank you, Madam Chair.

Moved by Mr. Clark that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that the contribution limits to leadership contests be the same as the annual maximum allowable limit for party contributions and

these limits should apply from the time the candidate announces or the campaign period officially begins, whichever comes first.

The Chair: With that, I will open debate. Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. I guess, since we're still working through the contribution limits, it's going to be a little bit hard to proceed on this one, so I'll move to

adjourn this till tomorrow, once we can sort out the contribution limits.

The Chair: All those in favour to adjourn, say aye. Any opposed? We have adjourned debate on the second motion.

Now we are on to number 4. Ms Rempel, would you mind reading that for the record, please?

Ms Rempel: Thank you, Madam Chair.

Moved by Ms Miller that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to only allow individuals who are leadership candidates to guarantee loans to their own campaigns for up to 20 percent of their campaign spending.

The Chair: Mr. Dach.

Mr. Dach: Thank you, Ms Rempel. Thank you, Madam Chair. I know there's a motion that will be debated later today or tomorrow as put forward by Mr. Cyr, and I'd like to potentially adjourn debate on this motion so that we can consider them at the same time, or if the committee prefers, we could discuss them now. I'd just like to get a sense of which direction the committee would like to go, to consider them now or adjourn till tomorrow. Any input from other committee members?

Dr. Swann: I think we should use the time constructively and work through some of this issue as efficiently as we can. I'm open to hearing more.

The Chair: Is there anyone that would like to be added to the speakers list?

Would anyone on the phone like to be added to the speakers list?

Dr. Starke: Madam Chair, could I just get some clarification here?

The Chair: Go ahead, Dr. Starke.

Dr. Starke: I'm wondering if Mr. Dach could just clarify. Is the point of this motion to only – here's what I'm reading. I'm reading it in two parts. "To only allow individuals who are leadership candidates to guarantee loans to their own campaigns": is it saying that the only person that can guarantee a loan to a campaign is the leadership candidates themselves? Or is it specifically to only allow individuals to guarantee loans to the campaign "for up to 20 per cent of their campaign spending"? I'm wondering: is it that you're saying that the only person who can guarantee the loan is a leadership candidate, or are you saying that if a leadership candidate guarantees the loan, the maximum amount they can guarantee the loan for is 20 per cent but other individuals could also guarantee a loan to the leadership campaign?

2:55

Mr. Dach: At this point what I'd do is to simply move to adjourn debate on this motion.

Mr. Nixon: Madam Chair, a roll call vote on that, please.

The Chair: All those in favour of adjourning debate, say aye. All opposed to adjourning debate, say no. That movement to adjourn debate was defeated.

We are back on the motion.

Mr. Nixon: Madam Chair, can we get a roll call on that, please?

The Chair: Starting to my right, go ahead. We're taking a call for adjourning debate.

Mr. Dach: I will vote not to adjourn.

Loyola: MLA Rod Loyola. No.

Mr. Sucha: MLA Sucha. No.

Mr. Nielsen: MLA Chris Nielsen. No.

Connolly: Michael Connolly. No.

Mr. Malkinson: Brian Malkinson. No.

Ms Renaud: Marie Renaud. No.

Mr. Dang: Thomas Dang. No.

Mr. Cyr: I am voting no.

Ms Jansen: Sandra Jansen. No.

Dr. Starke: Richard Starke. No.

Mr. Clark: Greg Clark. No.

Dr. Swann: David Swann. No.

The Chair: On the phones. Mr. van Dijken.

Mr. van Dijken: van Dijken. No.

Mr. Nixon: Jason Nixon. No.

Mr. W. Anderson: Wayne Anderson. No.

The Chair: The motion to adjourn is defeated.

We are back on the motion.

Dr. Starke: Madam Chair, if I might. I wonder then, given that we are not adjourning the motion, if I could get a clarification of the question that I just asked with regard to the considerable ambiguity in this motion, and that is: are the only people that are allowed to guarantee loans the individuals who are the candidates? Is that the point of it? Or is the point of it that the leadership candidates who happen to guarantee loans to their campaigns are limited to only doing it for 20 per cent of the campaign spending? What is the intent of this motion? To me, it's very unclear.

The Chair: Member Loyola.

Loyola: Yes. I mean, my understanding of the situation here: the fact that, well, under the current legislation an individual can give up to \$105,000 within an election cycle – this is drastically going to change, considering that we want to lower the contribution limit. As has been pointed out by Mr. Resler, if we were to change the contribution limit and someone was to backstop a loan for this amount or for the amount that's in Mr. Cyr's motion or even in the motion that MLA Miller has brought forward, it basically makes it a moot point because if the loan were to go into default, that individual who is backstopping the loan would then be making an

illegal contribution to the party because they'd be paying that amount.

I mean, please, Mr. Resler, if you wouldn't mind elaborating a little bit more. Perhaps you can do it more justice than I have, but this is the contradiction here, right? Until we establish the contribution limits – well, even if we weren't to establish the contribution limits, this is still a motion that perhaps is out of order.

The Chair: Mr. Resler.

Mr. Resler: Thank you. As far as guaranteeing loans, it's restricted to individuals only. I think that's what the committee has agreed to. Other than that, the contribution limits will be set by – I guess I have really nothing further to add for clarification.

Ms Jansen: Just a couple of things come to mind. I always think, you know, when we get something like this in front of us: the goal here is to fix a problem. I'm just wondering what the problem was. If this is something we saw a lot of in the past – I'm not familiar with all the leadership candidates for every campaign – is this something that was a regular occurrence? I don't know if Mr. Resler can clarify that this was an issue that came up regularly, that loans were guaranteed to leadership candidates.

Mr. Resler: As far as what was reported to us in the last several leadership contests, we didn't have any loan guarantees reported or defaulted in that sense, but under the legislation there were no contribution limits either.

Ms Jansen: All right. But you've never had an issue come forward that you know of?

Mr. Resler: No.

Ms Jansen: Okay. So maybe for clarification can I ask: why is this being added? Is it that you're worried about something happening in the future where individuals – I'm not sure. Dr. Starke's question wasn't really answered either. Is this targeted at individuals who are helping leadership candidates? Is this leadership candidates themselves? If there was never any problem in the past, I'm just wondering: what exactly is the nature of this?

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. You know, it was probably worded incorrectly when we're talking about individuals. Without the benefit of having MLA Miller here, it was probably meant to say: individuals as well as leadership candidates. I think the intention was trying to prevent overcontributions once we have all the other limits agreed to and set. I think we're just trying to make sure there's clarification so that we don't have any overcontributions occurring in a leadership.

Ms Jansen: But the contribution limits stand anyway, though, don't they?

Mr. Resler: Yeah. If there's a motion for the contribution limits to exist, you would still – potentially it's 20 per cent because we're looking at a provincial campaign. It's higher. We are looking at – what? – \$344,000. Was that what the leadership contest was? If your limit is, say, \$4,000 for a contestant, they're still going to exceed if they're guaranteeing 20 per cent. That was part of the reason that on our original recommendation we asked for corporations and trade unions to be removed, because they're prohibited contributors.

Ms Jansen: Right.

Mr. Resler: So if there was a default, then it's a prohibited contribution. Individuals were still allowed.

If you're looking at ensuring that individuals have the potential not to overcontribute, then the amount they'd guarantee would be limited to their contribution maximum if that's the goal.

Ms Jansen: What is the goal?

Dr. Swann: I was going to ask much the same question.

The Chair: Member Connolly.

Connolly: Thank you very much. Of course, I'm not Ms Miller, but what I would suggest is that she was trying to ensure that if somebody does ask for a loan during a leadership campaign, because one can guarantee a loan – if I was, say, trying to guarantee a loan for Mr. Nielsen, if Mr. Nielsen was asking me for \$4,000 as a loan, I would have to give the bank \$4,000 so that they could then guarantee the loan for Mr. Nielsen. If Mr. Nielsen isn't able to repay that debt, then that \$4,000 then becomes a political contribution. It's guaranteeing that that money is then – you're not overcontributing.

3:05

What Mr. Westwater stated before was that currently if an individual guarantees a loan and the loan goes into default and the individual pays off that loan, it's considered a contribution to the party, and it's subject to the contribution limits that currently exist, which are far higher than what we've established for the future based on the motions that are on the table for future consideration.

Mr. Westwater went on to state:

With this motion the value of the loan that they're guaranteeing would be subject to those limits, so the \$4,000 limit if that passes at this committee would be the maximum that anybody could individually guarantee a loan for because that's the maximum contribution limit should it go into default and become a default payment by that individual.

Basically, I would like to ask the Chief Electoral Officer: does this make Mr. Cyr's and Ms Miller's motion that's before us moot?

Mr. Resler: Does it make it moot? Is there potential for an overcontribution? Yes, if that's part of the question. What is deemed the contribution is the payment, right? You may have multiple years, depending on what the payment structure is. Your limit is \$4,000, no matter what, if that's the cap that we're working with. It all depends on what payments are made within that calendar year, whether that exceeds the \$4,000 limit. As far as the 20 per cent and 5 per cent motions that we're looking at, that would depend on what the base maximum campaign spending limits are, right? So there is always the potential that it can go over if you're looking strictly at the \$4,000.

Connolly: Right. So I would suggest that possibly we withdraw the motion. Since MLA Miller is not here, is it possible for Mr. Dach to withdraw the motion as her official substitute?

The Chair: Go ahead, Dr. Massolin.

Dr. Massolin: Yes. I think the short answer is yes, and the reason why is that Mr. Dach is functioning as an official substitute in the capacity as the acting deputy chair.

Mr. Dach: Then that is precisely what I shall do. I withdraw the motion.

The Chair: All those in favour of withdrawing the motion, say aye. Any opposed? On the phones? That is withdrawn. We are on Motion 5. Ms Rempel.

Ms Rempel: Thank you, Madam Chair. That motion was: Moved by Member Cortes-Vargas that the Select Special Ethics and Accountability Committee recommend that provincial legislation be amended to ban government advertising during general elections with the exception of ads required for government business that are certified in accordance with a process similar to the Ontario process.

The Chair: With that, I will open the floor for discussion.

Mr. Nixon: Madam Chair, can I get on the speakers list, please?

The Chair: Yes.
Mr. Koenig.

Mr. Koenig: Thank you, Madam Chair. If I might just offer for the committee that I believe this motion is dealt with as part of the Election Act rather than the act that you're currently considering. It may be worth while to have Mr. Resler comment on that. It may be that the committee wishes to deal with this motion as part of the review of the Election Act.

The other thing that I would mention, just in terms of what was done this morning, is a motion to consolidate the two acts together. You know, that may suggest that this isn't an appropriate time to discuss this motion, but it's something the committee may wish to consider as it organizes how it deals with each of these motions.

The Chair: Mr. Resler.

Mr. Resler: Thank you. Yes. Looking at this motion as far as government advertising, that would fall under the Election Act portion, and I think it's appropriately dealt with there. I would like to draw to your attention when looking at this motion, as far as when it comes before you, that the crossjurisdictional comparison that was performed by research staff has the comparatives as far as Saskatchewan, Manitoba, and Ontario. I also drew to the attention of the research staff today that there was a report by the Auditor General of Ontario commenting on the legislation in Ontario, and I would state that it's in a negative manner, if you want to also reflect on that. I believe that's going to be circulated to the committee members.

The Chair: Mr. Clark.

Mr. Clark: I believe I was on the speakers list from the previous motion, which was withdrawn, so I will take my name off the list. Thank you.

The Chair: Okay.

Dr. Swann: I was going to suggest, then, that we withdraw this motion, to be dealt with under a separate title called the Election Act.

The Chair: Mr. Dang.

Mr. Dang: Yeah. At this point I know there was some previous use of the ability to advertise during an election period, and I think that's why Member Cortes-Vargas did propose this initially, and that's why this amendment was proposed at this time. I think that at this point we'd like to withdraw this amendment if we could get the consent of the committee.

The Chair: All those in favour of withdrawing the motion, say aye. Any opposed? On the phones? That motion is withdrawn.

We have adjourned debate on item 6, so the next one is item 8. Ms Rempel, would you mind reading that into the record, please?

Ms Rempel: Thank you, Madam Chair.

Moved by Mr. Sucha that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to introduce nomination campaign spending limits for each person running for nomination of up to 15 per cent of a candidate's campaign spending limits.

The Chair: With that, I will open up the floor for debate. Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. I understand that there have been some questions from the other side on: would this be overreaching? I would like to remind my colleagues that at the federal level nomination contestant spending is also limited. There are limits of 20 per cent of the amount allowed for a candidate's election expenses in those electoral districts.

My proposal is to limit nomination contestants – and, again, these are nomination races and nothing more – to \$10,500 in expenses. If there is such a concern over this, I guess I would ask my colleagues what these concerns may be. We have already really moved forward to ban corporate and union donations. This would close a potential loophole for big money getting in the back door, which seems quite reasonable to me. As we mentioned last time, limiting spending limits for nomination and leadership races is a way to ensure accessibility for all potential candidates.

With that being said, I will open up the floor for discussion.

The Chair: Dr. Starke.

Dr. Starke: Thank you, Madam Chair. Well, I certainly made the argument and I will continue to make the argument that this proposal represents a significant degree of overreach and is not the purview of government. This is stepping into the individual operations of individual political parties.

3:15

You know, perhaps while it may seem incredible to some members that nomination races would be in fact hotly contested, that does happen. In fact, one of my earliest involvements in my own constituency was in a nomination race in 1989, where over 2,900 members voted and the nominee won the nomination by a margin of approximately 90 votes. I will tell you that the \$10,000 limit at that time would have nowhere near covered the cost of advertising in the various weekly newspapers around the constituency, of providing various printed materials to the 2,900 – and I'll say that again: 2,900 – memberships that were sold in that particular issue.

You know, again, Madam Chair, this speaks to different parties doing things in different ways, and to set one set of rules that is supposed to be adhered to by all parties – individual parties need to be able to still exercise the flexibility of setting their own rules, and if individual parties wish to set specific campaign or nomination campaign limits, that's up to individual parties.

But here again I am really troubled – we talked about this earlier, and we talk about it again – that the sitting government seems to wish to impose the rules that suit them and apply them to all parties. The different parties operate in different ways. That's very clear. I mean, nothing could be made more clear than that. Just a recent check by our research staff, in fact, of the constituency associations in our province: we have 87 constituency associations, and we have

87 presidents. A quick check of the NDP constituency associations reveals that one individual is president of some 34 riding associations for the provincial NDP Party.

Mr. Clark: How many?

Dr. Starke: Thirty-four.

That's a very busy individual. By the same token, a single individual is the CFO for 35 riding associations for the NDP. So there are different ways of doing things. I'm not saying that that's right or wrong; I'm just saying that it's different. I would not dream of bringing in a regulation that said that you have to have a separate president or a separate CFO for every single constituency association. If that's how you want to run things, that's fine, and it's none of the government's business to tell individual political parties how they should operate. Now, some people might find that there is some issue with having one person be president of 34 different riding associations.

Mr. Clark: It's a lot of work.

Dr. Starke: It's a lot of work.

But that's not something we step into. It's on the public record. It's on the Elections Alberta website.

By the same token, I think that it is completely out of line and a total overreach for the government to decide how individual parties should conduct their nominations. Those races and how those nomination races are conducted are determined by the bylaws and constitutions of the individual political parties. The spending that is required is going to be very different depending on how many candidates are nominated. I mean, we've had up to 30 nominated candidates seeking the nomination in some of our constituency association contests. Now, that may seem incredible to you, but that's the way it is. So to say, then, and to dictate to those candidates that they have a specific dollar figure above which they cannot spend, to me, is a tremendous overreach and fails to recognize the amount of variation there is, not just from party to party but from constituency association to constituency association. I think the \$10,500 or the 15 per cent figures are totally arbitrary.

I can tell you that for many years these nomination contests were very hotly contested because for a number of years past the winner of the nomination was often the person that went on to successfully win the election on behalf of certain political parties in this province.

But I don't think that the government should be meddling in the individual business of individual political parties to this extent. How individual political parties manage their affairs is up to the individual political parties. I'm sure you would not appreciate it if we decided that it's wrong for one single person to be the president of 34 constituency associations. That's an overreach. If that's how you want to run your affairs, that's fine, but by the same token, if it's wrong for us to step in and say that one person cannot be the president of 34 constituency associations, you should not be able to say what individual candidates seeking the nomination for their party should be able to spend.

The Chair: Ms Renaud.

Ms Renaud: Thank you, Madam Chair. I would like to propose an amendment.

The Chair: Go ahead.

Ms Renaud: I propose that the words "15 per cent" be replaced with the words "20 per cent."

The Chair: Ms Renaud.

Ms Renaud: Thank you. A couple of things. Number one, we are very aware that different parties operate in different ways. We've had many, many years of seeing that, and I do appreciate that, that we operate differently. Again, I think it's really important to focus on: what is the nomination process? If it is about selling memberships, then it's about going out, getting out, meeting people, and selling the memberships. It's not actually a campaign. I think that we saw for many years that the nomination race did sort of feel like the election, but that's not the case.

I actually wanted to go back and just again quote – there was a quote that was read in the last meeting by Member Cortes-Vargas. It was Equal Voice that published the information, and I think it is important and worth repeating.

Women are at a huge disadvantage when it comes to entering and succeeding in the political arena. They face their first and biggest barriers at the entry point of politics – the process of getting nominated. Fighting a nomination battle can prove prohibitively expensive for women, who normally have smaller incomes than men. As well, women have to get past the entrenched male networks in politics, which already may have set aside a given riding for a male candidate considered to have paid his dues. Leveling the playing field requires a change in attitudes and changes in electoral law, such as the election financing reforms introduced by former prime minister Jean Chretien that will strictly limit nomination and election spending, at least at the federal level. We'd like to see similar strict limits on all forms of election spending, including at the nomination level, in the provinces as well.

That was said by Janice Kinch of Equal Voice.

I do urge the committee to support the amendment and the motion, which ensure that political participation is accessible to all Albertans, that we are closing a back door. We're closing loopholes to big money, something that I know we've repeatedly said here in this room that we're all against.

Thank you.

The Chair: Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. I can support Ms Renaud's motion as it puts us more in line with what we see in the federal jurisdiction.

One of the things that I subtly spoke about was finding backdoor ways in which people can contribute to the political realm. You know, I've heard throughout many of these discussions about people trying to find loopholes because we're lowering spending limits, and ultimately there's a huge way. You could utilize nominations as a loophole to do a lot of precampaign spending. In reality, if you don't limit the amount of money that is being donated to a nomination race, you could in theory have individual third-party groups or corporations or unions bankroll a candidate's nomination and spend hundreds of thousands of dollars to try to bankroll that individual into that position. You could do an exorbitant amount of leaflets, billboards, advertisements for that individual candidate, getting him that recognition that in theory some other, smaller parties or uncontested candidates in other parties or other candidates won't have the opportunity to do.

We're all distinguished by our party colours in reality – you know, blue for the PCs, green, red, orange – so in theory, if I were seeking a nomination, I could plaster lots of Graham Sucha campaign signs all over people's lawns, and I would not be limited by the election finance spending because I'm seeking a nomination; I'm not running in a general election. So I see this as a huge opportunity for people to really manipulate and take advantage of

the system. That's why I think that it's also very important not only for the sake of equality and removing these barriers for individuals, but it's also a huge opportunity for us to eliminate a way for people backdoorwise to run in general elections.

3:25

Ms Jansen: A couple of things here. I have in fact run in two very fractious nomination races and two elections, so I think I can speak from a little bit of experience here. First and foremost, with all due respect to my colleague across the aisle, to implement something like this does not help women at all. Sorry; it doesn't. If you have a group of candidates running – how many of you have seen a nomination where the majority of the candidates were women? Almost no one, I would venture to say. With so few women entering a race, I would suggest that if the field were large and most of the candidates were men and they had an opportunity to throw their vote behind someone – well, I think you can guess what the outcome would be. I don't buy the argument at all that somehow this helps women, because as a woman it wouldn't have helped me at all.

The second thing is: let's talk about the difference between a nomination race and an election. They are very, very different animals. The argument that being able to take all this money and spend it in a nomination and that somehow that helps you in an election doesn't make any sense at all to me. I think Member Sucha made the comment about plastering signs up in a nomination, that that somehow helps you in an election. Well, I don't remember putting signs up in a nomination at all. In fact, I don't know anyone who even puts signs up in a nomination because in a nomination where you are actually being contested, you're being contested by other members of the same party. In nominations you don't do a lot of door-knocking. You contact the people in your party because those are the people who are going to vote for you. It is a very different animal.

I can confidently say after two elections as well that a whole bunch of money spent in a nomination has almost zero effect on the outcome of a general election. I can tell you right now that in two elections I have looked at the lists of people who signed up for PC memberships in Calgary-North West and the number of people who voted for me in an election. The people who voted for me in an election: less than 2 per cent of those people actually held PC memberships. So I don't see any correlation between people buying memberships in a nomination and who's actually going to come out and vote for you in an election.

With all due respect, I'm not buying any of these arguments. They don't make any sense to me, and having been through the process of four different runs, two nominations and two elections, I think that putting in rules like this is, as Dr. Starke said, overreaching. The arguments make no sense to me.

The Chair: Member Connolly.

Connolly: Yeah. Just quickly I'd like to point out that my parents and almost my whole family live in Mr. Gottfried's riding, and I remember that when he was running, he did have lawn signs and also the person he was running against for the nomination had lawn signs during the prewrit period. I wanted to iterate that.

Yes, I did have two nominations. I won both, and I was acclaimed at both. Yeah, I didn't have to spend hundreds of dollars.

Dr. Starke: I'll bet you didn't.

Connolly: Hmm? Yeah. I was originally acclaimed.

Mr. Clark: Did the other candidate spend any money?

Connolly: Pardon?

Dr. Starke: How about the other guy? What did the other guy spend?

Connolly: Yeah. Thanks.

Yeah, I do think that 20 per cent is a fair number. I didn't run as a federal candidate; I ran for the federal nomination. Yes, I won, and, yeah, other people did. We now have two federal nominations in Calgary. Both candidates will only be able to spend 20 per cent of what the maximum is. I think that it's a fair number, and I think that it's something that Albertans will be happy with.

Thank you.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. This is again, I think, an example of the ND Party thinking in terms of the way their world works as opposed to the way other parties' worlds work. I would be curious to know how many of the ND candidates in the 87 constituencies in Alberta faced a contested nomination, where there was more than one candidate.

Dr. Starke: You only have to ask one person to get 34 answers.

Mr. Clark: I will perhaps ask the one person to get the 34 answers. That's not a bad idea.

Dr. Starke: The 34 answers would take a long time.

Mr. Clark: But, you know, in all sincerity, one of the reasons we have an all-party committee is that we get perspectives from all parties, and this government seems to be trying to solve a problem that no longer exists. This perhaps could have been a challenge 10 or 15 years ago when we had a one-party state where winning the nomination was a guarantee of winning the seat. It certainly doesn't seem to be the case anymore. It doesn't change the fact that a candidate still has to earn those donations, still has to solicit and achieve and attain those donations. They have to earn the trust of enough members of their party to seek to win that nomination, and then they still have to go win the election. The people of Alberta ultimately choose whether or not a candidate nominated by a particular party gets to be the Member of the Legislative Assembly for that constituency.

Again to Mr. Sucha's concern with lawn signs, I can assure you that if the rules as drafted by Elections Alberta are anything at all like the federal rules, lawn signs that were prepurchased during a nomination process would count against the cap, the \$70,000 or \$80,000 spending cap. So those would not be a freebie, donated money from whatever source. I don't want to speak for Elections Alberta, and I won't ask for them to tell us necessarily what those rules would be. If they're going to be the same as the federal rules, that would apply against your \$70,000 or \$80,000 spending cap, as it should.

Again, I don't see us solving a problem that we have in this province. I also don't see that there have been a lot of cases where we'd have such expensive, contested nominations. It doesn't feel like a big issue, and it seems rooted in a very narrow understanding of how the nomination process actually works amongst parties that do tend to have nominations.

Thank you.

The Chair: Dr. Starke.

Dr. Starke: Well, thank you, Madam Chair. I just want to say a couple of things. First of all, I'm inclined to vote for this

amendment if only because it's highly likely that the amendment will pass. It's highly likely that the motion will pass. At least at 20 per cent it's less draconically limiting than the 15 per cent was. So I'll most likely vote in favour of the amendment.

But I want to make a comment with regard to Mr. Sucha's assertion that, you know, somebody who put a lot of money and effort into winning a nomination has a leg up on the other candidates. The most hotly contested nomination in the last election was in the riding of Lac La Biche-St. Paul-Two Hills, where nearly 3,000 people bought memberships. There were four candidates running. It took three ballots, and they counted ballots until 1:30 in the morning before the victor emerged by a margin of nine votes. That gentleman, I don't know what he spent. I have no idea. But, quite frankly, there was a lot of effort, shall we say, put in by all four candidates who were running, including the gentleman who eventually won. That gentleman ran third in the election. He was defeated by both the Wildrose and the NDP candidate in that election.

So your assertion that somehow a hotly contested, well-supported, well-organized, victorious nomination campaign is then just a stepping stone to electoral success is proven wrong again and again and again. The suggestion that this is somehow what we need to do to make the process fair, to get big money out of politics – you name any other cliché that you want to throw in there that you've certainly used – I'm sorry; I don't buy it. Ms Jansen makes some very strong points as being someone who has been through, as I know, two very hotly contested nominations and then two very hotly contested elections.

Again, if individual parties feel that they need to bring in some sort of rules in order to make it more fair, in order to reduce barriers, to do whatever it wants to do, if the NDP wants to do that, fill your boots. You know, go crazy. But the bottom line is that I don't think it's the role of government to dictate to political parties how they should conduct the process of choosing who should be their nominees. What comes next? Is there going to a standardized nomination form? Is there going to be a standardized vetting form for all candidates running to ensure that there's a standard practice met across the board?

3:35

I mean, it sounds ridiculous, but quite frankly I think it's every bit as ridiculous as dictating to political parties how they should conduct their nomination process. How parties conduct their nomination process is determined by the constitution and the bylaws of the individual parties, and if they see a problem, if they see an issue in terms of whether it's spending or conduct or nomination periods or whatever other parameters you want to manipulate during the course of a nomination period, it is up to the individual parties to address those. It's not up to us, and it's certainly not up to the provincial government to dictate to the individual political parties how they should conduct their individual affairs.

I'm opposed – well, curiously, I'm going to vote for this amendment because I'm pretty sure that the motion will eventually pass. Just a wild guess based on past voting records that the motion will pass. At least at a 20 per cent level it's less restrictive and provides candidates with at least an opportunity to do some spending to get their message out, which I think is critically important in a nomination period as well. On principle I'm totally opposed to the notion of getting involved in spending limits for nomination campaigns.

Mr. Nixon: Madam Chair, could I get on the list, please?

The Chair: Yes.

Mr. Nielsen.

Mr. Nielsen: Thank you, Madam Chair. You know, I guess after listening to the debate here, I'm kind of wondering: why was it, then, that this rule was brought in at the federal level? What was the reason? Why did they bring it in? Maybe I'll just point out that since there's never been a federal NDP governing party, obviously somebody outside the NDP decided that this was a good idea. I just thought I'd throw that out there.

I guess on another side note, at least in the federal riding of Edmonton Griesbach I will happily say that at the start of that nomination campaign there were four women and one man. Man, singular. It was an incredible nomination process to watch, to say the least.

Do they have it wrong, then, at the federal level?

The Chair: Dr. Swann.

Dr. Swann: Well, thanks. It's been an interesting discussion. I've heard both sides, and I have some sympathy for this issue and some sympathy for Ms. Renaud's contention that it may in fact assist those who have fewer resources, whether it's women or low-income people or whatever. We're making the field a little more accessible for people who may not be able to compete on a financial level in the nomination process. If the purpose is to increase the scope of candidates and the socioeconomic status, this seems to me to go some distance there. Some may see it as overreach. I don't see it as overreach myself, and I think anything that can encourage more people to be involved and not feel financial barriers is probably a good thing.

I'll be supporting the motion. Thanks.

Oh. I just had one question, and that is whether we have any evidence and whether the electoral office has any evidence that putting campaign spending limits, in particular nomination – is there any evidence around the country that this has any impact on the socioeconomic status of people who enter races? It's always nice to have evidence. I take the point of Mr. Nielsen that the feds have done this hopefully based on some evidence, but I don't know of any evidence. Is his office aware of any evidence?

Mr. Resler: We're not aware of anything at that level.

Dr. Swann: Thank you.

And our research team hasn't seen anything to that effect? Thank you.

The Chair: Mr. Nixon.

Mr. Nixon: Thanks, Madam Chair. Lots has already been said, so I'll try not to be too repetitive. One thing I think we haven't brought up – actually, two things. The first is that in general, for myself, I'm not in favour of spending limits. I think contribution limits are a better way of getting money out of politics. Now, in this case I don't even think we need either, but if the goal is to get big money out or to stop one or two individuals being able to influence the process, I think contribution limits are a better way to do it whereas spending limits basically just limit how many people can participate in the process and cause certain people not to be able to participate in the process, which I think is counterproductive.

The second thing, though, is that I suspect this is going to create a large amount of administrative work, not just on the part of the candidates but on the part of Elections Alberta or whoever has to police this process and go through the paperwork. I think you're going to see an increase in burden that way, which of course is an

increase in taxpayers' money, for a problem that I haven't heard any government member of this committee be able to clearly articulate and show even exists. We just don't know that there is a problem here, and I see no evidence of it.

And last, I'll echo some of the other members' comments in regard to this being an internal party matter. I'm not sure why, you know, government members would want to get in that process, and I find it's a little bit weird. I myself have faced a pretty hard nomination. I defeated a sitting MLA in a nomination before I went on to become the MLA for my riding, which many people will tell you is one of the hardest routes to take to this place. I can tell you that money played a very, very little role in that. It was a lot of hard work, identifying the people that support you within the party and getting them out.

I don't see why we need this. I think, in the end, because we're trying to solve a problem that nobody has shown us exists, we're just going to end up causing a lot more administrative work and costing taxpayers more money.

The Chair: Mr. Cyr.

Mr. Cyr: Sorry; I meant to speak on the main motion. Thank you.

The Chair: Okay. Is there any further discussion on the amendment?

All those in favour of the amendment, say aye. Any opposed? That amendment is carried.

We are back on the amended motion. With that, I will open up discussion on the amended motion.

Mr. Cyr: I have a question to the CEO, Madam Chair.

The Chair: Go ahead.

Mr. Cyr: I've brought it up before in past meetings, about the administrative burden. This is a real concern for me as a lot of candidates may not even spend any money or very little money, but my understanding is that they're going to be required to file financial statements once we process this. Is my understanding correct there?

Mr. Resler: They'll require, similar to a candidate now, a registration process, financial compliance process, and then there'll be a review process by our office and potentially investigate if they're above it, too.

Mr. Cyr: I'd like to propose a subamendment to this.

The Chair: It would just be an amendment.

Mr. Cyr: I apologize. An amendment to this. I'd like to add after "spending limits," that "a nominee will not be required to register or file financial statements should they spend less than \$3,000." That will effectively reduce the burden that is going to be put on Elections Alberta. I would love to hear thoughts if I could improve that.

Mr. Resler: The registration process is usually in advance, and you probably wouldn't know whether the \$3,000 amount would be met or not.

Mr. Cyr: So take "to register" out of that? They would require to be registered but maybe not file if their spending is less than \$3,000.

An Hon. Member: How would you know?

Mr. Cyr: Well, you wouldn't be required to file the financial statements, then.

Mr. Resler: As an oversight body – you would have to file something even if it's a declaration stating: I spent less than \$3,000. So then if there was a request for investigation saying, you know, that someone else covered \$5,000 for the communication aspect and it wasn't reported, then they made a statement on which we can go after them.

3:45

Mr. Cyr: Then can we take out “financial statements” and add “file a statutory declaration”? Sorry if you've got a better way of putting it. Instead of financial statements should they spend less than \$3,000: would that fit?

The Chair: Ms Rempel, would you mind reading that for the record just to ensure that Mr. Cyr understands that to be what he is intending?

Ms Rempel: Thank you, Madam Chair. At this point the amendment is that the motion be amended by adding the following after “spending limits”: “and shall only be required to file a statutory declaration with the Chief Electoral Officer instead of financial statements should the candidate spend less than \$3,000 during the nomination campaign.”

Mr. Cyr: Should it be “nominee” or “nomination candidate” instead of “candidate”?

The Chair: Ms Rempel, would you mind reading that into the record for those on the phone?

Ms Rempel: Thank you, Madam Chair. For Mr. Cyr's consideration again, that

the motion be amended by adding the following after “spending limits”: “and such person shall only be required to file a statutory declaration with the Chief Electoral Officer instead of financial statements should that person running for nomination spend less than \$3,000 during the nomination campaign.”

The Chair: With that, I will open up discussion.

Dr. Starke: A question for the Chief Electoral Officer and the staff of Elections Alberta. I'm curious to know: under the current situation, under the current legislation what is the level of the involvement of your office in nomination contests conducted in the 87 constituencies by the various political parties? A review of documents? A review of financial statements? You know, what is the level of involvement?

Mr. Resler: There is no involvement currently as far as at the nomination level. We consider that the internal affairs or private matters of the political party.

Dr. Starke: Kind of what I think, too.

If we go ahead with this requirement for a spending limit, somebody would have to enforce and police that, and ostensibly, if it's in the provincial act, that would then fall to Elections Alberta. Doing a little bit of math, if we have 87 ridings and we have five political parties that I'm sure are going to all have 87 contested nominations in all 87 ridings and let's just say, for argument's sake, that we have three people running for each nomination, that's 1,305 – wow – sets of documents and declarations and financial statements to sift through to make sure that the requirements that are being put in place by this government are adhered to.

I'm curious to know: to go through that amount of paperwork, could you do it with your current workforce? If yes, great. If you can't, how many additional people would you have to hire, and what would the cost of doing that be?

Mr. Resler: We wouldn't have the capacity with the current workforce. When you do a comparison as far as the provincial general election, we have 412 candidates on which we register a report and review, so that would obviously be an increase in the workload. We're estimating that it would probably be approximately five FTEs that we'd have to add for this alone.

Dr. Starke: Sorry. Five FTEs?

Mr. Resler: Yes.

Dr. Starke: And the cost of that, roughly, would be?

Mr. Resler: Approximately, with benefits and everything, probably about \$70,000 per person.

Dr. Starke: So another \$350,000 conservatively.

Mr. Resler: Plus the accommodation infrastructure: desks, computers, that type of thing.

Dr. Starke: Okay. Thank you.

The Chair: Mr. Dang.

Mr. Nixon: Madam Chair, could I get on the speakers list, please?

The Chair: Yes, Mr. Nixon.

Mr. Dang.

Mr. Dang: Thank you, Madam Chair. I think that while the intent of this amendment is to reduce the administrative burden, I think we do have to consider that everyone on this committee here has the interest of increasing the transparency of our government's processes and the transparency of how our electoral processes are going, right? Openness and transparency are what we are fundamentally here to talk about.

When we look at this, what this shows to me is that we are essentially carving out a section of our entire process that will then be closed to the public eye, that will be closed to transparency and be closed to openness. What we're saying here is that the financials of somebody who contributed significant amounts of money toward somebody's nomination could be completely hidden from the public. Then if they were to go on to be a Member of the Legislative Assembly or in government or whatever, we would see that we'd be missing a piece of that information. The public would be missing a piece of that information.

At this time I think that this amendment, while it has interesting intent, does seem to create an exemption that does not create the transparent and open processes that we're trying to work towards.

Mr. Nixon: Just real quick on that point, let's be clear that political parties are not the government, so I'm not really sure what that point is.

In addition to that, I will support this amendment though I am totally against the motion because I think it's a great and tremendous administrative burden either way. As has just been pointed out by Elections Alberta, it's going to come with a tremendous cost to the Alberta taxpayers to help with a problem that still hasn't been shown to exist.

With that said, though, I will support Mr. Cyr's motion because at least it'll limit some of the extra administrative work. I suspect –

I don't know – that a large majority of nominations probably don't pass \$4,000 in expense on a campaign, particularly when you add in all the acclamations and stuff that happen along the way. Hopefully, we'll reduce some of the unnecessary administrative burden that the government members are about to put onto Elections Alberta.

There are some other problems with this motion, but as soon as we get off the amendment, hopefully we can get back to the motion.

3:55

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I did the same calculations that Dr. Starke had done and came up with approximately the same number of nominees. I was thinking anywhere from 1,000 to 2,000. I would say that the majority of those nominees are going to be at less than \$3,000. Therefore, all we would need to do with them, if they wanted to run, is to put out a standard statutory declaration and eliminate potentially five FTE positions.

I would always say that transparency and accountability are important, but we're also accountable for taxpayer dollars. The value here of trying to achieve exactly what you're trying to do here, trying to get big money out of the nomination contest – while I disagree with what this motion is trying to do, it still achieves what you're trying to do without putting a very strong burden on this department. How far can you go in hiring civil servants, especially during a time frame while we are running massive deficits already? We will be borrowing \$350,000 in order to be able to make this work, more or less, because that's where we're at right now. I think it's unreasonable to put this on the shoulders of Albertans, and I would argue that if you're looking to get big money out of nominations, please support my amendment here.

The Chair: Is there anyone that would like to speak further to the amendment?

Seeing none, all those in favour of the amendment, say aye. All those opposed? On the phones?

Mr. Cyr: Can we record it?

The Chair: Reading from the room, it looked like it was defeated. However, we've had a call for a recorded vote, and I'll start to my right.

Mr. Dach: MLA Dach. No.

Loyola: MLA Rod Loyola. No.

Mr. Sucha: MLA Graham Sucha. No.

Mr. Nielsen: MLA Chris Nielsen. No.

Connolly: Michael Connolly. No.

Mr. Malkinson: Brian Malkinson. No.

Ms Renaud: Marie Renaud. No.

Mr. Dang: Thomas Dang. No.

Mr. Cyr: Scott Cyr. Yes.

Ms Jansen: Sandra Jansen. Yes.

Dr. Starke: Richard Starke. Yes.

Mr. Clark: Greg Clark. Yes.

Dr. Swann: David Swann. Yes.

The Chair: And on the phones?

Mr. van Dijken: Glenn van Dijken. Yes.

Mr. W. Anderson: Wayne Anderson. Yes.

Mr. Nixon: Jason Nixon. Yes.

Ms Rempel: Thank you, Madam Chair. We have a tie vote.

The Chair: Jessica Littlewood. Against.

That amendment is defeated.

We are back on the main motion.

Mr. Nixon: Can I be put on the speakers list for the main motion, please?

The Chair: Yes. Mr. Nixon, you will be first on the main motion. Go ahead.

Mr. Nixon: Okay. The other issue that I see, just looking over this right now, you know, is that I don't know the NDP's process for nominations. I do know the Wildrose process, and I do know a little bit about the PC's process. I can tell you that our processes are different. Some parts are similar; some parts of it are different, particularly around campaign periods. I don't have all the documentation in front of me, but we both have different campaign periods during our nomination process. I can only assume that some of the other parties in the province have different processes as well around that. I mean, what is this campaign spending limit? Is it just going to apply different ways to different parties because of their rules around the nominations? How are we going to handle that?

Mr. Resler: I can just make an observation as far as the leadership contests themselves. Each individual party sets the rules for the contest, so they have differing campaign periods or the reporting structure as far as when a contestant becomes a contestant, and that's what we work within when we look at the registration and reporting aspect for those contestants of a leadership.

Mr. Nixon: To my point, we're going to have a whole bunch of different rules for different parties. For example – I don't have the paper in front of me – let's say that the Wildrose Party's campaign period is 20 days, and we declare somebody as an official candidate at a different time than, let's say, the third party, who has 30 days. Like, there are going to be drastic differences between parties.

The other thing is nomination processes. I mean, if you're running for a nomination that's going to be contested, you probably already started now.

Mr. Resler: Yeah. Unless the committee wishes to regulate a campaign period, there would be differences.

Mr. Clark: The deeper down this hole we go, the more complex and expensive it gets. Now we get into the position, if this government motion passes, where we have a limit on nomination spending, but that limit is only enforced once that candidate is an officially recognized candidate by the party. What happens before that period? We see that now in the PC leadership. We've got one candidate travelling the province spending money outside of that party's declared . . .

An Hon. Member: Two.

Mr. Clark: Apparently two now, if we're following along on Twitter. Okay. I suspect that in the next three weeks we may have a few more.

That party has decided that October 1 is the start of their process. That's when the registrations to Elections Alberta would be able to be processed, so that's where a campaign spending limit would apply. Now, perhaps this committee is going to address that, or we've got some motions on the floor that are going to try, I suppose, to somehow address that, but we've already encountered some complexity in what is a pretty high-profile leadership process.

When you multiply that by 87, now you've got further complexity. Now, do we need to figure out what we do in the weeks and months and potentially years leading up to that official process, when that person is a declared candidate in the eyes of Elections Alberta? Do we anticipate that the government of Alberta is going to start auditing bank accounts and identifying different coloured signs as actually a campaign expense? I mean, all of this adds at least, I think, by a conservative calculation, half a million dollars in costs to Elections Alberta, which is ultimately a cost to taxpayers, to solve a problem that I'm not sure is a problem.

I agree with Dr. Starke. It feels like overreach, and I would encourage the government to really reconsider whether this is actually solving a problem or if, in fact, we're delving into an area that we probably don't belong.

Thank you.

The Chair: Is there anyone to speak further on the amended motion?

Mr. Nixon: Yeah, I'd like to, Madam Chair, if I can. I'd just like some clarification. Essentially, what we're saying – I'd like to hear from the officer if I could. Essentially, a party could just declare the campaign period 24 hours, and everybody else would be out campaigning, their things and their official candidates, for 24 hours – is that correct? – or a week or whatever.

Mr. Resler: What we receive now is a statement from the party for the leadership campaign – it's from the chief financial officer – setting out the parameters of the contest. Those comply with the bylaws and constitution of the party, so if it is the party's intention through their bylaws and constitution that they wish to have a 24-hour campaign, they may do so. That's a private matter, which they have all authority to do. We work within the rules of those entities.

Mr. Nixon: That just kind of proves the point. I don't know why we're meddling in this area.

The Chair: Is there any further discussion to the amended motion?
4:05

Mr. Cyr: I'd like to take another, I guess, different direction on the last amendment that I put forward. Can we bring up that other amendment that I put forward? Can you copy that? It's not going to be the same one. Can we go to the "person running for nomination" right there and put "is acclaimed" and then take out the rest?

The Chair: Ms Rempel, would you mind reading that for the record, please?

Ms Rempel: Thank you, Madam Chair. Moved by Mr. Cyr that the motion be amended by adding the following after "spending limits": "and such person shall only be required to file a statutory declaration with the Chief Electoral Officer instead of financial statements should that person running for nomination be acclaimed."

Mr. Cyr: Is that something that would work with you as well? A lot of our candidates from some of the parties are just acclaimed.

Mr. Resler: Yeah. The only question I have as far as the reporting aspect: if the matter being brought forward is transparency, are all contributions being made public as far as any contributions made to that person? Were there any costs associated with someone that's been acclaimed? It may be minimal or none. Whether that is to form part of it would be my only clarification. Otherwise, for the acclamations, you know, we're estimating that a third of the nomination process could be acclaimed, so that would cut down as far as the administration.

Mr. Cyr: Okay.

Mr. Nixon: Madam Chair, could I get on the speakers list, please?

The Chair: Yes, Mr. Nixon, following Mr. Cyr.

Mr. Cyr: I'm not sure. You're saying that you'd still want them to file . . .

Mr. Resler: Well, I don't know. I'm just saying that if you want any contributions that are provided – they may not have contributions, so then they'd state that in their declaration.

Mr. Cyr: But these are not tax receipts anyway.

Mr. Resler: No. But if you're looking for transparency on who is backing, whether it's a leadership contestant, whether it's a regular candidate, that's the current process. That's just what I'm clarifying, whether that's a requirement.

Mr. Cyr: Okay. But right now they don't do that.

Mr. Resler: Right now they don't do anything.

Mr. Cyr: Right. So it kind of fits with what is happening right now. It's just sporadic. I'm comfortable with this unless somebody has something they would like to add.

Mr. Nixon: I just want to build on Mr. Cyr's point. Actually, I suspect that if you look across the province at all parties, probably the majority of spots, the last time around at least, were acclamations. Then there is no campaign period, so why would we want to put this burden on and cause taxpayers to have to pay money to essentially just file a whole bunch of stale reports if there was no campaign period? I think this is a – again, that the original motion was brought forward, I think, was unfortunate and short-sighted, but this will make it better.

The Chair: Is there any further discussion on the amendment?
Member Loyola.

Loyola: Yeah. Considering that it's past 4 o'clock and, you know, a lot of good points have been brought up, I think that perhaps it would be good right now for us to take a break, deliberate, think about it over the evening, and come back to this tomorrow. I will now move that

we adjourn on the amendment.

The Chair: All those in favour of adjourning debate on the amendment, say aye. Any opposed? We have adjourned debate on that amendment.

On to other business. Is there any other business that committee members would like to raise at this time?

Dr. Starke: Very briefly, Chair, I was wondering if I could ask the committee if they would consider that during tomorrow's meeting we have our lunch break a little bit later. I had mentioned this to you during the break. Ms Jansen and I are scheduled to have a meeting on the south side of Edmonton between 1 and 1:45, which we would very much still like to be able to attend. If the lunch break went from 1 until 2 or 12:45 to 1:45, something like that, then we'd be able to attend that, and we would return as quickly as possible.

The Chair: Is there any discussion around the table on that? Everyone is in agreement? Okay.

Thank you, Dr. Starke.

Mr. Nixon: Madam Chair, are we on new business, then?

The Chair: We are still under other business, yes. Did you have something? Mr. Nixon, go ahead.

Mr. Nixon: I move the following: make it illegal for related nonprofit associations to secure any loans for any political party; and furthermore make it illegal for political parties to enter into contracts with related nonprofit associations, specifically including associations that are related through common directors; and further require political parties to specifically and transparently disclose any financial activity with related nonprofit associations,

specifically including associations that are related through common directors.

The Chair: Mr. Nixon, we're under other business right now, so tomorrow, when we are back to the deferred motions, you would be able to bring forward new motions at the end of the day. Unfortunately, that fell under the last agenda item that we were on when we were under the deliberations. You would be able to bring that forward tomorrow.

Mr. Nixon: Okay.

The Chair: Okay. The date of the next meeting is scheduled for tomorrow, Friday, September 9, 2016, and we will have a proposed agenda made available shortly.

With that, if there is nothing else at this time, I will call for a motion to adjourn.

Loyola: I so move.

The Chair: Moved by Member Loyola that the September 8, 2016, meeting of the Select Special Ethics and Accountability Committee be adjourned. All in favour? Any opposed? That is carried.

[The committee adjourned at 4:12 p.m.]

