



Legislative Assembly of Alberta

The 29th Legislature
Second Session

Select Special
Ethics and Accountability
Committee

Election Finances and Contributions Disclosure Act Review

Wednesday, July 27, 2016
9:01 a.m.

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The 29th Legislature
Second Session**

Select Special Ethics and Accountability Committee

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Miller, Barb, Red Deer-South (ND), 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)
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Hinkley, Bruce, Wetaskiwin-Camrose (ND)**
Hunter, Grant R., Cardston-Taber-Warner (W)***
Jansen, Sandra, Calgary-North West (PC)
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Nielsen, Christian E., Edmonton-Decore (ND)
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Renaud, Marie F., St. Albert (ND)
Starke, Dr. Richard, Vermilion-Lloydminster (PC)
Sucha, Graham, Calgary-Shaw (ND)
Swann, Dr. David, Calgary-Mountain View (AL)
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* substitution for Marie Renaud

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9:01 a.m.

Wednesday, July 27, 2016

[Mrs. Littlewood in the chair]

The Chair: Good morning, everyone. I'd 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.

Ms Miller: Barb Miller, MLA, Red Deer-South.

Loyola: Rod Loyola, MLA for Edmonton-Ellerslie.

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

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

Cortes-Vargas: Estefania Cortes-Vargas, MLA for Strathcona-Sherwood Park.

Mr. Hinkley: Good morning. I'm Bruce Hinkley, MLA for Wetaskiwin-Camrose, subbing today for Michael Connolly, MLA for Calgary-Hawkwood.

Mr. Dach: Good morning. Lorne Dach, MLA, Edmonton-McClung, subbing today for MLA Marie Renaud.

Dr. Turner: Bob Turner, MLA, Edmonton-Whitemud, subbing for MLA Drever.

Mr. Lee: Kevin Lee, director of election finances, chief electoral office.

Mr. Westwater: Drew Westwater, Deputy Chief Electoral Officer, Elections Alberta.

Ms Vance: Fiona Vance, external legal counsel for the Chief Electoral Officer.

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

Mr. Hunter: Grant Hunter, MLA, Cardston-Taber-Warner.

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

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

Dr. Amato: Good morning. Sarah Amato, research officer.

Ms Robert: Good morning. Nancy Robert, research officer.

Ms Dean: Shannon Dean, Law Clerk and director of House services.

Ms Rempel: Jody Rempel, committee clerk.

The Chair: I will just ask those on the phone to introduce themselves for the record.

Mr. W. Anderson: Wayne Anderson, Highwood.

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

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

The Chair: I'll just note for the record that the official substitutions are Dr. Turner for Member Drever, Mr. Hunter for Mr. van Dijken, Mr. Dach for Ms Renaud, Mr. Hinkley for Member Connolly.

A few housekeeping items to address before we turn to the business at hand. A reminder 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 BlackBerry's 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 is the approval of the agenda. Does anyone have any changes to make to the agenda? If not, would a member move a motion to approve the agenda? Moved by Member Cortes-Vargas that the agenda for the July 27, 2016, meeting of the Select Special Ethics and Accountability Committee be adopted as distributed. All in favour, say aye. Any opposed? On the phones? That is carried.

We are opening back up the deliberations on the Election Finances and Contributions Disclosure Act. We left off deliberations yesterday on page 7 of the issues document for the Election Finances and Contributions Disclosure Act. Committee members will recall that we passed a motion agreeing to consider this piece of legislation by going through this document on a line-by-line basis. Unless there are any general questions at this time, we will return to our deliberations, beginning with item 2(b), unions and corporations.

Mr. Clark.

Mr. Clark: Thank you, Madam Chair. At this time I'd like to make a motion, please. Oh, yeah. Can we see the screens? Is that possible? We can't see them on this side.

Ms Rempel: Well, there's one at the back, there.

Mr. Clark: Oh, okay. Maybe we can see that one there. All right. Thank you.

I would like to move that the Special Select Ethics and Accountability Committee request that the Legislative Assembly extend the timeline for the consideration of the election act and the Conflicts of Interest Act to January 31, 2017.

I'll give you a moment to get that up, and then I'll give you some rationale as to why.

The Chair: I think that at this time we're doing deliberations, so we could take this motion and we could table it under other business.

Mr. Clark: If I'm not mistaken, a motion is always in order. Is that correct?

Mr. Sucha: Point of order, Chair. We've already approved the minutes for the meeting, so I would recommend that this get moved to other business.

The Chair: Counsel? Yes. This can be put under other business.

Mr. Clark: Must it be, if I've made a motion?

The Chair: Yes. We've already approved the agenda as it is. This is not under what we're considering right now, so we'll move it under other business.

Mr. Clark: All right. Thank you.

The Chair: Under unions and corporations are there any recommendations that a member would like to make at this time?

Seeing none, we will move on to 3, loans and guarantees, (a) borrowing money. Dr. Amato, would you mind giving us some background on this?

Dr. Amato: Certainly. There are three proposals correlated to proposal 3(a), which is on page 7 of the document, and they are as follows:

- Only individuals and financial institutions should be allowed to provide loans,
- The EFCDA should be amended so that financial borrowing by a registered political party is guaranteed through legitimate financial institutions, applying commercial terms and conditions, within already existing Government financial regulatory frameworks,

and third,

- Consideration should be given to whether recommendation 35 of Elections Alberta would “create a loophole by which individuals could circumvent the limits on donations unfairly advantaging a specific candidate or registered party.”

There are two more on the next page.

- The EFCDA should be amended so that financial institutions as well as officers and directors of a constituency association can loan up to \$1,000 to their own constituency association per year,

and

- The EFCDA should be amended so that loans to political parties, candidates and constituency associations cannot be made by corporations or unions.

The Chair: I will open that up for the floor. Are there any committee members that would like to make a recommendation?

Mr. Cyr: I would like to make a motion at this time, on the right one – I’m sure we’re surprised on this one – that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that only financial institutions can make loans.

The Chair: Mr. Cyr, does that accurately reflect your motion?

Mr. Cyr: Yes, it does.

The Chair: Okay. I’ll just ask Ms Rempel to read it for the record for those on the phone.

Ms Rempel: Thank you, Madam Chair. Moved by Mr. Cyr that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that only financial institutions can make loans.

9:10

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

Mr. Cyr: Can I call the question? Unless there’s discussion.

Loyola: I just want to express my appreciation to the Member for Cold Lake-Bonnyville, I believe it is.

Mr. Cyr: Bonnyville-Cold Lake.

Loyola: Oh, Bonnyville-Cold Lake.

Mr. Cyr: You were close.

Loyola: I was close, yes.

I’m highly in favour of this motion and suggest that all my colleagues around the table from the different political parties support it.

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

Mr. Dach: I’m just wondering whether we should define more specifically what type of financial institutions might be able to make loans. Should it be chartered banks? Should we eliminate, like, payday loan companies?

The Chair: Are you wanting to make an amendment?

Mr. Dach: If the committee is fine with the language the way it is, I’m certainly able to leave it that way. I just thought I’d bring it up.

Loyola: If my colleague feels comfortable with it, would you feel best with adding the word “legitimate” to “financial institutions,” and would the mover see that as a friendly amendment?

Mr. Cyr: I’m not against it, but I’m just not sure if you can be a financial institution in Canada and be illegitimate because you need Alberta consent to be a financial institution, don’t you?

Loyola: Yes.

Mr. Dach: I’m fine with that.

The Chair: Mr. Lee, do you have something to add?

Mr. Lee: Yeah. Currently “financial institution” is actually defined within the EFCDA. The definition means “a bank, a treasury branch, a credit union, a loan corporation or a trust corporation.” That’s the current definition.

The Chair: Thank you.

Mr. Dach: Given that, that satisfies me, and I believe I’m fine with leaving it at “financial institutions.”

The Chair: With that, I will call the question. All those in favour – oh, Mr. Westwater.

Mr. Westwater: Thank you, Madam Chair. Just for clarification, we currently exclude Alberta Treasury Branch as an institution that can make loans. I would suggest that the committee consider that before they move the motion so they’re not in a conflict position. That’s why I suggest that.

The Chair: Mr. Clark.

Mr. Clark: Yeah. Sorry. I was just going to say that in the definition of financial institution, is it necessary for us to actually include that in this motion, or is that just assumed? It seems unlikely that this motion would change your willingness or the likelihood that we would allow ATB to participate directly. I’m happy to – you know, I guess I felt . . .

The Chair: Mr. Westwater.

Mr. Westwater: With this definition Alberta Treasury Branch would be permitted to make a loan. Currently they’re excluded, so I just thought I’d bring that to the attention of the committee.

Mr. Clark: Okay. Yeah. Sure.

Loyola: Then to Mr. Westwater: would simply stating “with the exception of Alberta Treasury Branch” suffice?

Mr. Westwater: The wording suggested by our legal counsel is “a financial institution other than Alberta Treasury Branch.”

Loyola: Okay. Is that considered a friendly amendment?

The Chair: Mr. Cyr, do you accept that?

Mr. Cyr: Absolutely.

The Chair: With that, is there any further discussion?

I will call the question. Ms Rempel, would you mind reading that into the record first before we call the question?

Ms Rempel: Thank you, Madam Chair. Moved by Mr. Cyr that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that only financial institutions other than the Alberta Treasury Branch can make loans.

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

Are there any further recommendations?

Mr. Cyr: I'd like to propose another motion, please.

The Chair: Please go ahead.

Mr. Cyr: That

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that loans to political parties, candidates, and constituency associations cannot be made by corporations or unions.

Ms Dean: Madam Chair, I think there's some question as to whether that motion would be in order because of the previous motion that the committee has adopted that limits who can make loans. So that's already dealt with.

Mr. Cyr: Yeah. Thank you. Financial institutions with the exception of or other than the ATB, whatever the other wording was.

The Chair: Hang on. We'll just let them sort themselves out.

Mr. Cyr: I withdraw the motion.

The Chair: Okay. Are there further recommendations on item (a), borrowing money?

Mr. Cyr: I'd like to propose another motion, that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that a guarantee of a loan be valued as a contribution where the worth is valued by the amount of the loan multiplied by the prime rate.

9:20

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

Ms Rempel: Thank you, Madam Chair. Moved by Mr. Cyr that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that the guarantee of a loan be valued as a contribution where the worth is valued by the amount of the loan multiplied by the prime rate.

The Chair: With that, I will open it up for discussion. First, I have Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. It might be early and I might not have had enough coffee yet, but I was wondering if the member might mind, I guess, explaining what the intention is and what you're hoping to get out of this motion.

The Chair: Mr. Cyr.

Mr. Cyr: Madam Chair, thank you. When we've got personal guarantees being given, in the accounting standards you're required to come up with a value of that personal guarantee. The reason is that whenever you guarantee something that another party can't do on their own, there's an implicit value that comes along with that. The question is: do we ignore that for political parties? We can possibly have individuals guaranteeing millions and millions of dollars and showing that there's no value back to that political party. What I'm hoping to do is say that there need to be some checks and balances and we need to start seeing that these guarantees for the loans actually have some sort of worth put to them. I believe that the loan or the guarantee being multiplied by the prime rate is a good indicator of what that is worth every year.

Did that answer your question, Mr. Nielsen?

Mr. Nielsen: I think I understand where you're going. I certainly would like some time to think more on this. I don't want to speak for anybody else on the committee here, so I'll let the discussion flow for now.

The Chair: Member Loyola.

Loyola: Yeah. I'd like to ask Mr. Westwater how this is different from currently within the Election Finances and Contributions Disclosure Act and how this could potentially change things for political parties, if you could elaborate on what your experience has told you and where you see this going.

Mr. Westwater: Thank you, Madam Chair. Through you to the member, 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. 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. This would change the amount that an individual could guarantee for a party on a loan amount to whatever the limit is, either the existing if it's maintained or a future one.

Loyola: Just to be clear, that would only be if they were called in to take care of the loan, or would it be considered that right off the bat?

Mr. Westwater: I believe I understand from Mr. Cyr's motion that it's the value of the guarantee itself, so you could not guarantee a loan over \$4,000.

Loyola: Okay. For clarity.

Mr. Sucha: How would this impact loans that have already been guaranteed and are currently looking to be paid off?

Mr. Westwater: Unless this was made retroactive, the existing rules would apply to the existing loans that are currently on the books. Perhaps Mr. Lee could clarify that for you.

Mr. Lee: We'd likely have to set up some sort of transition rule or legislation similar to what we did with Bill 1 about a year ago.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I guess I'm just curious. Two questions. If you could elaborate a little more on that transition rule with Bill 1. I recall that it came into force on the day of introduction into the Legislative Assembly, and then your office did some work to communicate the implications of that to all registered political parties. So I'd appreciate primarily if you could talk about that.

The other question is: could this committee, if it so chose, recommend some form of retroactivity, for lack of a better term, where there is a transition period of, say, 12 months where any loan that was outstanding would be required to meet the new guidelines within a set period of time? You know, perhaps that's a question to Elections Alberta. Perhaps that's a question to Parliamentary Counsel. Is that a power we wield? Could we do that if we chose to, I guess, is the question on the table.

First, if you could talk about what that transition was after Bill 1. Secondly, is it possible and should we choose to change the rule around loans to have a transition period to the new rules where all must comply with the new rules over a period of time?

Mr. Lee: Sure. Thank you, Madam Chair. To the member, when Bill 1 was passed, there were changes to section 40 in regard to borrowing loans and who could lend. Two new subsections were added at that time. One referred to the former act, which was to be read immediately before the current act came into force, and then there were specific rules for loans that were in effect at that time and how the contribution would be determined based on if a default happened or a payment was made on behalf of that loan and then the new rules, which came into effect on June 15, and how the contribution was determined with those new rules. Like the member had mentioned, Elections Alberta did do a briefing and sent it out to all the parties in order to understand the changes that came into effect not just with this section but with all of the changes for Bill 1. Once the legislation is amended or if it's amended going forward, there would be a full summary document prepared and sent out to all parties for all the changes and if there are any transition rules, which would be part of the legislation at that time.

9:30

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

Dr. Starke, did I see your hand?

Dr. Starke: Uh-huh.

The Chair: Yes. Dr. Starke.

Dr. Starke: Thank you, Chair. I think the current provisions of the act, whereby it is only valued as a contribution in the event of default on the loan, is the correct way to go about doing things as opposed to having something on the books during the period of time in which the loan is being paid back. It truly only becomes a contribution once the loan is not paid.

Further, if the amount is limited to whatever the lowered amount is, you know, \$4,000 or whatever the amount that we settle on, quite frankly, you won't see very many loans being taken out. Why would you bother? It's such a small amount that if you're looking

at financing a campaign or financing a significant chunk, you're going to have to get a large number of \$4,000 loans and get those all approved through a financial institution. You know, financial institutions don't typically loan out money without doing appropriate paperwork and that sort of thing, checking references, and all the rest of it.

I don't think this is workable, and certainly I don't think it's reasonable that it be considered a contribution unless the loan is defaulted on. I mean, clearly, if the loan is defaulted on, then there's an amount that has been contributed, perhaps unwillingly or without intention by that person making the loan guarantee. At the same time, they made the guarantee, and they knew what risks were involved, but it doesn't become a contribution until the loan is defaulted on.

I don't support this motion because, like I say, I think it's premature to value this as a contribution prior to the point at which the loan is actually defaulted on.

Mr. Dach: I was just going to point out what I believe is a discrepancy in definition between the motion and what Mr. Westwater has indicated is the already in place \$4,000 maximum defined limit for contributions. The formula that's in the motion indicates that the value of a contribution would be calculated by multiplying the amount of the loan by the prime rate whereas the actual value of the contribution maximum, as Mr. Westwater pointed out, is actually \$4,000. There seems to be a discrepancy between reality and what the proposal is.

Perhaps Mr. Westwater could comment on that.

Mr. Westwater: Through you, Madam Chair, to the member, I think I stated that if it's going to be valued as a contribution, the maximum contribution limit for any individual is \$4,000 if the motion that this committee has suggested previously goes forward as a recommendation. Therefore, the value of the contribution that they're guaranteeing a loan for cannot exceed \$4,000 plus the prime rate.

The Chair: Mr. Sucha.

Mr. Sucha: My question was already answered.

Mr. Cyr: I probably didn't do a good enough job explaining this, then. I know that Dr. Starke understands this from his description of this. What the intent is is to say that we shouldn't be able to have long-term personal guarantees to a party without any value put to that personal guarantee. Now, what happens is that this is a common practice taken on by the Canada Revenue Agency, so this is established that there is value to a personal guarantee.

Now, in this case let's run through how this would work. Let's say that you personally guarantee \$100,000. The prime rate is 2 per cent. The value of that loan would be \$2,000. A receipt would be given to that gentleman. That means that by the elections act that gentleman would be limited by the amount that he would be able to personally guarantee. I hear the concerns by Member Starke that in a campaign period or a leadership contest they would need to come up with multiple people showing these personal guarantees, and I don't think that's unreasonable. I don't believe that we should end up having a candidate out there having a personal guarantee for \$10 million to a leadership candidate.

I stand by this motion, saying that this is very reasonable. I want to ask the members to really support this motion because in the end, where do these personal guarantees end, and how much do we want to allow them to influence our political environment? That's what I would like to explain.

The Chair: Member Loyola.

Loyola: Yes. Thank you, Madam Chair. I hear what the member is saying. If we were considering this as a stand-alone motion without the many others that we are also contemplating and reflecting on, perhaps I would support the motion. But, I mean, after hearing my esteemed colleague from Vermilion-Lloydminster talk about the fact of only on the occasion when the backer would actually have to come in and pay would it then be considered a contribution, which makes sense to me – right? – I think that this is jumping the gun.

There are a number of other issues that we're dealing with in terms of trying to lower the amounts that people can fund raise and also spend. Those are still on the table to consider. I would highly encourage my colleagues to vote this motion down.

Cortes-Vargas: I'd like to call the question.

The Chair: Mr. Clark first, please. Thank you.

Mr. Clark: I'd like some more information from the mover of this motion on exactly what his objective is because as I listen to the debate on both sides, I think of a few things. One, I think we have to be careful that we leave a functioning democracy, and that cuts both ways. That means that we want to be careful that we do not have an outsized influence of money in politics. I think I've heard many times from all members of this committee that that's exactly what we're striving for. Perhaps, again, I'll try to come up with a specific question here, and perhaps that's what we're trying to drive at, to remove any loopholes that may allow that to happen behind the scenes.

The flip side of that being that parties do need to fund campaigns. Does it truly serve democracy if parties do not have the tools they need to get in person to every corner of the province and actually travel around Alberta and put their message out through social media, through traditional media, by lawn signs, all of those sorts of things? That's what I'm trying to balance, I guess, in my own mind.

What I'm curious about from the mover is: is this motion intended to address the issue of how we deal with what Elections Alberta has talked about? The current act facilitates breach, given that corporate donations are banned. The objective here is that corporate and union donations are banned. In other jurisdictions they're also prevented from making loans or guarantees. I want to make sure I'm not mixing up that issue with what you're trying to achieve here. The way the current act reads, it does facilitate a breach. If that corporation backs a loan and the loan is called, that becomes a donation, which is now a prohibited contribution, et cetera. So there are two pieces to that. One is that which you're trying to achieve.

I guess maybe I'll ask: how do you see this working in practice? Do you intend that this would be retroactive? Do you think this would be only go-forward? You know, I guess what I'm really driving at here is: what problem are you trying to solve with this? I hope I'm clear on my question.

The Chair: Mr. Cyr.

9:40

Mr. Cyr: Thank you, Madam Chair. I'd like to ask a question to the CEO, if that's fine. If a personal guarantee for \$10 million – we'll use a big number – was given and the party defaults on that loan, how does it work, exactly, that that person suddenly can contribute \$10 million to a party underneath this when, I guess, our maximum that you can contribute that we're contemplating right

now is \$4,000? What I'm trying to do with this motion is say that money in this is becoming a really big problem when we start looking at the amounts of the dollars that we're growing to. How exactly would you deal with a default on a loan like this?

Mr. Westwater: Thank you, Madam Chair, and through you to the member, if the party were to default on a loan that was guaranteed by an individual and the individual, because they guaranteed it, would be liable for the amount of the loan payable to the financial institution, whatever amount that they pay on behalf of the party would be considered a contribution subject to the contribution limits in the election finance act. Perhaps Mr. Lee can add to that as well.

Mr. Lee: If somebody guarantees a loan and the party defaults and the party does not pay back that individual prior to the filing of their next financial statement, then that becomes a contribution at that time. That wouldn't change with this amendment. This amendment is to deem a contribution on the guarantee of the loan, but if the party still defaulted on that loan, the individual still guaranteed that and is paid an amount on behalf of the party, and it would still be a contribution that would have to be paid back prior to the next filing of the financial statement.

As \$10 million as your example, an individual still could with this – well, maybe not with this because of the interest rate – guarantee an amount much higher than the contribution limit. The party could still default an amount much higher than the individual contribution limit, and that individual would still be subject to a breach of the act and the administrative repercussions as a result.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you. So this is a possible loophole, that we can get money into a political party by allowing a default. Let's say that \$10 million isn't a lot of money to an individual, so they can literally get \$10 million into a political party, and there's nothing you can do about it.

Mr. Lee: No. They would be required to return the money to the party as in going over the contribution limits. It would be an illegal contribution. We require that money to be returned. They'd be in breach of the act, breaching the act. You know, I don't see it as a loophole. There are measures in which we could deal with it. It's the same as if a corporation were to give money. That right now would be an illegal contribution. It's not a loophole to give money to be in breach of the act. You're in breach. It's not allowed, so that would have to be returned.

The Chair: With that, I'm going to call the question.

Mr. Clark: Sorry. I have a question.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much. I'm still not clear, exactly. I'd like to ask Mr. Cyr how you see the mechanics of this working. If I was to read that your loan be valued as a contribution where the worth is valued by the amount of the loan multiplied by the prime rate – let's say that I was to loan the Alberta Party \$4,000 valued as a contribution. Let's just say that our new contribution limit is \$4,000 for a hypothetical example. Do you envision that I would be considered to have made a contribution of \$4,000 plus let's just call it 1 per cent for easy numbers as \$4,040, or do you envision the \$40 counting as a contribution every year?

Mr. Cyr: The \$40.

Mr. Clark: So it's the interest?

Mr. Cyr: The prime that you would be recording as the contribution.

Mr. Clark: And I would receive a receipt every year for \$40.

The Chair: Mr. Lee, do you have anything to elaborate on that?

Mr. Lee: Well, thank you, Madam Chair. We would have to change the definition of contribution in order to receipt an amount that's not received. Right now, the definition of contribution, to look up the exact wording, is:

any money, real property or goods or the use of [that] . . . that is provided

(i) to a political party, constituency association . . . or leadership contestant . . .

without compensation from that . . . party, constituency association, candidate or leadership contestant.

So there's no money or real property or goods that are provided here. We would have to change that definition of a contribution to deem the interest on the guarantee a contribution. It can be done, but we just have to change more sections of the legislation.

The Chair: Mr. Clark.

Mr. Clark: Thank you. So it would make logical sense to be deemed a contribution if interest was not paid on the loan because then – let's just say that interest is 1 per cent – instead of paying interest to the lender, the party issues a tax receipt. So instead of giving them \$40 – wait a minute. That's backwards. Right.

The other thing, I guess, if it isn't just the interest, that at a 1 per cent interest rate you could have a loan of \$400,000 to generate \$4,000 in annual interest, is that \$400,000 is a pretty substantial loan. Is that what you're trying to achieve here?

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I'm trying to ensure that we don't allow loans or personal guarantees to get out of control. This seems to be a fair way of coming up with it. There is case law out there that shows that there is value for issuing a personal guarantee.

Now, the thing here is that – and I'll give you an example. This is something that actually has happened. You've got a father that says that he wants to have income going through his son, his nine-year-old son. So what he does is a personal guarantee to his nine-year-old son. Then what happens is that he goes and buys a bunch of properties, and then he puts that income through his son's tax return. Now, should that income go to the son or the father is the big question here. Now, this is the egg before the chicken debate here.

I would like to just say that right now we have the ability to give personal guarantees, unlimited personal guarantees. This gives the party the ability to finance and collect, but they're going to need to get more than one person to do a personal guarantee. They're going to need several to do a \$2 million loan. They're going to have to put work into it; there is no doubt. But what we need to do is to make sure that there is accountability to this so that parties just don't get backstopped by one individual. This is my concern in all of this, that when we start looking at where politics is going, my example of a \$10 million personal guarantee isn't an unreasonable thing to forecast someday. CRA is valuing these things. I think that we should put a value on them, and then that way we can have some accountability to it. That is what I'm trying to get to.

Thank you.

9:50

Mr. Clark: Well, I appreciate what I think you're trying to do. I just wonder if this is a bit of a convoluted way of achieving it. Wouldn't you achieve the same thing by just simply having a cap on the amount any individual could loan a party?

Mr. Cyr: I guess the question is: are you looking to raise the cap every time something happens? The fact is that I'd be comfortable with a cap as well, but what is that cap? I think that something that goes along with our contribution limits needs to be brought into this whole thing. So as the contribution limits are changed by government or by these committees, whether they go up or down, this is a floating way of being able to make sure that this happens.

I put a lot of thought into how to get this done, but if there's somebody else out there that comes up with a better way of valuing a personal guarantee, I would be open to that as well.

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. You know, I'm going to agree with my colleague Mr. Clark there. I think that we're trying to fix something here in a very confusing way, yet I don't think there's any resistance from anybody on this committee to, you know, lowering the amount of money that's put into the political system, which we have yet to finish determining here. I'm concerned that this might handcuff very, very small parties, that maybe don't have even the bodies that could backstop some of these things.

I think that we should probably try to let the work continue, see what we get in terms of limits on other things that are yet to come up here, so I'm going to suggest to the committee members that we not support this at this time. Let's get on to defining all the other parameters.

The Chair: We'll call the question, then. Ms Rempel, would you mind reading the motion into the record?

Ms Rempel: Thank you, Madam Chair. Moved by Mr. Cyr that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that the guarantee of a loan be valued as a contribution where the worth is valued by the amount of the loan multiplied by the prime rate.

The Chair: All those in support of the motion, say aye. All those opposed? On the phones? That motion is defeated.

We are moving on to item (b) under section 3 on page 8, only individuals can guarantee a loan. Dr. Amato, would you mind starting us off there?

Dr. Amato: There are two items for consideration here. The first is:

The EFCDA should be amended so that only individuals can make guarantees.

The second is:

The Wildrose Party agrees with Elections Alberta's recommendation 36, proposing that the EFCDA should be amended so that only an individual ordinarily resident in Alberta may sign, co-sign or otherwise guarantee or provide collateral security for any loan, monetary obligation or indebtedness on behalf of or in the interest of any registered party, registered constituency association or registered candidate.

The Chair: With that, I will open up the floor for recommendations. Ms Miller.

Ms Miller: Yes. I've got a proposed motion.

The Chair: Please go ahead.

Ms Miller: Okay. Moved by myself 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 per cent of their campaign spending.

The Chair: Ms Miller, does this motion reflect what you were saying?

Ms Miller: Yes.

The Chair: Ms Rempel, would you mind reading it into the record whenever we're ready?

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 per cent of their campaign spending.

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

Mr. Cyr: I have to say that it's good to see that we're looking at putting limits, which is what I was trying to get through on the last one. I don't understand how you're going to get to that 20 per cent number. What happens is that you get the loans ready to go before your campaign, and then you do it. How do you know what you've spent until you're done the campaign? An example is: let's say that you take a loan out for a million – well, that's an excessive number; let's say \$200,000 – but you only spend, say, \$100,000 of that. Sorry; I'm trying to work this through, too. Let's say you plan on spending a million dollars, you take a loan out for \$200,000, but you only spend 800 grand. Does that mean you'd be in contravention of this?

The Chair: Member Loyola.

Loyola: Yeah. Again I'd like to simply state that whenever we're looking at a motion that's being brought forward, we have to take into consideration that there are other motions that we're also going to be contemplating and reflecting upon. One of those that we hope to bring forward is one to cap the amount of money that could be potentially spent on a leadership campaign, so that's how we would determine the percentage there. Now, I know it's still up in the air, but that would be the short answer to your question, Mr. Cyr.

Mr. Cyr: It's tough when you're voting on something when you have no idea what the other implications are. Did you want to amend it, saying, "20 per cent of the leadership cap should one be implemented" or something along those lines? It's just that it's unclear.

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. You know, I'm going to be a little bold here. It's not my intention to ruffle feathers, but here's the problem with how we're approaching this, going line by line. Had we defined our priorities, we could have set up certain orders so that things like this would then come in the order that they go. By going line by line, we've now set ourselves up to kind of be bouncing back and forth here a little bit rather than sort of getting a nice, natural progression, where everything that we start to bring forward starts to make sense. So we're now stuck with the process

we have, and things are a little bit out of order. When we're looking at the issues document, you have to start wondering: "Okay. Maybe there's something coming here. Maybe somebody is going to propose something." I'm putting that out there again. It's not my intention to ruffle feathers, but this is now showing why going line by line was maybe not the greatest idea.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I think that the purpose of going line by line actually is exactly why – I think we should be going line by line for these exact reasons because we have by my count, I believe, six adjourned motions so far. It allows us as a committee to step through the document and get a common understanding, ask some questions about what each of these things means. I think the alternative of cherry-picking is that we would all have a different opinion about what is a priority and what is more important and what is related to what. While the committee process may be somewhat time consuming and more questions than answers at this stage, I think, frankly, that's exactly the point. That's precisely the work that we should be doing, and until such time as we're all satisfied that we understand the context of each question and each motion . . .

10:00

The Chair: Mr. Clark, would you like to speak to the motion?

Mr. Clark: Yeah. I have questions about this motion specifically. I mean, I obviously wanted to respond to Mr. Nielsen, and I will echo what I believe others have said. It's difficult to know what 20 per cent of a campaign spend is going to be until the end, so how can you know what your guarantee ought to be? So I do have some questions specific to this motion, but I'll cede the floor and listen to other perspectives as well.

Thank you, Madam Chair.

The Chair: Mr. Hunter.

Mr. Hunter: Thank you, Madam Chair. Given the argument by Mr. Nielsen possibly the proper approach here would be to adjourn debate on this so that we can find out what's happening with the other.

The Chair: Are you moving to adjourn debate?

Mr. Hunter: Yes.

The Chair: All those in favour? Any opposed? On the phones? We are adjourning debate on that motion.

Are there any other recommendations under item (b) that any members would like to make?

Seeing none, we will move on to . . .

Mr. Westwater: If I could just make one comment on the issue we just dealt with, not the motions themselves. There is an existing problem with the legislation in terms of who can make loans and who cannot. Currently corporations and unions can guarantee loans. Should a party go in default on a loan, then the union or the corporation would be an illegal contribution, and that's not permitted in the legislation. That's something that if you wish to address, this committee could fix if you limit contributions to individuals. I just bring that to your attention because that's a current problem with the existing legislation that I wanted to bring to the attention of this committee if they're dealing with this matter.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I really appreciate, Mr. Westwater, you raising that question because it is a question that I had here, that as we've noted in the last part of (a) and (b), we have a problem of facilitating a breach, as you say. I believe that Mr. Cyr's motion previous that he withdrew was an attempt to deal with that. Part of the challenge I believe the committee is facing is that having passed the motion, loans are limited to financial institutions excluding the ATB, that that perhaps creates a catch-22 for us to limit contributions only to individuals. Do you have an opinion on that? Is there a way you believe we could present a motion that would satisfy closing this particular problem in the act?

The Chair: Mr. Westwater.

Mr. Westwater: Thank you, Madam Chair and through you to the member, yeah. If you could close the loop, if you limited who can guarantee a loan to individuals rather than corporations and unions, which is currently the case, that would fix the problem, the guaranteeing of the loan.

Mr. Clark: I will move that
the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended such that only individuals may guarantee loans to a registered party, registered constituency association, registered candidate, or leadership candidate.

The Chair: Mr. Clark, does that read out as you had read?

Mr. Clark: Yes, it does.

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

Ms Rempel: Of course. 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 such that only individuals may guarantee loans to a registered party, registered constituency association, registered candidate, or a registered leadership candidate.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much. I would ask Mr. Westwater or someone from the office of the Chief Electoral Officer if you believe that that motion would satisfy your concerns with the way the act currently facilitates a breach. Do you believe this addresses the problems currently inherent in the act?

Mr. Westwater: Through you, Madam Chair, to the member, that would address it. I would suggest one slight amendment to the wording, "individuals ordinarily resident in Alberta," which is the current practice.

Mr. Clark: I would enthusiastically agree with that and am absolutely happy to change it as we continue our process of drafting this motion:

only individuals ordinarily resident in Alberta may guarantee . . .
It's about halfway through your document.

The Chair: Member Cortes-Vargas.

Cortes-Vargas: Absolutely. When we introduced Bill 1, the intention was to get big money out, and this is an obvious step to take forward to make sure that it's consistent. If you're not going to

allow it one place, why would you have inconsistency in the other? The purpose is to make sure that democracy isn't for sale, so it's gone.

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

With that, I will call the question on the motion. Ms Rempel, would you mind reading it out for the record.

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 such that only individuals ordinarily resident in Alberta may guarantee loans to a registered party, registered constituency association, registered candidate, or leadership candidate.

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

With that, I believe we can move on to section 4, political advertising, item (a), definition of political advertising. Dr. Amato, do you mind opening this up?

Dr. Amato: There are several items for consideration here. The first is that the EFCDA should be amended to clarify the definition of political advertising.

The second is that the Wildrose Party disagrees with Elections Alberta's recommendation 48 and proposes that the EFCDA should be amended to provide greater restrictions on government advertising during a writ period. This would include, particularly for by-elections, restricting government from making announcements during the writ regardless of where the announcement is being made.

Thirdly, the EFCDA should be amended to make it clear that the sharing of political views of any kind via free social media is not prohibited during an election period for those who have not registered as third parties. To do this, the committee could consider adding a provision similar to section 319(d) of the Canada Elections Act to section 44.1(g) of the EFCDA. For the committee's reference section 319 of the Canada Elections Act is provided in the column on the right.

The Chair: Member Cortes-Vargas, do you have a recommendation?

Cortes-Vargas: Yeah. I actually have a motion to propose.

The Chair: Please go ahead.

10:10

Cortes-Vargas: That

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act 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 motion is proposed, but I'm definitely willing to make it more specific if we want to go into it. Like, I can provide information about the details of what the process is, but I could also just ask, you know, for clarity as to the process in Ontario to be described by somebody else as well.

The Chair: Ms Dean, did you have some clarification?

Ms Dean: I had a question for Elections Alberta in terms of this recommendation and whether it's more appropriate to be dealt with

under the Election Act as opposed to this act. I'm cognizant that your office is recommending that the two acts be combined.

Mr. Westwater: Through you, Madam Chair, if both acts are combined, it will be under one definition and one consolidated piece of legislation if the committee agrees to that in their recommendations.

Government advertising and advertising are covered under the Election Act as well as the election finances.

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

The Chair: Yes, please. Thank you.

We are at Mr. Clark.

Mr. Clark: Thank you, Madam Chair. A question for the mover. First off, let me just state my enthusiastic support for an amendment of this type to be read into some sort of legislation in the province of Alberta. It's what I refer to as the Gordon Dirks amendment act, which I think is obviously an important thing that we address in this province. It has been an issue in recent elections. I commend the member for raising it, and I commend the Official Opposition for bringing Bill 203, which was also intended to deal with it.

I guess that is my question to the member. Do you believe this motion addresses Bill 203, that has been referred to our committee, or do you believe there's further discussion required to address Bill 203 specifically in addition to this?

Thank you.

Mr. Nixon: My comments are similar to Mr. Clark's. The Official Opposition definitely has advocated for this for a long time, so I'm glad to see we're discussing it today, but I think this doesn't go anywhere near where Bill 203 was going. I'm at a bit of a disadvantage because I can't see the motion in front of me right now, but I don't think this is addressing by-elections. It sounds like the government would still be able to advertise right up until the day before a writ drops. There'd be no period between to prevent that.

Secondly, I do have lots of questions about what this process would be, and I would like to hear a little more detail on what the process that is being proposed would be.

Cortes-Vargas: I know there are a lot of experts in this room. I mean, I have my own documents with some of the process outlining the Ontario one, which is where I was coming from, but I don't know if Dr. — yeah, do you want to talk about the Ontario process, maybe?

Ms Robert: The way the Ontario act works, as I'm looking at this, is that they have a Government Advertising Act, 2004. It says:

Despite notice or deemed notice that an item meets the standards, a government office shall not publish, display, broadcast, distribute or convey the item during the period beginning with the issue of the writ under the Election Act for a general election and ending on polling day, unless permitted under subsection (4).

Exceptions. Exceptions are items that relate to a revenue-generating activity, are time-sensitive, or meet any other criteria that may be prescribed.

Pre-existing publications. This section requires

a government office to cease any ongoing or continued publication, display, broadcasting, distribution or conveying of an item that began before the beginning of the period referred to in that subsection, unless, in the opinion of the head of the office, it is not practicable to do so.

That's what I have from Ontario. I don't know if that's similar to what you were thinking about.

The Chair: Member Cortes-Vargas.

Cortes-Vargas: Yeah. Absolutely. I think the intention in this is to limit and ensure there's no abuse but in the cases where there are things that the government needs to be able to respond to, to have a built-in system that allows for that. This motion came out of a response to this section, how to deal with that.

Mr. Cyr: I'd like to adjourn debate on this to give us some time to look it over and just to see what the Ontario process is compared to what the act is.

I would appreciate the government's support on that.

Ms Dean: Just one comment, Madam Chair. I don't want to curtail the discussion on this particular topic, but I'm just wondering if the motion would be more appropriate if it just references generally that the committee recommend proposed legislative amendments so that it's not specific to the EFCDA, given that in the current legislation this is dealt with under the Election Act. I'm just offering that for the committee's consideration when it's ready to vote on the motion.

The Chair: Thank you.

Cortes-Vargas: Can we just change the motion to reflect that and then adjourn?

The Chair: Member Cortes-Vargas, will you accept that as . . .

Cortes-Vargas: Yes. I would accept that as an amendment, and we can adjourn. I don't mind.

The Chair: Mr. Clark.

Mr. Clark: Sorry. Just a point of order. Are we not debating the motion to adjourn? Has Mr. Cyr not made that motion? Are we not debating that?

The Chair: Ms Dean was asking just to give some counsel, so I decided to take that counsel.

Mr. Clark: Okay. If we're still on the main motion, I also have a question when I have a chance. If we are going to be changing the motion, whether we need to formally move an amendment or if it's possible to draft in, I would like to add that it's not just during general elections but also during by-elections.

The Chair: Member Cortes-Vargas, are you accepting that proposed . . .

Cortes-Vargas: I think that we should just

adjourn debate and come back to this having looked at the different processes.

There might be a need to be more specific in the amendment; there might be a need to add a few more things. So it might be worth while to adjourn it, come back to it, and have more concrete, like, direction.

The Chair: Okay. All those in favour of adjourning debate, say aye. Any opposed? On the phones? That is carried.

Are there any other recommendations from anyone under point (a)? Dr. Turner.

Dr. Turner: Just going back to the previous. I just want to make sure that what was typed on the screen actually had the by-elections included in it.

The Chair: No.

Dr. Turner: That's going to be removed, right?

Ms Dean: It didn't have by-elections in it.

Dr. Turner: Okay.

10:20

Mr. Cyr: I'd like to propose a different motion.

The Chair: Are you on . . .

Mr. Cyr: On 4(a).

The Chair: Just one moment. Are you proposing something under item (a), under political advertising?

Mr. Cyr: Yeah.

The Chair: Okay. You can go ahead.

Mr. Cyr: Thank you, Madam Chair. 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 an election period for individuals.

The Chair: Mr. Westwater, did I see your hand?

Mr. Westwater: That wasn't my hand, Madam Chair.

The Chair: Maybe you were just stretching.

Mr. Westwater: This issue is up for debate for the committee. Clearly, our amendment was to deal with the definition of what was political advertising, that it be defined as not just the charge that they charge to put advertising on but the cost to develop the advertising because you could have an extensive cost to develop a piece of material that goes on, for example, Facebook or other social media that wouldn't currently be defined as political advertising, that has a cost to it.

The Chair: Mr. Cyr, does that motion reflect what you had intended?

Mr. Cyr: That there is I think a different topic altogether. We want to make sure that we don't suddenly somehow ban individuals from sharing their thoughts on political activities. I would say that I agree that something needs to be probably considered in that discussion, but in this one here I just want to make sure that individuals are protected with freedom of speech.

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

Ms Rempel: Thank you. 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: Is there anyone on the phone that would like to be added to the speakers list?

With that, I will start with Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. My apologies to the member. I was reading and wasn't completely listening to you, so I was

wondering if you wouldn't mind just clarifying, you know, what you're thinking on this.

Mr. Cyr: I'm hoping that we don't somehow end up banning individuals from putting out their political points of view during an election process. That would be my concern, that we somehow tread on freedom of speech. I would like to make sure that it's clear that this isn't the intent of what we're trying to do.

The Chair: Dr. Starke.

Dr. Starke: Thank you, Chair. I guess a clarification in a couple of areas of this. I mean, clearly, social media is a forum that is important to allow people to share views. I guess I have two areas that I think would need to be clarified. Again, these recommendations, in terms of sending this to the drafters of the amended legislation – this is not, you know, strictly speaking, the wording. I'm a little uncomfortable with the phrase "of any kind." I would agree that, obviously, we can have political views that are going to be diverse, but if we include the phrase "of any kind," I'm concerned that throws things a little bit too wide open. I think if we just say "political views," that's as much as we need to say on that.

The other is the "via free social media." Am I to assume that that would mean, for example, paid posts or promoted posts on, say, Facebook or promoted tweets on Twitter, for example, would not be eligible? That would, in my mind, need to be clarified because, I mean, yes, social media, generally speaking, is free unless you decide to pay one of the different social media networks or programs a specific fee for promoting your post. So is that indeed then free social media or is it not? I think that would need to be clarified as well.

Those are my two areas of concern with this amendment.

Mr. Dach: I also want to be very clear that this motion would ensure that any costs associated with the production or dissemination of the messaging would be included as a claimed contribution and that the disclosure of the identity of the people behind the messages should also be required. My comment.

The Chair: Mr. Clark.

Mr. Clark: Thank you. I think that Mr. Dach's question and also Dr. Starke's question around the cost: my interpretation – and I can ask Mr. Cyr if this is what you were driving at – is that this motion is intended to protect individual Albertans, just citizens of the province of Alberta, who may be enthusiastic supporters of one party or another, who are simply putting stuff out on Twitter on a daily basis or Facebook or Instagram or whatever the heck it is. They may be sharing hyperpartisan information, but they're doing so as an expression of their ability to exercise free speech in the province of Alberta.

I believe my interpretation is that the words "free social media" are deliberate precisely because if you get into a situation where even as an individual you pay \$10 to promote a tweet or promote a Facebook post, you've crossed a line into third-party advertising. You know, any amount, even if it's very low, I think ought to be considered that third-party advertising. That's my gut feeling on this.

If I'm to interpret this correctly, that's what we're talking about here. Let's just be as clear as we can be that during an election campaign, at any time, Albertans can say, you know, within reason or within the bounds of the law, what they want. I would agree with Dr. Starke, that the words "of any kind" don't add anything to the motion and perhaps create a situation where we're somehow

enabling hate speech. I don't think anybody would think that's what we want. But sharing of political views via free social media, if we take the words "of any kind" out: I can absolutely support this motion if my interpretation of it, anyway, is correct.

Thank you, Madam Chair.

The Chair: Mr. Westwater.

Mr. Westwater: Thank you, Madam Chair. If it would assist the committee, the definition of political advertising currently 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 [group].

So it's not considered if you're not paying for it and there's no charge for it. Currently it allows it already in the existing legislation. Just so you are aware.

Cortes-Vargas: My comment was kind of on that. Like, as it's not covered under free speech, then that's what that means to me, that you can't make those comments to it. You have the liberty to – and protecting free speech is the continual point of doing things like that, to make it clear that that's protected. That's my understanding. I'm not quite sure if this would do anything.

Mr. Westwater: Through you, Madam Chair, to the member, yes. As long as there is no cost or charge to developing the message that you're putting on Facebook or Twitter or wherever you want to post it that exceeds the thresholds for third-party advertising, which would be the \$1,000 threshold. Then you'd have to become a third-party advertiser. As long as it's less than that, you can say whatever you want, wherever you want, whenever you want.

The Chair: Member Loyola.

Loyola: Yeah. I want to thank all the members of the committee because I think that they've brought up some really genuine and interesting questions, and I think that there is much reflection that we need to do on this piece before we move forward. So I'm going to suggest that

we adjourn debate at this time.

The Chair: All in favour of adjourning debate, say aye. Any opposed? We have carried that. We are adjourning debate.

Are there any other changes under (a) that any member would like to recommend at this time?

Otherwise, I'll move on to point (b), treating third parties as other regulated entities. Dr. Amato, would you mind opening that up?

10:30

Dr. Amato: Certainly. The proposal is that "the EFCDA should be amended so that third parties are treated in the same way as other regulated entities during the election period."

The Chair: And with that I will open up the discussion for any recommendations. Mr. Clark.

Mr. Clark: Thank you very much, Madam Chair. My apologies. We've moved on quickly from (a), but there is an important point that I think we need to address in (a) around changing the word "charge" to the word "cost" in accordance with Elections Alberta's recommendation 48. If you rule it to be in order, I would be willing to make that motion.

The Chair: Mr. Clark, we are on to treating third parties as other regulated entities. Perhaps we could continue with this conversation and then move back if that's what you want to do.

Mr. Clark: That's fine. Whatever you would like to do. That's fine by me.

The Chair: Mr. Nielsen.

Mr. Nielsen: Thank you, Madam Chair. Always nice to be able to just jump right in. I have two motions that I would like to propose under this, the first one being, of course, that

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to require disclosure of contributions for financing third-party advertising at all times.

We deal with one at a time, correct?

The Chair: Yeah. With that, Mr. Nielsen, does the motion reflect what you had read?

Mr. Nielsen: Yes, it does.

The Chair: Ms Rempel, would you mind reading it out, please?

Ms Rempel: Thank you, Madam Chair. Moved by Mr. Nielsen that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to require disclosure of contributions for financing third-party advertising at all times.

The Chair: With that we're going to take a 10-minute break, seeing the time, and we will reconvene at 10:42.

[The committee adjourned from 10:32 a.m. to 10:44 a.m.]

The Chair: I'm just going to get everyone to kind of circle the wagons and come back so we can reconvene the meeting.

Mr. Nielsen, I will come back to your motion, then. Have we read this into the record for those on the phone yet?

Ms Rempel: I could do that right now just to make sure it's fresh in everyone's mind.

The Chair: Absolutely. Please. Thank you.

Ms Rempel: Thank you, Madam Chair. The motion made by Nielsen is that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to require disclosure of contributions for financing third-party advertising at all times.

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

Mr. Lee, did you have some clarifying information?

Mr. Lee: Yes. Currently the legislation requires third-party advertisers to file annually if they receive any contributions or expend any funds during the year on election advertising, not just election reports.

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

Dr. Swann: Yes.

Dr. Amato: It just may also be worth while for the committee to know that currently section 44.8(1) requires identification of

sponsors of third-party advertising. It just may be worth while to know that.

The Chair: Dr. Swann.

Dr. Swann: Thanks very much. I believe there is a definition of political advertising. I'm just wondering if the Chief Electoral Officer is satisfied that that covers appropriately the definition of third-party political advertising.

The Chair: Would a representative of the office like to speak to that?

Mr. Westwater: Perhaps for clarification, Madam Chair, if it would help, we have a definition of political advertising already for third parties that Ms Vance would like to reference.

Ms Vance: No. I was actually going to suggest that this might be under 4(a), which I think we had thought we might come back to later. I'm not sure what specifically Dr. Swann is referring to. If he is referring to the definition itself, I understand that to be under 4(a). If there is something related to treating third parties as regulated entities under 4(b), then I'm happy to assist Mr. Westwater in answering any queries Dr. Swann might have.

Dr. Swann: No, that's fine. You can leave it till we get back to the definition in (a).

Mr. Cyr: I guess I'm trying to understand what Mr. Lee's point was that he was trying to make. Are you saying that this is already required underneath the law, so we're making a redundant motion?

The Chair: Mr. Lee.

Mr. Lee: Madam Chair, yes, it may be. Section 44.9(3) says:

The [CFO] of a registered third party that accepts election advertising contributions or incurs election advertising expenses outside of the reporting period... shall file an election advertising report with the Chief Electoral Officer on or before March 31.

If you receive contributions or have expenses, you have to file a report with us, and you have to document. Currently it's each contributor that contributes more than \$250 to the third party.

Mr. Cyr: I'm trying to understand Mr. Nielsen's motion, what you're trying to achieve here.

Mr. Nielsen: You know, I think one of the mandates of this committee is to ensure that our political process is open, it's transparent, it's accountable. I'm looking to make sure that any third-party advertising is a little bit more real time whereas it sounds like according to the rules right now as long as I report by that certain date once, I'm covered, okay? I want to see something a little bit more real time, if that's making sense.

10:50

The Chair: Member Loyola.

Loyola: Yes. I'd like to ask the staff of the CEO, then. That's my confusion here, where I'm not a hundred per cent. My understanding of the spirit of this motion is that we want to see disclosure on an ongoing basis, not just when it's an election year, on a regular basis – how much is being brought in, how much is being spent – just the same way any other candidate or political party would have to. Is that what is currently happening at this time and therefore this motion is not redundant, or am I mistaken?

The Chair: Mr. Lee.

Mr. Lee: Thank you, Madam Chair. Yes, that is currently what happens. Any monies that come in to a third party for their third-party advertising or their election advertising or any advertising expenses that they incur outside of the election period still have to be reported on an annual basis just like constituency associations or parties would report annually.

If I've misunderstood the motion – as Mr. Nielsen said, this is to get more of a real-time disclosure – I apologize, but that's something we can look at as well.

Mr. Cyr: Again, I'm trying to work out exactly what it is. You're trying to increase the frequency of their filings from, say, annual to quarterly or monthly? Is this kind of what you're advocating for?

Mr. Nielsen: Yeah. I think that way we have a better accounting of what the third-party advertising is doing.

The Chair: Mr. Hunter.

Mr. Hunter: Thank you, Madam Chair, and to the member for bringing this forward. I think it's important. I would believe, though, that if you're going to say "at all times," I think that you probably should be more specific in terms of what you're looking for, if you're looking for quarterly reports, monthly reports. I think that that would be more appropriate in terms of helping even third parties know what is now expected.

The Chair: Mr. Nielsen, did you want to propose an amendment or respond?

Mr. Nielsen: I guess I was more looking for the participation of the committee in this. I didn't want to just necessarily arbitrarily pick a number, but hopefully this would have started the discussion.

If I could ask our folks from CEO: do you have a recommendation of maybe how we could, I guess, pick a number in terms of what might be a little more appropriate in terms of regular reporting?

Mr. Westwater: Through you, Madam Chair, to the member, we can make some suggestions, certainly. We have quarterly reporting now from CAs and parties on their campaign funding efforts on an annual basis. We're recommending that that be abandoned, if you see our recommendations later in the report, because that's falling on volunteers and what have you and for different reasons. We're not supporting quarterly reporting for that purpose later on, which is at the discretion of the committee to determine whether it should continue or not.

If you wish to get additional reporting from third parties on a now more frequent basis, currently it's limited to only their election campaign spending that they're going to do during the campaign period, that they report on and that they are accountable for. We don't want to impact their freedom of speech and Charter issues related to freedom of speech for third parties and their existing rights under that, so currently in the legislation we've restricted reporting of their spending on election advertising only, not what's going on now or prior to the writ period itself. If you wish disclosure on that, certainly you could introduce a requirement for registered third parties to do quarterly reporting.

Maybe Ms Vance can add something to this.

The Chair: I'm sorry. Just a moment. Could the committee members check the tables to see if they have phones on their tables because something is interfering with the feed.

Ms Vance.

Ms Vance: Yes. Thank you, Mr. Westwater. I don't know if it might be helpful to just clarify that there are two different issues that I see potentially engaged in the motion. One is the frequency of reporting, which the member has already spoken about. Right now they have an annual report, and then they have a postcampaign election report. If we were to set quarterly reporting aside, that is what we have for candidates and parties and CAs, of course, without the election report because they don't do those.

What is being reported are contributions made to the registered third party for election advertising. The registered third party is an entity, but it may not be a company. There are a bunch of different things it can be. The only funds that they need to report on and are accountable under the legislation for reporting on are funds that are provided for the purpose of election advertising, and election advertising, as it is currently defined, is advertising that appears or takes place during the election period.

I don't know if that assists the committee in understanding what the issues are.

Mr. Cyr: Okay. Now that I reread that and hear what Ms Vance has said, maybe one of your thoughts is to see what third parties are spending outside of campaign periods. Is that what you're looking to do? I'm asking.

Mr. Nielsen: Yeah. If I'm understanding what you guys just said, it only occurs during an election year. Outside of that there is no reporting.

Ms Vance: That's correct. They may gather money in the interelection period with the intention of spending that money during the election period. That's all reported. But if they've taken money that they're never going to use for election advertising during an election period, then it's not election advertising under the act as it's defined currently.

Mr. Nielsen: Okay. That was my intention here, to cover not only during the election year but when it's not an election year. I probably didn't word that properly, then.

Ms Vance: Sorry. If I may respond to that, Madam Chair, that is why I wanted to clarify it, because I wanted to ensure that the motion reflected what your intent was. I would just caution, as I constantly caution my client, when you talk about requiring disclosure and restrictions on freedom of speech outside an election period, you must tread very carefully with the Charter of Rights. That's the only caution I would recommend.

Mr. Nielsen: I don't think we're looking at restrictions, just simple disclosure: here's what we've done, or here's what we brought in.

The Chair: Member Loyola.

Loyola: Yes. Thank you, Madam Chair. Through you to the staff of the CEO, then, I guess my question and my confusion is that any third party can be collecting money at any time outside of a writ period, so how is it that it's determined? I mean, before the writ is dropped, do they magically put a number on how much they've collected and say, "Okay; well, we're going to spend this much on election advertising"? How is that controlled? That's the question, I think, that we're trying to address here. Are those amounts arbitrarily set by the organization or the third party? What's to say that they're collecting a whole bunch of money outside that – and I'm not suggesting this is the case, but what if, hypothetically speaking, they're using more money than they say they are using?

Like, how do we control all this? These are the questions that I have before you.

Then, I guess, a follow-up question is: has one of these third parties ever been audited to see that what they're reporting to you is actually the case?

11:00

The Chair: Mr. Westwater.

Mr. Westwater: Madam Chair, thank you for the opportunity to respond to the member. I'll start off a response and then turn it over to Mr. Lee for the details. Clearly, third-party advertisers are collecting money now and spending money now. It's going on. It's happening. It's not a secret to anyone. What they're required to report on currently is just what they're planning to spend during the election period itself on election advertising. You're quite right. This is an open book. There are no restrictions. There's no legislation governing what they collect and what they spend outside the election period itself currently, and I think that's what the member is trying to address now. It's not to restrict them but to get reporting on what monies they're collecting and how much they're spending outside of the election period.

Mr. Lee can comment on what's reported now and how it's collected and reported currently.

Mr. Lee: Thank you. There are specific rules in regard to registered third-party advertisers. They must open up a separate bank account that's specifically for their contributions for election advertising, and all expenses must be paid out of that account. It's very much like that as a candidate you have to open a separate account just for all your contributions and expenses.

We audit or do a review of all the election period returns and all of the annual returns that come in. We do reconciliations from their contributions to their bank accounts. We look through their bank accounts to make sure that the amounts reconcile at year-end as to what's reported on the return, so there is a cursory audit that is done on each of the third-party advertisers that report with us.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I have a couple of questions for the Elections Alberta folks. What is reported in the third-party advertiser's annual report in terms of donations? Is the source of the donation reported above \$250? That rule is the same? Is that correct? I see you nodding your head. Yes. Thank you.

Just so I'm clear on how it works currently, a registered third party, which could be any particular interest group of any kind – it could be an industry association; it could be a union; it could be a group of people who share an interest in anything, whatever the issue is. There are a variety of different entities of what that could possibly be. As it works now, as I understand it, they can raise any amount of money they want outside of a writ period. As a registered third party they must report that annually. Is that correct?

Mr. Lee: If it's raised for the purpose of election advertising.

Mr. Clark: And if they choose, then, to raise money outside of a writ period and only spend money outside of a writ period, the amount of money they can raise and the amount of money they can spend is unlimited without disclosure. Is that correct?

Mr. Lee: Correct. If they raise money that's not for election advertising.

Mr. Clark: Election advertising is 28 days every four years, roughly, you know, not including by-elections, but let's just assume there are no by-elections. That they can do.

Mr. Lee: They're only required during the general election period. The rules don't apply to by-elections for third parties.

Mr. Clark: All right. If I may, Madam Chair, just make a point on that, it seems to me that it would be quite difficult, I think to Ms Vance's point, and risky for us to consider restricting Albertans' freedom of speech outside of campaign periods. That's a pretty slippery slope for us to be getting into. I have some concerns about that and some questions. Again, back to specifics of the motion, to Mr. Nielsen: is that really what you're trying to address, the scenario that I've talked about?

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. No, no. This is, you know, absolutely not about restriction. It's simply about disclosure, transparency.

The Chair: Mr. Hunter.

Mr. Hunter: Thank you, Madam Chair. I guess I'm just looking for some clarity, here, maybe by legal counsel. Could there possibly be a court challenge if we pass a motion and then there was a law passed that third parties could challenge this?

Ms Dean: Motions dealing with disclosure as opposed to the actual advertising – I believe the Charter challenges would be tied to anything that would be restricting freedom of expression. I mean, people can challenge legislation under the Charter. That's clear. If you're asking me whether this can be challenged, I can't say definitively, but it's just dealing with disclosure. It's not dealing with advertising per se. I believe counsel for the Chief Electoral Officer has cautioned the committee just in connection with the issue of advertising and how that may get into the Charter of Rights area.

Ms Vance, do you want to supplement?

Ms Vance: Yes, Ms Dean. I think that's entirely fair to say. I don't have the case in front me, but currently there is a case going to, I believe, the Supreme Court. B.C. does not have the thousand-dollar threshold for third-party advertising. We do. They don't have that threshold, so there are people who are challenging, like, spending \$50 and having to register. In a sense, they are challenging the requirement to register rather than the restriction on what you can say, right? As Ms Dean says, you can challenge anything you like.

The Chair: Member Loyola.

Loyola: Yeah. I'm just hoping to get a better sense of what's happening in other jurisdictions, if any, around this particular issue. Would you have any insights to share with us?

The Chair: We'll just give Dr. Amato a moment.

Mr. Westwater: Madam Chair, through you to the member, I know that in Ontario they're expanding the reporting requirements not to all times but to six months prior to the writ period, so it's six months prior to the election period starting, but they haven't expanded beyond that. It's not at all times, but six months prior to, if that helps. It's proposed.

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

The Chair: Yes.

Loyola: Just for clarification, ours is only – they report after the writ period or at the beginning of the writ period? I'm not quite a hundred per cent aware.

Mr. Westwater: Through you, Madam Chair, to the member, yeah. The reporting requirement is currently for the election period itself, only during the election period, not prior to.

Loyola: Okay. But when is that submitted?

Mr. Westwater: It's submitted following the election, within six months.

Loyola: Following the elections, right? So going into the writ period, we have no idea how much money they have or how much they're spending. We only know that at the end of the period, and that's it. Am I correct?

Mr. Westwater: Through you, Madam Chair, that's correct. It's the same for parties and candidates and everyone else as well.

Loyola: Okay.

The Chair: Mr. Nixon.

Mr. Nixon: Thanks, Madam Chair. Just through you, if I could get it on the record from the staff that are present, I think I heard it got clearly established that what we're talking about does not apply during by-elections as well as in the prewrit period, but also am I correct that none of this is applying currently during leadership races?

Mr. Westwater: Through you, Madam Chair, that's correct.

Mr. Clark: Just seeking some further clarification here from Mr. Nielsen and I suppose just to pivot off Mr. Loyola's point here, if we pass this motion – and again it looks like we would perhaps need to amend the motion to specify, say, quarterly disclosure, so let's just assume that's happened – really what you're looking at is that instead of an annual disclosure of the monies raised, the third party would be required to disclose quarterly the money they raise. That's what you're driving at, yes?

The follow-on question, then, is from a practical standpoint. The next election is sometime between March and May of 2019. If a third party was to be created today, we don't know whether or not they will advertise during a writ period. Do you envision that they would be required to report and disclose quarterly? As of now they have not done advertising during a writ such that it would trigger a requirement to report. That's my understanding of how that would work.

11:10

Mr. Nielsen: Right off the top of my head, I would say that they would fall into having to report because there would be the intention to eventually advertise at some point. Of course, we're also looking at, you know, currently – again, just correct me if I'm wrong – it's only a general election. It doesn't include leaderships or by-elections whereas I'm looking hopefully to cover those.

Mr. Westwater: Madam Chair, that is correct, through you to the member. They're only required to report during the election period. I should clarify for the committee also that a third party is only required to register once they spend a thousand dollars or more on election advertising. So if they're building war chests now and they haven't spent any money on election advertising yet, they can go

for three years and we'd never know about it. It would never be registered. They wouldn't report anything even with your motion, just so you're aware of that.

Mr. Dach: I just wanted to ensure that this committee realizes that we're not discussing the frequency of reporting here with respect to this motion. I think we may be wanting to clarify the issue of infringement on freedom of speech by perhaps adding the word "political" just after the word "party," "third-party political advertising at all times," as a friendly amendment.

The Chair: I think we're past the point of friendly amendments. Did you want to move an amendment?

Mr. Dach: That's what I was tempted to do.

The Chair: Okay. I'll just get you to be clear about the amendment, then.

Mr. Dach: Simply, after the words "third-party" add the word "political."

The Chair: With that, I will open discussion on the amendment.

Mr. Cyr: I'd like to talk about the amendment.

The Chair: That's what we're on.

Mr. Cyr: Is there a definition for political advertising, to be specific? I'm asking. I don't know.

The Chair: Yeah. We'll ask Mr. Westwater for clarification.

Mr. Westwater: Madam Chair, through you to the member, if it helps, under the third-party advertising section of the act there is a definition of political advertising. It means

advertising, for which there is or normally would be a charge, in any broadcast, print, electronic or other media, including telephone, fax, internet, electronic mail and text messaging, with the purpose of promoting or opposing any registered party or the election of a registered candidate, including advertising that takes a position on an issue with which a registered party or registered candidate is associated.

It's got the exceptions of, you know "publication without charge of . . . an editorial [or] an editorial comment" in a newspaper, that sort of thing, or an interview, a book, or an individual expressing their personal views on things and, obviously, "advertising by the Government in any form."

Ms Vance has some clarification as well.

Ms Vance: I just wanted to clarify in the act that if you look under section 44.1, there are a variety of definitions. One of the definitions is the one that Mr. Westwater just referred to. There's another definition which is election advertising, which is "political advertising that appears during an election period."

Mr. Lee, please correct me if I'm wrong on this, but the advertising and the monies collected for advertising during the election period is the kind of advertising that's regulated. The political advertising that does not fall within the definition of election advertising is not regulated. Would that be fair to say?

Mr. Lee: Yes, that would be fair, Madam Chair.

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

I'll call the question on the amendment, then. All those in favour of the amendment of adding "political" after the words "third-party," say aye. Any opposed?

Mr. Cyr: Can we count that?

The Chair: I think we're going to have to take a count. I'll start to my right.

Ms Miller: No.

Loyola: No.

Mr. Nielsen: No.

Mr. Sucha: No.

Cortes-Vargas: No.

Mr. Hinkley: No.

Mr. Dach: No.

Dr. Turner: No.

Dr. Starke: Yes.

Mr. Hunter: Yes.

Mr. Cyr: Yes.

Mr. Clark: Yes.

The Chair: On the phones?

Mr. W. Anderson: Yes.

Dr. Swann: Yes.

Mr. Nixon: Yes.

The Chair: That amendment has been defeated.

Mr. Nielsen: With the assistance of our folks from the CEO, what if we started making reference to registered advertising parties or registered third-party advertisers? Would that help us here?

Mr. Westwater: Through you, Madam Chair, there are a number of issues with the amendment that's been made to the motion before you vote on it. We'll have to define what political advertising is. We've got election advertising defined but not political advertising.

The Chair: The amendment has been defeated.

Mr. Westwater: Yes. However, the disclosure requirements: if you add registered third parties, certainly, yes, because those are the only ones required to report. Certainly, that would assist in defining that. A definition of "at all times" would be helpful as well, whether you want quarterly reporting, monthly reporting, if you wanted to elaborate on that.

Mr. Cyr: My question to Mr. Nielsen is: is your goal here to treat third parties like a political party for disclosure only? I'm not talking about contributions, just disclosure. Is that your goal, that the money goes in, money goes out, it all gets reported, that kind of thing?

Mr. Nielsen: If I'm understanding what you're saying, yes. You know, we want to see that disclosure, we want to see that transparency, what's coming in, what's going out. Does that help?

Mr. Cyr: Is there an easier way to achieve that – I'm asking the CEO – than this motion?

The Chair: Just a reminder that it's the office of the Chief Electoral Officer. We have representatives here.

Mr. Cyr: Okay. Sorry. To Mr. Westwater: is there an easier way to achieve what Mr. Nielsen is doing without this motion? Is there, like, a line that we can just add third parties to, registered third parties?

Mr. Westwater: Through you, Madam Chair, to the member, if it assists, we've already clarified that we could add registered third parties – that would assist – a defined period of when they would report, if it's consistent with what exists currently. Quarterly reporting already exists in the financial systems. That would be something that we could introduce similar to what we have for parties and CAs already. We'd need a further definition of contributions for third parties as well to be included in the legislation.

Mr. Cyr: Mr. Nielsen, would you consider changing your motion to something more along those lines? It's just that I see your motion as confusing when it says "at all times."

The Chair: Mr. Cyr, you wanted to make an amendment? Or is someone wanting to make an amendment?

11:20

Mr. Cyr: No. I'm asking if this is . . .

An Hon. Member: Propose the language.

Mr. Cyr: Well, I would need legal counsel's help to propose this. How do we change this motion to achieve adding third parties to the financial disclosure process?

Mr. Westwater: Through you, Madam Chair, without wordsmithing on behalf of the committee, you could add "disclosure of contributions for financing registered third parties reported on a quarterly basis" because we don't want to mix up contributions with advertising. My understanding from Member Nielsen in his motion was that it was just to get the financial reporting, not the advertising reporting. Delete the word "advertising."

Mr. Nielsen: If I could just ask a clarifying question, does this sound like it might be sort of lining up with what is happening with everything else, too, maybe creating a little bit of a standard right across the board?

Mr. Westwater: Through you, Madam Chair, yeah. That would be similar. We have an amendment before the committee, that you can get to later, where we suggest eliminating union and corporate donations to third parties, which is currently allowed but not allowed to parties and candidates. That would make a level playing field for all parties involved in the process.

The Chair: Ms Vance, did you have something to add?

Ms Vance: If I could just add that we have a potential issue with the definition and the use of the word "contributions" at the moment, and I'm trying to walk the line between the act as it exists and the act as I'm hearing the committee would like it to be. The definition of contribution at the moment is restricted to what I would call political entities. If you make a contribution under the act, you're making it to a political entity. So I would just urge some thought about whether you mean contributions or whether you mean election advertising contributions, which is what the act calls

them in relation to third parties. It may be a thought to amend the definition of contribution if you want to go more to the source. I haven't been able to figure out how to make it work, but these are just some of the issues as well.

Mr. Cyr: If we were just to get rid of the words "disclosure of contribution" and just go "disclosure for registered third parties reported on" – I don't know if we need all that – "for financing registered third parties" and then "reported on a quarterly basis" and then take off all of the advertising, after "advertising at all times." Does anybody else have any suggestions? Does that achieve what we're looking for?

Ms Rempel: I apologize, Mr. Cyr. I think I missed the first part of what you're saying. I believe you were suggesting removing "of contributions" . . .

Mr. Cyr: Yeah.

Ms Rempel: . . . but you were adding . . .

Mr. Cyr: Then add at this point, "reported on a quarterly basis similar to registered political parties" – well, here: "treated in the same way as other regulated entities." Then you can put a period there.

Loyola: To the staff of the CEO: from the comments that you've made so far, I believe that there's now a contradiction because we're asking for quarterly reporting but other entities aren't required to do quarterly reporting. Am I correct?

Ms Vance: I might answer that, Madam Chair. Other entities are required to do quarterly reporting; however, one of our recommendations in our document was to eliminate quarterly reporting.

Loyola: To eliminate the quarterly reporting. What was your recommendation, then? On an annual basis?

Ms Vance: At the moment political entities – candidates, constituency associations, and parties that are registered – must report on an annual basis, every year, by March 31. They also must do a report following every election. We call that, you know, a campaign report, which I'm sure you're familiar with. Then there's quarterly reporting, which I believe was added, you know, only a few years ago. Mr. Lee may be able to speak more if you're interested in hearing the rationale to why we would recommend getting rid of quarterly reporting, but they have the three levels at the moment.

The Chair: Member Loyola.

Loyola: Yeah. You know, I can't speak for all of my colleagues, but what I'm really after here is that before we go into an election, I would like to know how much a third party is planning on spending on advertising and what their sources were for that money. That's the true objective that I have. Like I say, I can't speak for the rest of my colleagues. I mean, I believe that they concur, but I just don't want to be putting words in their mouths. That's all I'm after here. So if we could focus in our motion on reflecting that, I would really appreciate it. I'm not too sure if that's the same sentiment around the table, but perhaps others could speak to specifically that objective so that we could perhaps zero in on trying to get this figured out and move on.

Mr. Cyr: If I'm hearing Mr. Loyola correctly, where we stand on the motion right now: right now it doesn't show whether it's on a quarterly or on an annual basis. I think we can address that in a later amendment or motion. Unless the government has some idea of how to change the motion that I'm proposing, I think that we should move forward with the amendment that I have at the bottom there, to amend the motion to say that.

Mr. Clark: Perhaps I can inject some perspective into this robust and fascinating discussion. I've just spent the last five minutes – it's taken me maybe six – looking at the 10 registered third parties on the Elections Alberta website. In fact, there are 10 listed. Nine are active, three have any money at all in their bank accounts, and only one spent a grand total of \$7,455.17 in the 2015 election period. So I think we're spending a lot of time debating what is almost a hypothetical or theoretical situation. We're not looking at third-party advertisers who are spending hundreds of thousands of dollars during an election period to influence the outcome of an election campaign. While I suppose that's possible – and I think we need to be mindful of what could happen in the future – it seems like we're trying to solve a problem we don't have. I just put that out there as we consider both this amendment as well as the overall motion itself.

11:30

Mr. Cyr: Well, we're going in, and we've changed how the dynamics are for elections going forward, eliminating union and corporate donations. I understand why Mr. Nielsen wants to reinforce that should third parties become prevalent, they're being transparent, and I see value in bringing transparency to that. Now, I'm wanting to work with him to see if we can achieve what he's trying to do here. Again, if he's got a better motion to put forward, then that's fine.

I will say that maybe in this motion, I suggest that we could change it from quarterly to annual, and that will bring down the requirement for filing. That's what they're advocating for.

Mr. Hunter: If I remember correctly, Mr. Nielsen, your goal here was to try to be able to have transparency not in an election year but throughout. This is why you said "at all times." I don't know if even wordsmithing the way we have right now actually addresses that issue because that's still on the table. The way that it's written is still only during the writ period. I'm just wondering whether or not this achieves the goal that you originally stated, which is to have that transparency throughout a nonwrit period of time.

Mr. Nielsen: I'm being conscious of time here, and I certainly want us to get to other things. We're hung up here, and I certainly appreciate all the members wanting to try to make this work. I don't know if I can adjourn debate on this or if somebody else has to, Chair.

The Chair: I think I'm just going to ask counsel quickly if we have an amendment.

Ms Dean: Do we have an amendment on the floor, Madam Chair?

The Chair: That's my question.

Mr. Cyr: I will request that my amendment be withdrawn.

The Chair: Okay. Are there any opposed to the withdrawal of the amendment? On the phones? All right. That is withdrawn.

Mr. Nielsen: With the indulgence of the committee I will move to adjourn debate so that we can get on with this.

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

There was a request from Mr. Clark to go back to point (a).

Which was the point that you were wanting to go back to earlier, Mr. Clark?

Mr. Clark: Thank you very much, Madam Chair. Perhaps we can move forward by taking a quick step backwards.

The Chair: What point are you going to?

Mr. Clark: Point 4(a). Elections Alberta has recommended that we change the word "charge" to the word "cost" in the discussion of third-party advertising in section 41.1(g), if I'm not mistaken, so I will move that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to change the definition of political advertising to include advertising for which there would normally be a cost. I'll read the entirety of it: in any broadcast, print, electronic . . .

The Chair: Is this part of your motion?

Mr. Clark: I believe so. I guess I'm open to some input as to whether or not the full wording of the current section needs to be included or if we just simply need to say: change the word "charge" to the word "cost." I'm open to interpretation on whatever – I don't need the whole wording? Okay. So let's just take back the last few words. Yes. That should, I believe, do it.

The Chair: Are you clear about your motion where it is here . . .

Mr. Clark: I think so.

The Chair: . . . or are you still waiting for it to be wordsmithed?

Mr. Clark: No. I think that so long as that covers off the issue and the question raised by Elections Alberta, I'm happy to debate the motion. Why don't we do that? If we need an amendment, we'll make an amendment.

The Chair: Mr. Westwater.

Mr. Westwater: Madam Chair, yeah. You could just move the motion to delete the word "charge" and replace it with the word "cost," or we can include it with "charge or cost." It's up to the committee.

The Chair: Mr. Clark are you wanting to . . .

Mr. Clark: I'm fine to delete the word "charge" and replace it with the word "cost" if you feel that's satisfactory, so why don't we do that? Do we want to reference the relevant section? Is it 41.1?

Ms Vance: Section 44.1(g).

Mr. Clark: Okay. Our research issues summary says 41.1(g), but I'm sure we could stand corrected on that if that's not accurate.

The Chair: Mr. Clark, would you like to look at your motion as it is on the screen?

Mr. Clark: Yes. That's fine. I suspect we can . . .

The Chair: We'll just ensure the section part is added before we read it out.

Mr. Clark: Is it 44? Okay. Yes, 44.1(g). That's got it. Thank you.

The Chair: Ms Rempel, would you like to read that into the record for those on the phone?

Ms Rempel: Thank you, Madam Chair. Mr. Clark has moved that the Select Special Ethics and Accountability Committee recommend that section 44.1(g) of the Election Finances and Contributions Disclosure Act be amended to change the definition of political advertising to delete the word "charge" and replace it with the word "cost."

The Chair: Member Loyola.

Loyola: Yeah. I mean, this seems like a pretty simple issue, Madam Chair, but if we could get the rationale behind it from the staff members of the CEO, I would really appreciate that, just to have it on the record.

The Chair: Mr. Westwater.

Mr. Westwater: Madam Chair, thank you and through you to the member, what we're trying to do here is not eliminate freedom of speech and the ability for general people to make expressions and views and contents related to political matters and things. What we are trying to do is identify if they've invested a lot of money or cost in creating whatever message they're putting on the social media platforms.

We experienced with the last election that the production costs of many of the materials that appeared on social media probably exceeded \$50,000 or \$60,000, but because there are no restrictions on it, it wasn't political advertising, and it wasn't registered as a third party. It was just an individual who spent a lot of money to produce that information and post it on social media.

Trying to avoid people getting around the third-party advertising provisions, we've determined that if we identify the cost to post something up there, for production of materials that they put up there, if it exceeds \$1,000, they'd have to register as a third party, which would still allow them to express their views, but they'd have to register with us. That's the only difference.

Cortes-Vargas: I'm just curious. What kind of provisions exist in other jurisdictions around this?

Mr. Westwater: If you give me a moment, I can check the other jurisdictions on this particular issue, unless the research staff has something on it.

11:40

Dr. Amato: Of the six jurisdictions including Alberta that I looked at, it seems that British Columbia, for example, uses the words "the price paid" for preparing and conducting the election advertising. As proposed by Elections Alberta, Saskatchewan similarly refers to "cost," uses that kind of language. Ontario uses the language of charging.

The Chair: Okay. Thank you.

Mr. Cyr: I'm still a little unclear about the difference between charge and cost. Is this a problem that you have run into where people have done exactly these circumstances and you were

prevented because of this one word from actually going after registering them?

Mr. Westwater: Madam Chair, through you to the member, yes. What we found on the social media channels in the last election was that individuals were posting messages, which you're entitled to do, but production costs for those messages far exceeded the thousand-dollar limit which would require you to register as a third-party advertiser. That's all we're trying to introduce this for, because we cannot restrict that or deal with that currently because that's freedom of speech and what have you. All we're asking is that if they spend more than a thousand dollars to produce the message that they want to put up on there for no charge, they register as a third party and report that they spent that money on their message.

Perhaps Ms Vance can clarify something as well.

Ms Vance: If you consider a 30-second or minute-long video clip, let's say, you know, slickly produced, et cetera, it's like Mr. Westwater said, thousands and thousands of dollars. You can have that ad appear on a television screen from Global News or whatever, Global television, and the money spent on that is regulated in the sense that it needs to be identified, reported on, the third party has to register, et cetera, right? It's covered under this act. If you have that exact same video and you post it on YouTube – if you use the word "charge," it's an ambiguous term, but one could argue that the charge is for the actual transmission. You might pay a TV station a bunch of money. You wouldn't pay YouTube anything, so you have the exact same advertising with the exact same production cost behind it. One is regulated, and one is not.

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

Mr. Nixon: Yes, Madam Chair.

Loyola: I was just looking for a concrete example, which now has been provided, so I'll move on.

The Chair: Okay.

Mr. Nixon.

Mr. Nixon: Yeah. I think I get the intent of what's trying to be done here and in general probably support it, but the one concern I have with this is that if we make this change, someone could essentially post something supporting a party without their consent, pay to boost it or whatever the process is, and then file a complaint saying that that party broke the law. I'm a little worried about the mischief that third parties could play against people during a writ period, and yes, we've seen stuff like this in the past.

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

Mr. Westwater: Our amendment wouldn't prevent that from happening, Madam Chair, through you to the member, but whoever posted it would have to register and identify themselves as spending the money to post that ad and identify the source of the revenue for that. Then that's a matter between them and the party if they're claiming to be the party and they're not the party.

Ms Vance: Yeah. The party would not be held responsible for anything spent that they haven't spent, right? This act is all about the money and tracing where the money is going, so if the political party were not responsible and did not pay for that ad, then it is no concern of theirs. That would be third-party advertising.

Mr. Clark: If someone was to take an ad that had been produced by a political party and pay to promote it – take that ad on their channel, spend \$2,000 promoting it through social media – would they need to register as a third party?

Mr. Westwater: Through you, Madam Chair, to the member, if it's exceeding a thousand dollars, they have to register as a third party. They could still post it and do that, but they'd just register as a third party and tell us that they'd done so.

Mr. Clark: Taken to its logical extension, then, could you not end up in a situation – again, let's say we have a new limit of \$4,000 for a donation, where a party attracts 10 donations of \$4,000, to keep numbers nice and round, spends \$40,000 producing an ad, and then has a third party which tracks 10 donations of \$4,000 from the same 10 individuals and then distributes that ad through the social media channels. Clearly, it's a branded, partisan, political advertisement for a registered political party. In this scenario is that permissible? Would that work? Would that be allowed?

The Chair: Mr. Westwater.

Mr. Westwater: Through you, Madam Chair, to the member, I just wanted to clarify the question itself. Would it be permitted for those entities to reproduce the political ad themselves and post it on social media on behalf of the party? Is that the question?

Ms Vance: Who is spending the money in your scenario?

Mr. Clark: Let's say we have registered political party A.

Ms Vance: Okay.

Mr. Clark: They attract 10 donations of \$4,000 each for \$40,000. They use all \$40,000 to produce a slick video. Okay?

Ms Vance: Okay.

Mr. Clark: That's all the money they have. They don't have any more money. The group called Third Party Loves Party A, okay? That's what they're called. They're not very creative, but that's who they are. They attract 10 donations of \$4,000, totalling \$40,000, from exactly the same 10 people, remarkably enough, who provided donations to the registered political party. That third party, during the writ period, spends their \$40,000 on a series of social media campaigns which does nothing more than distribute the advertisement produced by registered political party A. Separate entities; same people. Is that legal?

Ms Vance: In my view, if you change the word "charge" to "cost," "cost" would encompass both ends of that. So the third party – if there is or normally would be a cost of \$40,000 to produce the ad, plus, say, \$40,000 to distribute the ad, then that's a total of \$80,000, whether the party actually paid the money or not, right?

Cortes-Vargas: Well, I hate to follow that. I was just actually curious. MLA Nixon was trying to point out – I'm curious as to where this example will also take us, but Mr. Nixon said he had a few examples of something that happened in the past election. I was just curious as to if you could elaborate on those.

Mr. Nixon: Well, I'm just thinking of some of these examples that we've seen of, like, people doing fake robocalls in the past, trying to make it look like it was another party or a candidate, or weird mail-outs that weren't them but trying to make it look like it was, you know, a candidate or a political party, but it was actually coming from a third party.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I guess I just want to come back to my example and just make sure I'm very clear on what Ms Vance said in your response. If a third party, again – well, I do want to belabour the point because I think it's an important one that we consider as part of the committee and just make sure that we haven't left any holes unplugged. If, again, we have a registered political party that spends \$40,000 on an ad and they do nothing more than post it to their free YouTube channel – okay? – they have incurred a cost in doing so. Let's say we changed the word "cost." We've done that. The third party, of their own free will, decides: "Well, we're just going to take a copy of that ad. We've spent nothing on it. It costs us zero, but we spent our \$40,000 promoting the heck out of it and making sure every Albertan sees it 10 times." That's \$40,000 of third-party advertising money. Okay?

11:50

While we certainly would look at that and say, "Gosh, that seems counter to the spirit of what we're all trying to do here," in your opinion is that currently prohibited by any Alberta legislation, the Election Act or Election Finances and Contributions Disclosure Act, or is there an argument to be made that that would in fact be legitimate?

Ms Vance: I wonder if part of my difficulty in understanding this is that there are actually no restrictions on any spending whatsoever in this act. You can spend as much money as you have. The restriction is on the contributions. I don't know if that is even on point.

Mr. Clark: Sorry, Madam Chair. May I? Thank you.

No; I think that is an interesting point. What you're saying is that the restriction in the act – again, just to read back what you said, the act restricts where the money comes from and sets certain thresholds above which the money must be reported in certain time periods, in certain formats, et cetera. How parties choose to spend that money is entirely up to them. When we use the term "party," that means both a registered political party. They can spend that money on anything they want. Well, you can't spend it on each other. There seems to be a bit of a conversation right now, but let's assume that remains to be the case. There are some restrictions, but those restrictions are quite limited. The same thing applies to registered third parties, as I understand it.

The only restriction is on the reporting of both contributions and what I guess I would call top-line expenditures, as in not itemized line item expenditures. It's that we spent \$40,000 on outgoing and we had \$40,000 of incoming, which breaks down to 10 donations of \$4,000, and here are the 10 people. By extension, then, the scenario I have just described, even if and when we change it to "cost," would still be a permitted expenditure and would be permitted under Alberta law. I'm not asking you to commit, you know, be ironclad on the record necessarily, but in this hypothetical situation I've described here, I haven't described anything that so far as you know is counter to the Election Finances and Contributions Disclosure Act or Election Act.

Ms Vance: Not as far as I'm aware of. No.

Mr. Clark: Okay. Thank you very much.

The Chair: Is the committee ready to vote on this motion, or is there further discussion to be had? We will have this read into the record first for those on the phone.

Ms Rempel: Thank you, Madam Chair. It's moved by Mr. Clark that

the Select Special Ethics and Accountability Committee recommend that section 44.1(g) of the Election Finances and Contributions Disclosure Act be amended to change the definition of political advertising, to delete the word "charge" and replace it with "cost."

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

I believe before we were on item (b). Mr. Nielsen, did you have a motion? You said that you had two motions that you were wanting to table. Did you want to table that second motion at this time?

Mr. Nielsen: I guess with the indulgence maybe of the committee, because we got stuck on the first one and I kind of feel like they might both kind of tie together, I was hoping I could maybe wait and we can come back to that.

The Chair: Okay. Seeing as it is 11:54, then, we will break for an hour lunch and come back at five minutes to 1 o'clock. Thank you.

[The committee adjourned from 11:54 a.m. to 12:55 p.m.]

The Chair: Okay. I'm going to call this meeting back to order as long as everybody is ready to go.

I just want to ensure that there are no further recommendations under (c), limiting election advertising contributions to a third party, that any members would like to make. Mr. Cyr.

Mr. Cyr: Sorry. Just bear with us until we catch up with you here.

The Chair: Okay.

Are there any recommendations under (c), limiting election advertising contributions to a third party, that anyone would like to bring forward at this time? Mr. Nielsen, I think that you had two earlier, but you have one that you were going to defer to a later time.

Mr. Nielsen: If I may defer, please. Yes, Madam Chair.

The Chair: Yes. Thank you.

Okay. Seeing no further discussion on that, I will move on to item (d), role of third parties. Dr. Amato, would you mind reading those initial points?

Dr. Amato: Certainly. This is on the bottom of page 10. The proposal is that

- the Committee should not consider any attempts to amend the EFCDA to expand the potential scope of activities permissible by a third party. The role of a third party should remain limited to the role presently permitted by the legislation, [that is] advertising.

The Chair: Thank you very much.

Are there any recommendations that any members would like to put forward? Any on the phone?

With that, I will move on to section 5.

Mr. Westwater, did you . . .

Mr. Westwater: Thank you, Madam Chair. I just wanted to raise one point, and it's totally at the discretion of the committee, but we did recommend that there be a level playing field established for third parties where corporations and unions are not allowed to make contributions to parties or candidates or CAs currently. We are recommending for the discussion of the committee and the consideration of the committee that corporations and union funds be prohibited from contributing to third parties.

Cortes-Vargas: I have a few questions. Just first to, like, provide some context, what's the current role of the third party in the act?

Mr. Westwater: Currently the legislation allows unions and corporations to donate to third parties, but they do not allow them to parties, which was eliminated from parties and candidates, but it was not applied to third parties.

Cortes-Vargas: This one is for research if I can continue.

The Chair: Please.

Cortes-Vargas: Okay. Does research services want to elaborate on what the third parties' roles usually play in other jurisdictions?

Dr. Amato: Do you mean who comprises a third party and who contributes to it, who is permitted? Is that what you mean by that?

Cortes-Vargas: Yeah.

Dr. Amato: Okay. Currently Alberta is consistent with British Columbia, Ontario, Nova Scotia, and at the federal level insofar as there are a number of contributors to a third party – individuals, corporations, trade unions, employee organizations in Alberta – and that's fairly consistent with Ontario and Nova Scotia and Canada at the federal level.

Cortes-Vargas: Thank you for that. I was just looking for the context for it. I know it has come up a few times today that we should continue putting front of mind that when we discuss third-party advertising, we always want to protect freedom of speech. What I'd be interested in is exploring a mechanism to make sure that there is transparency, so the objective would be more to know who is exercising this free speech. I just kind of want to discuss that more than anything – I'm not proposing anything, you know – creating that mechanism of knowing who exactly is delivering these messages. Are there examples from other jurisdictions that provide a greater transparency?

The Chair: Mr. Westwater.

Mr. Westwater: Through you, Madam Chair, to the member, I know Ontario currently has recommendations before the Legislature that they eliminate union and corporate donations to third parties so that they all have the same funding sources as parties and candidates do so that the message is that there's not an unequal balance between the money spent by third parties and actual political parties and candidates during an election period. They're trying to level the playing field in that particular province. That's one of the reasons. We're very much in touch with what other jurisdictions are planning or are implementing currently in best practices, and that's why we were recommending that there be a level playing field for financing of political messaging, whether it be from third parties or political parties or any other source. That's the basis for the recommendation that's before you.

There are far more third-party advertisers in other jurisdictions than there are in Alberta, and they spend far more money than they do in Alberta currently. I guess, for consideration of future progress in this province there may be an increase in third-party advertising in the future, and the controls and mechanisms that you're putting in place today will affect those.

Cortes-Vargas: I just wanted to gather some information. That's okay.

Dr. Amato: I'm not sure that this is what you mean at all, but are you asking if election advertising must identify its sponsor in some jurisdictions?

Cortes-Vargas: No, I wasn't asking. That's okay.

Dr. Amato: Okay.

The Chair: If there's no further discussion on this right now, I will move us on to spending limits, section 5, page 11, item (a), spending limits. Dr. Amato, would you mind opening up with the proposals?

Dr. Amato: Under item 5(a) on page 11 there are four items for consideration being proposed. The first is:

- The EFCDA should be amended to establish limits on the amount that candidates and parties can spend during election campaigns.
- The EFCDA should be amended to establish a \$70,000 cap on campaign spending by candidates and political parties, and a \$30,000 cap on spending by third party groups during an election period . . .
- The EFCDA should be amended to limit the amounts third parties may spend during election campaigns.

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

Mr. Sucha: Thank you, Madam Chair. You know, I think I speak for many people at the table here, that it's important for us in Alberta to really renew our democracy that we have here. We have all made commitments to getting big money out of politics. We really want to make sure that we have a level playing field in ensuring elected officials are accountable to citizens of Alberta and not those with the deepest pockets. With that being said, I have a few motions that I would like to propose . . .

The Chair: Please go ahead.

Mr. Sucha: . . . the first one being that the Select Special Ethics and Accountability Committee recommends that the Election Finances and Contributions Disclosure Act be enhanced to include campaign spending limits for the registered party campaigns of approximately 60 cents per registered elector indexed to inflation.

The Chair: We'll just ensure that the motion reads as you are looking. You said that you had a few motions. How many motions do you have?

1:05

Mr. Sucha: Right now I have another one after this one.

Ms Dean: Can I just offer a suggestion to refine some of the wording, here? I think you just need the words "to include campaign spending limits for registered parties of approximately." You don't need the words "campaigns," the second iteration of "campaigns."

The Chair: Mr. Sucha, does that reflect your motion?

Mr. Sucha: Absolutely. I think it's important for us to consider taking into account, obviously, index to inflation and the fact that we always deal with the population growth within this province, too, and that that's accounted for. If I'm doing the math correctly, we are looking at a ballpark right now, if we were to go into an election, of central parties being able to spend around \$1.5 million.

Mr. Cyr: So we are reducing – potentially reducing; sorry, that motion hasn't gone through yet – what donations can be brought forward. Now you want to cap what a political party can put

forward to bring big money out of it? I'm not making the connection. I would love to hear your thoughts on how we aren't already doing that with reducing the contribution limit.

Mr. Sucha: Well, we ultimately want to have our election campaigns reflecting the views of all Albertans. In the past we have always seen a very lopsided view of how spending can be done. To be completely candid, situations could occur where some organizations may see this coming and build up a heavy war chest. Subsequently, we want to make sure that we have a very strong, level playing field for all political parties to be able to participate in the general elections.

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

Mr. Hunter.

Mr. Hunter: Thank you, Madam Chair. I would like to reiterate my colleague's point. The point is that you can achieve the same thing by decreasing the contribution limit and achieve the same goal. I think, though, this actually is an overreach of what is trying to be accomplished, and here's the reason why. What you're saying is, "Let's make it an even playing field," but in reality even how you spend your money could affect that, if you spend it wisely or unwisely, you know, or you decide to spend it on this type of advertising, that type of advertising. There are a lot of factors involved. Again, in order to be able to achieve the end goal, which is to take big money out of it and allow the people to choose, I think that that is facilitated by a reduction in the amount of contributions. I question this one, wondering if this is maybe an overreach of the main goal.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I worry very much that this coming at it from both ends, both the donation end as well as the spending limit end, is tremendously disadvantageous to nongovernment, nonincumbent parties. The government has all of its resources available as what seems to be fairly loosely defined as government advertising for things like carbon taxes, for things like minimum wage, and these are ads that I think are, frankly, troubling. I'd certainly never do it as Premier of Alberta. I'll put that on the record, and you can hold me to account in three years' time that I won't do that.

You know, if parties are limited to a spending of somewhere in the neighbourhood of \$1.5 million – if I was to do a very simple bit of calculation here, there are roughly, I think, about 2.5 million registered electors in Alberta. I could stand to be corrected on that. At 60 cents that's 1 and a half million dollars. That sounds like a lot of money, but it's a big province. It's a really big province to physically get around it. By comparison B.C. is 4.4 million.

This is really the first proposal that I've seen that seems to be significantly weighted in favour of the government or, frankly, of any party. This seems to be biased very much to entrenching an incumbent advantage, and one of the things I think we want to be very careful about – we talk about, quote, getting big money out of politics. I think oftentimes that is translated as the incumbent shouldn't have an unfair advantage. I think some of the discussion that's happened around donation limits help limit that incumbent advantage, but by putting in a spending limit, you could have a government that is not popular in the slightest, unable to raise much money, but uses all of the resources of government to advertise like heck.

You know, I'll even use the previous government as an example. How many Building Alberta signs went up around the province?

Did that feel right? It didn't feel right. Was it legal? Yes. Was it ethical? Probably not, but it was used. It's unfortunate to see this government falling into the same pattern of incumbent advantage behaviour, but entrenching a spending limit, especially one that could be potentially as low as this, seems to be very much to the advantage of the incumbent. I suspect that should this government one day find itself not to be government anymore, they would probably agree with me. If the roles were reversed, I think they probably would.

I would really encourage this committee not to support any motion that would entrench an incumbent advantage, irrespective of who that incumbent may be. Thank you.

Loyola: I guess it's all a matter of perception. I mean, the goal here is to get big money out of politics, not so that those who have the deepest pockets are influencing the democratic process, right? I'm sure that British Columbia, Saskatchewan, Ontario, Nova Scotia, and even the federal government have provisions related to spending limits, so I was hoping that we could get some of the crossjurisdictional information on this.

Could you elaborate on that, please, Dr. Amato?

Dr. Amato: I can. If you look at my crossjurisdictional, some of this information is summarized in a chart on page 30. In most of the provinces where there is a campaign spending limit, I just want to say that the amounts are adjusted to reflect changes in the consumer price index for that province. Just with that caveat, I'll then provide this information with respect to party spending limits. In British Columbia the spending limit is \$4.4 million during the campaign period and \$70,000 during a by-election. In Saskatchewan it's the adjusted amount of approximately \$674,000 during the campaign period, and then the amounts are adjusted again in certain areas of the province. You can see that information. In Ontario it's consistent with the proposal here, so it's the product of 60 cents multiplied by the indexation factor and by the number of electors in the electoral district in which there is an official candidate of that party. In Nova Scotia it's \$2.29 multiplied by the number of electors in the electoral districts in which the party fields one or more candidates and then a very specific amount of approximately \$5,700 during a by-election.

And at the federal level you have approximately 74 cents multiplied by the number of names on the list of electors for electoral districts in which the registered party has endorsed the candidate and then again the inflation adjustment factor.

That's some of that crossjurisdictional information. Thank you.

1:15

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

Mr. Nixon: Yes, please.

The Chair: With that, I will go to Mr. Cyr.

Mr. Cyr: There's a lot to this topic, and I would really like to go back and research this for myself. Is there any way we can adjourn this until the next meeting?

The Chair: Are you making a motion to adjourn debate?

Mr. Cyr: I would like to make that motion.

The Chair: All those in favour of the motion say aye. Any opposed? On the phones? Okay. We have adjourned debate on that motion.

Mr. Sucha, you have a second motion?

Mr. Sucha: Yes. Thank you, Madam Chair. It'll be interesting to get the feel for this as we've continued to talk about really trying to take the big money out of the political game here in Alberta. I would like to move another motion, that

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be strengthened to include per-candidate campaign spending limits of up to \$40,000, indexed to inflation, for most ridings and \$50,000, indexed to inflation, for northern ridings.

The northern riding one takes into account that there is an added cost to campaigning in the remote parts of Alberta as well.

The Chair: Just ensuring that the motion on the screen reflects properly.

Ms Rempel, would you like to read this into the record, please?

Ms Rempel: Certainly, Madam Chair. One moment, please. Moved by Mr. Sucha that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be strengthened to include per-candidate campaign spending limits of up to \$40,000, indexed to inflation, for most ridings and \$50,000, indexed to inflation, for northern ridings.

The Chair: With that, I will open up debate. Dr. Starke.

Dr. Starke: Thank you, Madam Chair. Well, I'm opposed to this. You know, I don't want to put too fine a point on things, but – let's face it – if big money bought elections, we wouldn't have the government we have now. I think the evidence of that is very clear. The voters will vote, and they will elect the candidates that they see as the best. I would suggest – I don't know the situation in each of the ridings of my colleagues that are here, but I know that certainly for a lot of my former colleagues, they outspent the person that beat them almost all of the time. So this notion that you can buy an election or that big money is going to buy you the election: I mean, I would submit to you that the current government proved that notion absolutely wrong very, very effectively in the last election.

So I don't, you know, quite frankly, see a need or the desirability, for that matter, of doing this particular thing. I think that the limit is on the low side, quite frankly. But whether \$40,000 or \$50,000 or \$80,000 or \$60,000 is the right number or whether it should be north or south or rural or urban or whatever other modifiers you want to put in place, quite frankly, the voters are always right. They will pick the candidate that they choose, and it doesn't matter how many lawn signs you put up or how many four by eights you put up or how many commercials you buy or how many ads you put in the local paper. It certainly doesn't matter how much you spend. I think the last election proved conclusively that there's no correlation between what you spend and electoral success.

Again, I think this is trying to put in place a solution where the problem isn't there. We haven't established that there's an issue here. In other jurisdictions they've decided to do this. That's fine. Other jurisdictions have decided to do a lot of things that I certainly hope that Alberta doesn't decide to do.

Mr. Sucha: I would have to disagree that people do not feel there's an issue with this. You know, for my constituents specifically – I can speak to them – they think this is an issue. We've had

indications from the Edmonton-Rutherford Liberal Party constituency association and the Calgary-West Progressive Conservative constituency association that this is an issue.

I'm not trying to reinvent the wheel here. A lot of this is really reflective of what we see for the spending limits nationally. The ridings are typically about three times the size, and their spending limits are in the ballpark of \$100,000 to \$125,000, so we saw \$40,000 as being a pretty fair number to kind of keep that even, considering that they're significantly larger than our campaigns as well. It's very easy for political parties to hire paid staffers and not get the engagement of the electorate. Realistically, this is about really trying to drive some of the engagement of the electorate as well.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. Now that we've seen this motion and the last motion, is this spending included in that 60 cent subsidy per registered voter that you're allowed to spend? Are you sharing that cap? Is that what your intent is?

Mr. Sucha: No.

The Chair: Mr. Clark.

Mr. Clark: Yeah. My comments from the discussion on spending limits for party campaigns, I think, apply here as well. I'm not opposed to a spending limit, some sort of spending limit. I'm onside with some sort of limit. I guess I could be convinced of that.

But the quote "get big money out of politics," which sounds like a social media campaign that I suspect we may see sometime in the near future: is "big money" every elector donating a dollar? That doesn't sound like big money. A lot of constituencies have 40,000 electors. If every one of them donated one dollar, that doesn't seem like big money to me, so I certainly think that the limit of \$40,000 is low for what it takes to campaign in a modern election.

You know, I could see my way to supporting some sort of limit, perhaps, although I am hesitant. I am hesitant because I do feel like it puts artificial and perhaps overly burdensome restrictions on a campaign, especially in light of donation limits. It just seems like, again, the incumbent government will always have an advantage in communication, in things that they can do that are, at best, in a grey area, that sure look like partisan advertising. It may not use the name of the party, but, you know, there's a huge bullhorn that the government gets to use for four years, and all other parties don't have that opportunity. We have a very limited budget in what we can do in caucus and very severe restrictions on what we're allowed to say and do with that budget.

I guess I would caution this government to be careful what you put in place now for fear that it comes back to haunt you when you're not government anymore.

Thank you very much, Madam Chair.

The Chair: Mr. Hunter.

Mr. Hunter: Thank you, Madam Chair. I'd like to actually just point out a couple of things here. Number one, in certain ridings demographics are different than in other ridings. In one riding there might be a large population of seniors. In another riding there might be a large population of younger voters. In order to be able to reach different demographic groups, the cost is actually different. You know, to reach younger voters, social media is a very good venue to be able to do it, which is very free, whereas to reach seniors that don't use social media, you'd have to do mailers, and the cost would be higher. So I think that kind of approaching this with the idea that

all ridings would be equal in terms of \$40,000, for northern ridings \$50,000, is very simplistic, and I don't know if it would really – trying to fit a square peg in a round hole is what I see this as doing.

1:25

Actually, I'm not opposed to a limit, but as long as it's taken into consideration that it costs different amounts to reach different demographic groups plus different areas. In my riding it takes three hours to go from one side to the other whereas your riding, Mr. Sucha, is a lot more compact. So the cost of being able to reach the electorate is a lot different for you than it would be for me. I'm wondering whether or not this would actually reflect that.

The Chair: Mr. Nixon.

Mr. Nixon: Thanks. A couple of things, Madam Chair. I think Dr. Starke did a good job of outlining some of my initial reactions, so I won't be repetitive other than to say, you know, that it is a little bit shocking to me that the party with the majority on this committee, if we looked at the financial struggles to make money locally, on the constituency side, would make a move like this.

But let's talk about the three-times size federally, if that was what was used to determine the amount. The issue with that, at first glance, is that some of the costs are straight-up fixed either way. The costs for a Member of Parliament to do certain things during a campaign are going to be the same even if the size of a riding is a third the size of the federal riding. So setting a limit just based on the size is disappointing.

But at the same time we have a great contradiction because then we're not setting different limits within our 87 ridings based on the size. For example, my riding, I think, is the ninth or 10th biggest in the province, and it takes about four hours to cross it at certain points. The fuel costs alone during campaigns are staggering. But it appears that we're down in southern Alberta, so we would get something different than northern Alberta. I don't quite understand that.

Lastly, I would like some clarification, just one hundred per cent, that what the government and its members are trying to do with this motion is separate from what they were trying to do with the one that we just tabled before – i.e., that 60 cents would apply only to parties – and that this cap of \$40,000 per constituency would not apply to that 60 cents.

Thanks.

The Chair: Mr. Sucha.

Mr. Sucha: Yes. They are both separate.

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. Just one point I wanted to bring up, and it kind of applied to the motion that we had tabled earlier. You know, this committee was and continues to endeavour to limit the amount of advertising that the government can do during elections, and I'm confident that we will get something in place that is good, that's transparent, and that will, I guess, take away that perceived advantage, that the government seems to have monies to be able to tap into, should we agree on any kind of spending limits. I wanted to get that in the committee members' minds as they move forward on this.

Mr. Cyr: Madam Chair, I have two concerns with this. Now, as we've seen in other elections across the province or even in the United States, third parties seem to actually be able to do a lot more spending than the political parties themselves. My concern here is

that by creating a limit like we are with both this one and the other one, we are no longer going to be able to get our message out if the third parties are able to dominate without any restrictions put on them. That's my first concern.

My next concern here is that when you're in the middle of an election and you're collecting funds, I guess, a lot of times you have donations coming in very quickly. Now, I'm just not sure how the optics of this are going to work with putting a cap on this. Is this something where you're going to return the funds that are over this cap, or are you going to let those funds just sit in candidate accounts or CA accounts? I see that this is well intentioned, that you guys are saying: let's do something about spending. But I don't know if it's going to achieve what you're looking for. Have you considered the fact that third parties can dominate over any voices that we put out at a CA level or a party level?

Mr. Sucha: Well, I think that's why we're having some very in-depth conversations about how we deal with third parties, how they are financed, how they publicly disclose. I think those conversations can come up as we continue this conversation within there. So it's really the will of the committee what direction we go with third parties.

Mr. Cyr: The one thing that we've heard consistently when it comes to third parties is freedom of speech. Now, we restrict ourselves, and it gets challenged, and we're put at these low limits, and they're not. We're going to be at a disadvantage. So even if you address third-party spending, is it possible – and I'd like to hear from legal counsel – that any restrictions we put on third parties could get overturned?

Ms Dean: I'd like to confer with Ms Vance on that, unless she's got some comments.

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

Mr. Nixon: Yeah.

The Chair: Mr. Clark, are you ready to speak now?

Mr. Clark: I'll just wait until they're finished conferring, just to make sure we have everyone at the table.

The Chair: Mr. Nielsen, did you want to speak?

Mr. Nielsen: Yes, Madam Chair. I realize that, you know, earlier in the day here we had struggled with the one motion. I guess – hint – my second motion was to deal with some spending limits of third parties. Obviously, we'll get a chance to get back to that once we revisit everything, but there's certainly an intention there to look at that.

The Chair: Mr. Nixon.

Mr. Nixon: Yeah. I'll just point out two other things. I think if this motion is successful, you're going to see a massive increase in pre-writ spending, which is going to, you know, definitely increase the incumbent's advantage drastically in local constituencies, which is something that I know many witnesses that came before us were concerned about.

The last is that I will also suggest that this will drastically increase local third-party groups rushing in to fill the hole. So, you know, while the intent may be honourable, in the long run I think we're just going to create a problem.

The Chair: Mr. Clark, are you ready? No.

Ms Dean: Thank you, Madam Chair. The question was whether or not these thresholds can be challenged – is that correct? – the earlier question from Mr. Cyr, I believe.

Mr. Cyr: Oh, I'm just making sure that we're going through the chair here.

My thought throughout this entire conversation is: how can we limit third parties without affecting their freedom of speech? My concern is that if we institute these and they use a freedom of speech challenge on this, we're going to be restricted and they won't be. Is this likely, or is this something that's possible? I don't know, which is why I'm asking the question.

1:35

Ms Dean: It is possible for the thresholds to be challenged, and I'm going to ask Ms Vance to speak further on some case law. It's not terribly recent. It's from the early 2000s, when thresholds were challenged unsuccessfully. Again, it depends on the facts in each case.

The Chair: Ms Vance.

Ms Vance: Thank you, Madam Chair and Ms Dean. The case that I was thinking about, of course, is Harper and Canada from 2004 in the Supreme Court, in which the federal scheme as it existed at that time in relation to third-party spending – there were several provisions that were challenged, including the requirement to register, and one of them was spending limits. I can advise that on that particular legislation the Supreme Court found that although the spending limits did violate the freedom of expression, it was saved under section 1, so they were found constitutional in that case. I can provide a citation if anybody wants it. It's 2004 SCC 33.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I want to provide some context as I look at the cross-jurisdictional comparison. I'll just take this opportunity to thank Dr. Amato and the entire research team again for their very thorough, comprehensive work in pulling together the cross-jurisdictional analysis. It's really very enlightening.

As we look at a \$40,000 limit for the province of Alberta with no government reimbursement, I compare that to Saskatchewan's limit of \$52,000 per constituency, which is 60 per cent reimbursable, if you look at that on the chart on page 34, assuming that a candidate achieves 15 per cent of the vote. Saskatchewan is about a quarter of the population of Alberta. The province of Ontario provides a reimbursement of 20 per cent based on meeting certain criteria, Nova Scotia provides a per-vote subsidy, and the federal parties receive a 50 per cent reimbursement based on filing of reports. There, of course, as we know, was a per-vote subsidy, which has expired as of April 2015. When you compare that to other jurisdictions, the \$40,000 limit looks even lower.

I also share Mr. Nixon's concern that this will skew election spending to happen outside of a writ period, and you'll see – again, I don't know, actually. Perhaps this is a question, if you'll entertain it, Madam Chair, for Elections Alberta. If the \$40,000 spending limit during a writ period was in place, would there be, based on all other rules remaining status quo, any prohibition against a constituency association spending huge amounts of money on, say, prepurchasing lawn signs, for example? Is there any reason they could not do that? If those lawn signs were purchased by the constituency association outside of a writ period, is that allowed?

The Chair: Ms Vance.

Ms Vance: Thank you. I understand the motion addresses only spending limits on a candidate. Constituency associations are not allowed to accept contributions during the writ period, so they would not be addressed by this motion.

Mr. Clark: What I'm really driving at, if I may, Madam Chair, is that that's exactly as I also understand the motion. So we are talking only of the 28-day writ period. Let's say that the writ is dropped on March 1. There is no prohibition on February 15 from a constituency association having raised money and expending \$100,000 on lawn signs, say. Or presumably even could it prebuy some advertising? I don't know. I mean, there may be some rules around that sort of thing. If the advertising is actually going out during a writ period, perhaps there's some sort of arrangement where an advertiser provides you a discount if you pay up front, you know, that sort of stuff. I also just logistically worry that this \$40,000 may not even be practically enforceable. I'm just curious if you could speak to some of those considerations, some of those examples, or if you have any thoughts on other examples that may apply.

Mr. Westwater: Mr. Lee can answer that, Madam Chair, if you wish.

The Chair: Mr. Lee.

Mr. Lee: Thank you, Madam Chair. As far as the \$40,000 or \$50,000 being enforceable, it is. Other jurisdictions do it. There are some complexities to it. They have eligible expenses and then nonrestricted expenses, things like that, so there's a lot more than just putting a restriction out there. It would require a lot more work on the part of the chief electoral office to go through and do those types of reviews. There'd be a lot more to it. Some more resources would be required, but it certainly is enforceable.

The Chair: Mr. Hunter.

Mr. Hunter: Thank you, Madam Chair. I like the intent of this motion. Case in point, in my riding one of the contenders spent three times what I spent. Now, the one concern, though, that I have – I would actually say that I agree in principle with what you're trying to accomplish here. I think that the number is actually too low, first of all. I don't think it takes into consideration what I said earlier about the fact that different ridings have different needs in order to be able to reach the electorate, and it can't be accomplished at maybe that amount. I guess if that could be addressed in an amendment to this, then I would be more in favour of this, but at the present amounts I don't think that we will be able to achieve what we're supposed to achieve, which is to reach the electorate with our message, which is: "If you vote for me or you vote for my party, this is what our platform is. This is what we're trying to accomplish."

Now, the other point that I wanted to make is this. In the event that candidates are not allowed to get their message out, then I think that there will be a distinct advantage to third-party groups to be able to come into those areas and potentially take away the electorate's ability to vote for that candidate, the candidate they really want in that area. A third party could come in and really spend a lot of money in that area whereas the candidate may be a great candidate but can't really spend what they need to spend because the third party has coupled with the other candidates, and then that

candidate wins. I think that that's a genuine concern that needs to be addressed.

Mr. Sucha: You know, I hear the comments about the challenge of getting your message out over the amount you spend, but I must remind the committee that the Wildrose Party is the Official Opposition, and they spent less than what we were proposing, so I don't necessarily know if monetary money is necessary for us to win an election. I think a lot of it is about the message and being able to supplement that with a fair amount.

I would like to ask the chief electoral officers. Federally we have spending limits. Have you received any feedback from them about how they enforce those spending limits and any challenges they face?

Mr. Westwater: Through you, Madam Chair, we haven't done any detailed review with them on their experiences with that, but that's something we could look into and get back to you on. I have no comment currently on their experience with it.

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

The Chair: Yes.

Mr. Cyr: I've got three more points I'd like to bring up. Now, under this new thing, are there going to be workarounds for this? Let's say that the candidate decides to start his own PAC or third party and get additional funds that way and spending. Had that been considered?

1:45

A second concern that I've got is that only the government knows when the writ is dropped, which gives a lot of influence on what your CAs can spend up to the point where we're able to collect funds. That puts the opposition parties at a very big disadvantage.

The other one I'd like to bring up is that this here assumes that you've got incumbents and challenging candidates on the same playing level. Now, I know for myself that I had – what? – about \$10,000 worth of signs that I don't have to spend on in that next election because I have my signs. That new candidate is going to have to spend money on signs. So I am going to be able to use resources that had already been used in past campaigns in my next campaign. Is this being addressed inside of this as well?

The Chair: Next we are at Mr. Nielsen.

Mr. Nielsen: Thank you, Madam Chair. Wow; \$10,000 on signs. I wish I could have spent that on signs, but, hey, I spent what I did and managed to capture almost 70 per cent of the vote. Anyway.

Again, you know, listening to the discussion, another thing I wanted to bring up to the attention of the committee when we're talking about spending money: one of the biggest things I certainly heard was that in Alberta currently we can spend money on elections like there's no tomorrow, and they wanted to see that capped. We're not talking about limiting freedom of speech; we're talking about, I guess, being a little bit more prudent in how you spend your money to exercise that freedom of speech.

You know, we really need to take a hard look – I guess I could use my own self as an example. It's public record. I spent \$15,000 on my campaign to capture 70 per cent of the vote. So it's just simply about how effective you are with spending that money. You know, kudos to you for being able to buy \$10,000 worth of signs. I didn't. I managed to get 'er done.

Mr. Cyr: Once again you're talking rural versus urban.

An Hon. Member: You can't even compare them. There's no comparison.

The Chair: Hang on. If you want to be added to the speakers list, I can absolutely do that.

Mr. Clark: I think we have to be very careful being presumptuous about why Albertans vote the way they do. There's absolutely a connection between an ability to spend money in a campaign and the outcome of that election, but it's tenuous at best. I would argue with tremendous respect that one's leader's performance in the debate had a lot to do with why you got 70 per cent of the vote. I don't deny that you worked incredibly hard; I'm sure you did. Others didn't. Some people who worked incredibly hard got blown out of the water. Some people who didn't get off the couch are in the Chamber. There are a lot of different reasons why people choose to vote the way they do choose to vote.

You know, I think what I'm hearing from this committee is that there's a lot of agreement that we need to consider some sort of limit perhaps. Maybe that's not a unanimous feeling. Again, like I've said before, I'd be open to considering some sort of limit, but a limit of \$40,000 – Mr. Cyr has raised a very important point. You know, it comes back to the incumbent advantage. I've got plenty of signs in my dad's basement right now, which I can reuse. That gives me an advantage over my opponent next time because that's money I don't need to spend on signs. That's an incumbent advantage, and there are 54 government MLAs that fall into the same category.

Again, there's the government advertising piece. You've talked about that, and, no, it can't happen during the writ if we make some changes, but it certainly happens outside the writ. I have to flip the radio station frequently so I don't hear too many of the carbon tax ads.

Let me ask a question, then, of the mover of the motion. Do you envision any sort of rebate or per-vote subsidy? Is that something that you intend to bring as a motion at any point? I suppose I could ask anyone else on the committee the same question. Again, at the \$40,000 number without any sort of rebate – and I'm not advocating a rebate or a per-vote subsidy in the slightest; don't get me wrong on that – with no rebate or per-vote subsidy, we're way out of step in Alberta with other provinces, and it sure looks like it's an incumbent government trying to reinforce their own advantage under the guise of, quote, getting big money out of politics. I'll ask that question. Do you envision a rebate or per-vote subsidy as part of Alberta's election laws?

Mr. Sucha: You know, at the end of the day, it's always up for discussion. I have to reiterate this notion of the incumbent advantage. We're not reinventing the wheel on spending limits here. There are jurisdictions all over Canada that have them. In fact, in many ways we're lagging behind. If you want to talk incumbent advantage, you can look as far, with jurisdictions that have spending limits, as the federal Conservatives and the number of them that had signs in their basements who didn't win the last election. Not to take partisan jabs, look in Manitoba or Nova Scotia with the New Democrats there, and they had the incumbent advantage, and they had spending limits, and they didn't win the last election. But all the other parties made this work. It's an expectation that – and I've listed off many different political parties and many different political stripes that want us to put spending limits in here, and I think it would be prudent for us to do so. I think Albertans are expecting us to do this.

Mr. Nixon: I've got a couple of comments just going back really quickly to the signs. I didn't catch which member was wishing that

they could have spent \$10,000 on signs. I do know their constituency was an urban constituency. When they have to cover 25,000 square kilometres of highways, 22 towns and counties, they might find that they do need \$10,000 in signs to get their message out. We're not comparing apples to apples, so we should be careful on that.

I'm going to say it one more time; then I'll drop it. The incumbent advantage on this is the number one thing that we heard from several people. It was a concern about that. I'll be an incumbent in the next election, so I guess I will be lucky enough to have that advantage, but that's unfortunate. Essentially what we'll have is a sitting member of this Legislature who already has 12 months of the year to use his role as an MLA to advertise himself for the next election in papers weekly in his riding, on the radio all the time, in parades, and in doing their job. That's one advantage I already have. Now, in addition to that, you're going to have the well-funded CAs spending a significant amount of money throughout the nonwrit period portion of, you know, the three-plus years while you wait for an election, which is going to give a tremendous amount of advantage to MLAs who are now being advertised by their constituency associations year-round to use up those resources to get the message out. At the same time somebody is going to come along and try to challenge that person for election, and they're limited to a very small amount to try to compete with all that in advance.

Again, over and over, you said that we're comparing this to the federal thing. It's being used by government members to justify the direction this is going. In general maybe I agree with the spending limit, but the amount is crazy. It is nowhere near the federal limit. It's about 60 per cent. Our fixed election costs are the same as a Member of Parliament. I don't know how much the costs are for an average urban campaign, but if I was advising anybody previous to this to be ready in rural Alberta, you would need at least \$50,000 to \$60,000 to run an effective campaign. I think I have to challenge where the numbers come from.

Then the glaring thing is: so what's northern Alberta? Where does that line start? How are we determining what's a northern riding? Are we saying that Whitecourt-St. Anne needs \$10,000 more than a riding like Drumheller-Stettler, which I believe is the first- or the second-biggest riding in the province? How are we determining the size?

The Chair: Mr. Dach.

1:55

Mr. Dach: Thank you, Chair. I think we all should be listening to what the Alberta voters have been telling us on this issue, and I'm extremely pleased to be in support of this motion. I think the incumbent advantage with this whole issue lies with the parties that actually lend their support to this policy change to limit the spending limits to \$40,000, \$50,000, whether we're in a rural or urban riding or not. I believe that the electorate is telling us that it's high time that these limits be put in place, and the party that goes ahead and supports that will be rewarded, I think. It's very, very pleasing to see that we're moving to limit election spending. I think if there's any incumbent advantage, it goes to those parties that get behind it and support it.

If there's anyone who's really going to gain an advantage, it's the sellers of shoes in this province because it's going to force parties to involve the public a whole lot more than perhaps we have historically. Three per cent of the population gets directly involved in the political process, and by limiting the spending, parties of every stripe will be forced to encourage the people of this province

to become more directly involved in the political process. I'm very happy about that result as well. It has my full support.

Mr. Clark: You say that Albertans told us. I count 12. There were 12 people or organizations who directly contributed to the recommendation that said that they'd like to see a spending limit. Again, it's pretty presumptuous to say, quote, Albertans have told us. I'm not saying that this is not a good idea, and I'm not saying that I'll get behind it, but just because you perhaps spent more than that \$40,000, it doesn't mean you didn't work incredibly hard. You know, you talk about shoe sales and all of that sort of stuff. I take issue with anyone who suggests that if my campaign spent more than \$40,000, all we did was spend a bunch of money and just won the election. I worked my ass off to win that election. I would put my work up against the numerous government MLAs who spent in the neighbourhood of 200 bucks to win an election; didn't do much.

The Chair: Mr. Clark, I'm going to warn you against using language like that.

Mr. Clark: Thank you. I apologize. I will withdraw that comment.

The Chair: If you would like me to make reference, I can absolutely do that.

Mr. Clark: Thank you. I do apologize, Madam Chair, and I will withdraw that comment.

The Chair: Thank you.

Mr. Clark: Mr. Sucha, you talked about: let's not reinvent the wheel; let's catch up with the rest of the country. I don't have a problem with that. Again, I don't have a problem with some sort of spending limit. But, again, if we're going to do that, it's really important that we look at what the spending limits are in the rest of the country.

To Mr. Nixon's point: we're perhaps barely half of what the federal number is, and there are some costs that are similar, so we're putting especially rural MLAs at a disadvantage. I share the concern that the, quote, northern MLAs getting the extra \$10,000 excludes places like Drumheller-Stettler, Vermilion-Lloydminster, Rimbey-Rocky Mountain House-Sundre, Cardston-Taber-Warner, and many others that are very sizable constituencies. So that's certainly a concern. But, again, the number is too low; \$40,000 is simply too low, and irrespective of whose advantage or disadvantage that is, I think we need to seriously reconsider the number at the very least.

That, I think, is everything I have to say about that. This is not in the best interest of democracy in this province either currently or going forward. Thank you.

Mr. Sucha: Is Dr. Swann on the line because I haven't heard the Liberals' point of view in regard to this.

The Chair: Is there anyone on the phones that would like . . .

Ms Jansen: I'd like to join the speakers list, please.

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

Dr. Swann: Yeah. I'd be happy to add my voice.

The Chair: Ms Jansen.

Ms Jansen: Thank you. I apologize for the noise. I'm on the highway.

I've been listening with interest to this conversation and certainly would like to talk about my own experience in Calgary-North West. I door-knocked more than 9,000 homes in the last election, and I would say that I arguably had one of the more relatively cost-effective campaigns of the incumbents, but still it required a lot of energy. Now, I know that the candidate who came in second to me – and I won't talk about parties – did not show up in the constituency, did not print out any signs, had only the signs of the leader on lawns, and I only beat them by about 600 votes compared to the last election, when my lead was over 3,000. So I would caution anybody who holds the results of the last election up and uses their spending, first of all, in correlation to the results of the election.

Now, I can certainly say that, you know, I have heard stories of candidates who were crowing after the election about having only spent a few hundred dollars, and I would argue that for many of us who were out there doing that engagement every day, it's a little bit hard to hear that. I know so many of my colleagues who were out there knocking on thousands and thousands of doors, doing the candidate debates and all of that work, and certainly lost to a candidate who spent only a few hundred dollars. So I would just caution as we go forward in this discussion – and I realize it's an important discussion – that the idea of someone bragging about getting maximum value for a few hundred or few thousand dollars certainly stretches the hubris of the situation right now, and I would suggest that that kind of antagonism helps none of us move forward in this discussion.

Dr. Swann: Well, I've listened with interest to all the discussion and debate, and there are lots of nuances here. The bottom line, I think, is that we all want to see limits to the impact of money on politics. I'm not sure we have the number right, but I don't object to seeing some kind of limit to spending. To not be repetitive, I raise the question, I guess: are we not providing significant protection around money if we limit the individual contributions that are allowed to individuals, parties, and leadership campaigns? I think we are, and if that limit to individual spending or donations is in fact effective, I'm not sure that we need to focus so much effort on the total party spending.

If a party has a lot more supporters and that's reflected in more donations, it's not so critical to me that they – I mean, the correlation between support for that party and funding for that party is there, and that is then perhaps going to be reflected in a higher number of votes for that party. Whether it's \$40,000 or \$60,000, whether we add more to remote areas in the province than urban ridings, those are all reasonable.

I guess I would like to suggest that we adjourn debate on this and put forward another proposal that would encapsulate some of these considerations. If it is the will of the majority that we have a cap on spending – and it sounds like there is fair consensus around that – then let's err on the side of being a little more generous and ensure that anything outside of big urban centres gets some extra, and let's move on.

Thank you.

The Chair: Dr. Swann, are you adjourning debate?

Dr. Swann: I'm moving that we adjourn debate on this, yes.

The Chair: All those in favour of adjourning debate, say aye. All opposed? On the phones? That is adjourned on the motion.

Are there any further recommendations from committee members on item (a), spending limits.

Mr. Sucha: I apologize in my haste here. Taking the tone into other campaigns that have oversight from Elections Alberta, I would like to move that

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to introduce leadership campaign spending limits of up to 15 per cent of a registered party's campaign spending limits.

2:05

The Chair: Mr. Sucha, does that reflect your motion accurately?

Mr. Sucha: Absolutely.

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

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 leadership campaign spending limits of up to 15 per cent of a registered party's campaign spending limits.

The Chair: With that, I will open discussion on the motion.

Mr. Cyr: This is another one I'd like to adjourn until we know what the spending limits are. I don't know how we can discuss this until you guys have put that motion forward.

The Chair: Are you moving to adjourn debate?

Mr. Cyr: I am moving to adjourn.

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

Mr. Hunter: I do actually have one question that I would like to ask on that, though, on the intent of it.

The Chair: We've adjourned debate on that.

Mr. Hunter: Okay.

The Chair: Just write it down for next time.
Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. I'd like to move another motion.

The Chair: Go ahead.

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 of up to 15 per cent of a candidate's campaign spending limits.

The Chair: Does the motion accurately reflect your motion?

Mr. Sucha: Yeah.

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

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 of up to 15 per cent of a candidate's campaign spending limits.

The Chair: With that, I will open discussion on the motion beginning with – Mr. Dach, did I see your hand?

Mr. Dach: No.

The Chair: Dr. Starke.

Dr. Starke: Thank you, Madam Chair. I think that this constitutes a bit of an overreach. The nomination process is indeed a party matter, and it happens at the party level. In fact, different parties will have different protocols and different processes for choosing their nominees, and they'll have different rules, and in some cases that will lead to or predicate that there are different, let's just say, efforts required to win a nomination.

The other thing is that sometimes in nominations they're very hotly contested, and that's a good thing. A hotly contested nomination – I mean, we participated in one 28 years ago that had 2,900 people vote in a nomination, and the candidate was chosen by a margin of 70 votes. So, you know, to impose externally a single nomination campaign limit that is supposed to be a blanket requirement in all constituencies for all parties at all times, I think, quite frankly, is an overreach of the legislation.

If the individual political associations, the individual political parties, wish to put certain rules in place, which they do – and that is where the rules for nomination contests are typically delineated, within the individual political parties – that is the correct place for it. Should those individual political parties also see fit to bring in spending limits for a nomination contest, then they will do so. That would be then in accordance with the rules that they set out within the nomination process of that party. But to have the Election Finances and Contributions Disclosure Act specifically dictate or specify a certain spending limit that is to apply to all nomination contests in all parts of the province, to me I don't think is realistic. I think it constitutes a reach into party business that, you know, really, I think should not be part of the legislation going forward.

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

Dr. Swann: It's David Swann.

The Chair: Go ahead, Dr. Swann.

Dr. Swann: Again, I think it's premature to discuss this without having set some kind of limits on other aspects. I think by the time we get to this again, we'll be a lot more clear as a group on where we want to go with spending limits in general. I would move that we adjourn debate on this.

The Chair: All those in favour of adjourning debate on the motion, say aye. Any opposed? On the phones? Then we have adjourned debate on that. That is carried.

At this moment we will take a 10-minute recess, and come back at approximately 2:22.

[The committee adjourned from 2:12 p.m. to 2:23 p.m.]

The Chair: There's some interesting weather going on outside. However, I will attempt to call this committee back to order.

We will move on to item 6, public funding of candidates and party expenses. Under (a), rebate program, Dr. Amato, would you like to read the proposals, please?

Dr. Amato: A pleasure, Madam Chair. There are five proposals under 6(a), on page 12. The first is that

- The EFCDA should be amended so that a rebate program is instated for political parties that is similar to that which is in place at the federal level whereby 50 per cent of election expenses are reimbursed to a political party.
- The EFCDA should be amended to provide public funding of political parties by means of an annual payment of \$2 to each registered party for each vote cast for it in the most recent general election.
- The EFCDA should be amended to provide public funding of political parties modelled after that which was provided at the federal level up to 2015.
- The EFCDA should be amended to provide a dollar value per vote cast to each registered party.
- Three hundred and nine submissions express opposition to public subsidies for political parties, election campaigns and political advertising.

The Chair: All right. Thank you very much.

I will look to the committee members for recommendations at this point. Member Loyola.

Loyola: Thank you, Madam Chair. This is a topic that I've been eagerly awaiting to engage on and see what my other fellow committee members think of it. But before we open up discussion, I just wanted to perhaps share a few thoughts and insights and hopefully contribute to the conversation so that we can get started. My recollection is that we established this all-party committee because Alberta election laws are out of step with every other jurisdiction in Canada. We need to revisit this. In fact, a lot of the election law favours entrenched parties with wealthy donors. Now, as we all know, we've taken that first step of banning union and corporate donations, and it was important to get big money and special interests out of politics, but it was just one step. I think we all agree on that.

As part of modernizing the system, we need to move to what is best practice in electoral law. The fact is that rebates are part of the federal electoral process, and they are in other provinces as well. We're following the lead, surprisingly enough, of the Conservative Party of Canada and their candidates. When he was an MP, the Leader of the Official Opposition's campaign received in excess of \$150,000 in rebates over his career. A candidate for the leadership for the PCs was also the recipient of rebates of over \$150,000 during his career. The former federal government made many changes to the federal electoral laws, but they didn't touch this provision. One can only assume that they support it. This change is important because it ensures that public support, not the size of supporters' wallets, determines the success or failure of political parties. If we don't make this change, new, emerging parties will be at an even bigger disadvantage.

I'm hoping that we can really have an open, genuine dialogue around this. I mean, you know, I'm often surprised that colleagues on my side of the table are often accused of acting ideologically. Sometimes I feel that acting in an ideological way keeps us from having healthy debate, so what I'm really after here today is a healthy debate. After all, democracy is about us having the

opportunity to discuss ideas with one another, and what better place to hold that discussion than in a committee room?

With those being my opening remarks, I would love to hear what other committee members have to say about this concept and practice that's done at the federal level and in other jurisdictions across Canada.

The Chair: Before I move to Mr. Cyr, is there anyone on the phones that would like to be added to the speakers list?

Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I'd like to start off with a motion.

The Chair: Go ahead.

Mr. Cyr: That the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act not be amended to include a per-vote subsidy paid from general revenue to a registered political party.

The Chair: Does the motion that is up on the screen reflect what your intent is and the wording?

Mr. Cyr: It does.

The Chair: Okay.

I will just ask Ms Rempel to read it into the record again for those on the phone.

Ms Rempel: Thank you, Madam Chair. Moved by Mr. Cyr that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act not be amended to include a per-vote subsidy paid from general revenue to a registered political party.

The Chair: With that I will open it up for discussion.

2:30

Mr. Cyr: At this time I can speak for my constituents. When we have Albertans right now out of work and having a hard time with the slowdown, to be even discussing money going from general revenues to political parties – I have a hard time stomaching it. I know that I can pretty much speak for my constituents in saying that it's offensive that we're even moving in this direction.

Mr. Hunter: I guess I haven't seen the potential motion that would come forward about what that per registered vote would be, but given the recommendation of – even a \$2 amount per vote would amount to about \$5 million, so with 87 ridings you're looking at \$57,000 per riding. Now we're quibbling over \$40,000 in a campaign, so I'm not exactly sure how we would actually be wanting to increase that. I know that the motion hasn't come forward, but I guess the question is: would Albertans be happy with us saying, "Well, we're going to limit the amount that you're able to give, but then we're going to take it from your taxes"? That's what this means. I just think that it sends a mixed message to Albertans.

Albertans will be engaged if they feel they need to be engaged, and they will choose to give donations to the party that they want to engage with, and that actually can change. As we saw in the last election, it changed substantially. Had this rule been in in the past, I think that the NDP would be penalized by it, and it would have benefited the PC Party.

We're in a situation where we have the opportunity now to choose whether we're going to allow Albertans who want to engage of their own free will to engage and provide donations, but under this present idea we're saying that they're going to be mandated to provide that. Again, if it's \$2 per vote, then it would be up to \$5 million. We would be mandating people to donate to that political process, whereas with the system we have now, it gives them the opportunity of their own free will to engage, and I think that's the right way to go.

Loyola: I guess you've dashed my hopes to really just kind of have an open discussion before we actually got into motions and whatnot. That was what I was hoping for and asking for. I mean, I just wanted to get the ideas out there and talk about them, but I guess we're doing it the same way.

To research services: you've done the crossjurisdictional work on this. I just want to get it on the record, if you could mention other jurisdictions across Canada but also specifically how it works at the federal level, please, if you don't mind.

Dr. Amato: With pleasure. Some of this information is summarized on page 34 of the crossjurisdictional, which compares six jurisdictions, including Alberta. We're discussing public funding of political parties. Alberta currently has no provisions for this, neither does British Columbia, but there are provisions in Saskatchewan, Ontario, Nova Scotia, and at the federal level.

Saskatchewan's is

One-half of election expenses, other than the amount of disputed claims or the amount of bills, charges or claims the payment of which is refused by the political party.

Then there are certain eligibility criteria for this.

If the candidates receive at least 15 per cent of all valid votes; and the registered political party has submitted the election expenses return and other documents required to the Chief Electoral Officer within the prescribed deadline.

In Ontario the public funding is at the rate of

\$0.05 multiplied by the number of electors entitled to vote in each electoral district in which the political party received 15 per cent of the popular vote.

The eligibility for this subsidy is

15 per cent of the popular vote in any electoral district

so long as the party

has filed its statement of income and expenses with the [CEO] together with the auditor's report by the prescribed deadline.

In Nova Scotia the subsidy is

\$1.53 for each vote received by candidates endorsed by that registered party in the most recent general election. This amount is increased at the beginning of each year according to the percentage increase in the Consumer Price Index for Nova Scotia.

And at the federal level the amount is

50 per cent of [the party's] election expenses.

The eligibility to receive this subsidy is

two per cent of the number of valid votes cast at the election, or five per cent of the number of valid votes cast in the electoral districts in which the registered party endorsed a candidate.

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

The Chair: Yes. Go ahead, Mr. Nixon.

Mr. Nixon: I think that this motion that's before us right now is to do specifically with voter subsidies, so I'll speak to that. But I do want to be clear that just because politicians in other jurisdictions in our country have voted themselves taxpayer dollars to use for themselves, it doesn't mean that that's what we should do in Alberta. I know that my constituents would be appalled if we go

with the voter subsidy in this province, particularly at a time when we have a government in power that is borrowing money faster than we can print it. I mean, I take offence that we would try to take taxpayer dollars and put them into political parties' coffers while borrowing against my kids' and my grandkids' futures. I can't think of one constituent of mine that would support this.

The Chair: Dr. Starke.

Dr. Starke: Thank you, Madam Chair. Well, perhaps without quite so much gusto, I'm also opposed to the notion of a per-vote subsidy or a rebate when we're talking specifically about this motion moved by Member Cyr with regard to not having a per-vote subsidy. I'm in favour of the motion. I think that even if one were not to consider the economic and fiscal challenges that we are in currently, I think that fundamentally and just on basic fundamentals political parties and political movements should fund themselves, and I don't think that they should be funded.

While I respect Member Loyola's statements in introduction before this motion was brought forward, the one thing is that when we do the crossjurisdictional study, almost every other province has specific thresholds. That means that small and emerging parties, if they don't achieve those thresholds, won't receive this subsidy. To argue that the subsidy makes it easier for small parties to get going and to, you know, broaden the choice for electors – I mean, I understand why they're there, but with these thresholds put in place, in fact it is the established parties, that have gotten a foothold and have a track record, that are always going to receive these subsidies. For a start-up, a brand new party to get up to that 15 per cent level is going to take them some time.

So I don't support this at all. I certainly don't think it's right given the current fiscal climate, that we're in, that we should go into general revenues and start handing money to political parties. I also don't think it's right that it be done on a per-vote basis because, quite frankly, that just, you know, establishes an additional advantage to the party that won or was the most successful in the previous election. Like I say, right now that would be the New Democratic Party, but for a long time that would have been the Progressive Conservative Party, but I would still have been against it. I just don't think it's right. I don't think it's what we should be doing, and I certainly don't think it's right given our current fiscal situation.

The Chair: Member Cortes-Vargas.

Cortes-Vargas: Yeah. I don't think a per-vote subsidy is appropriate at this time. But at the same time this motion isn't necessary in order to create that message, so I won't be supporting it.

2:40

The Chair: Mr. Cyr.

Mr. Cyr: Thank you. Another point I'd like to bring up about this. Let's look at a \$100 donation put forward by a resident of mine. They would get \$75 back on their personal taxes, reimbursed by the Alberta government. Then what we're looking at is a per-vote subsidy on top of that. We are unilaterally looking at, I guess, returning a significant portion of the dollars back to the party and that resident. So is this being influenced by government? I don't know. I would argue that we're being irresponsible by double-dipping. That's what this would be; it would be double-dipping. You either go with encouraging residents to give money and then giving a tax break, or you might consider this, but you don't do both. I'm not suggesting doing this per-vote subsidy, but I am

saying that by doing both, it seems like we're putting a real burden on our taxpayers. I really encourage you to support my motion.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I will speak in favour of this motion. I agree with Dr. Starke in particular. I believe that political parties and candidates should be able to spend what they raise based on lower donation limits and perhaps some spending limits as well, maybe not spending all that you can raise. But I do think we need a reasonable spending limit, higher, as we talked about previously.

I think that if you pair the idea of a per-vote subsidy or some sort of rebate with a far lower campaign spending limit, it unduly advantages this government in particular, just given the government's resources. It really constrains other parties' abilities. If the people of Alberta are deciding to donate money to other parties in large numbers, large numbers of Albertans, such that that other party would generate a substantially higher amount of money than the governing party, that's a pretty good reflection of what Albertans think. That party ought to be able to spend a reasonable approximation of the money that was raised, again, perhaps not the full amount but certainly higher than was proposed previously. But if you pair that, then, with a rebate, what you have is a recipe for a government, an incumbent party to be propped up by taxpayer dollars, which I think is wholly inappropriate.

I will, I think, take this opportunity to speak about smaller parties, those of us in smaller and emerging parties. You know, I don't know if there would be an Alberta Party if this was in place previously. It really entrenches not just the incumbent government but the incumbent parties in Alberta. There's very little opportunity for any sort of turnover or change in different political parties. I think we run the risk of creating an American system, where we end up with perhaps as few as two parties, where we just have this binary system going back and forth. So I would caution my hon. colleagues on this committee to be very, very, careful about any sort of rebate or taxpayer subsidy, certainly on a per-vote basis. If you are going to consider that, boy, you better make the thresholds pretty low. Otherwise, you're going to have some entrenchment of existing structure, which I don't think is in the interest of democracy.

Thank you.

The Chair: Is there anyone else that would like to speak to the motion? Member Loyola.

Loyola: Yeah. Well, as I stated right off the bat, I was hoping that we could have a discussion rather than get right into motions. For me, it's something that I just want to – I understand where members of the opposition, third party, fifth party lie, and I'm grateful for that. Thank you very much. However, I'm just not prepared to vote in favour of this motion at this time. I want to explore more the opportunities and see what else can be done. I want to suggest to my colleagues and to those that are willing to listen to me on the other side to vote this motion down, and we can carry on with other issues.

The Chair: Is there anyone else wanting to speak to the motion?

With that, I will call the question. All those in favour of the motion, say aye. All those opposed? On the phones?

Mr. Cyr: Can we do a recorded vote, please?

The Chair: Yes. Just ensure that you identify yourself and then your vote, starting to my right.

Ms Miller: Barb Miller, MLA, Red Deer-South. No.

Loyola: Rod Loyola, MLA for Edmonton-Ellerslie. No.

Mr. Nielsen: Chris Nielsen, MLA, Edmonton-Decore. No.

Mr. Sucha: Graham Sucha, MLA, Calgary-Shaw. No.

Cortes-Vargas: MLA Cortes-Vargas. No.

Mr. Hinkley: Bruce Hinkley, Wetaskiwin-Camrose. No.

Mr. Dach: Lorne Dach, Edmonton-McClung. No.

Dr. Turner: Bob Turner, Edmonton-Whitemud. No.

Dr. Starke: Richard Starke, Vermilion-Lloydminster. Yes.

Mr. Hunter: Grant Hunter, Cardston-Taber-Warner. Yes.

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

Mr. Clark: Greg Clark, MLA, Calgary-Elbow. Yes.

Mr. W. Anderson: Mr. Wayne Anderson, Highwood. Yes.

Mr. Nixon: Jason Nixon. Yes.

Dr. Swann: David Swann. Yes.

Ms Jansen: Sandra Jansen. Yes.

The Chair: It is a tie vote. I vote no. That motion is defeated. We are back to the rebate program. Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. While I certainly don't support any per-vote subsidy, I am certainly open to any other discussions. I guess I want to encourage everybody to just throw stuff out there. Let's talk it through, see what makes sense, what doesn't make sense. If we get somewhere, great. If we don't, don't worry about it. But let's make sure we explore it.

The Chair: Are there any further recommendations under item (a), rebate program?

Seeing none, I will move on to item (b), tax credits. Dr. Amato, would you mind opening up the items under proposals?

Dr. Amato: Yes. There are three proposals under item 6(b) on page 13. The first is that

- the Committee should recommend the adoption of the federal government's donation framework with a 75 per cent credit available for donations up to and including \$400, 50 per cent for the next \$350, and 33.3 per cent for the following \$525 to a total credit limit of \$650 for donations up to and including \$1,275.

Second,

- the Committee should consider adjusting the political donations tax credit so that it is never any better than the credit given for charitable donations.

Third,

- the Committee should consider removing all tax credits for political donations.

The Chair: Are there any recommendations to be put forward by any committee members at this time? Go ahead, Dr. Swann.

Dr. Swann: I think this is an important one for all of us if we want to see an election system that is supported. We may or may not go forward on the subsidies. It doesn't sound like it's going to be

supported well on both subsidies, but we must give people more than the usual incentives to donate to parties if we're going to keep the democracy vital. I am in favour of trying to harmonize federal and provincial guidelines. It just makes a lot of sense, reduces confusion, reduces bookwork, I suppose, to have a commonality in terms of the tax credits. I support tax credits, first of all, and it looks like the federal government is a little more generous with tax credits than we have been in Alberta, so I would certainly support moving towards the federal guidelines.

2:50

I also would suggest that the second point, that the committee consider adjusting the political donations so that it is never any better than the credit given for charitable donations, would make it, again, a very inconsistent approach across the country, and I would hope we might move towards more harmonization across the country in terms of all of these acts around elections and financing.

Thank you.

The Chair: Dr. Swann, did you want to make a motion at this time?

Dr. Swann: I will move that

we adopt the federal tax credit regime for political donations.

The Chair: Perhaps we should make sure that we have the full motion for the record before we open up discussion.

Would you mind reading that into the record to ensure that it reflects Dr. Swann's motion, Ms Rempel? Go ahead.

Ms Rempel: Okay. Thank you, Madam Chair. I believe that Dr. Swann has moved that the Select Special Ethics and Accountability Committee recommend that provincial legislation be amended to adopt the current federal tax credit regime for political donations.

The Chair: Dr. Swann, is that correct?

Dr. Swann: That's correct.

The Chair: With that, I will open the floor for discussion, starting with Dr. Starke.

Dr. Starke: Thank you, Madam Chair. This is actually an issue that I'm really glad is being discussed. I'll start by saying, with the greatest respect to my colleague from Calgary-Mountain View, that I disagree with the motion, and I will be voting against it for a number of reasons, one of the reasons being that the different structure for the federal donation tax credit is largely predicated on a very different donation maximum. The donation maximum, as we've discussed before, at the federal level is \$1,525, and when that happened, they adjusted the various percentages of the tax credits and the various threshold levels at the federal level to reflect that. You know, the total tax credit limit of \$650 at the federal limit is less than what we currently have in the province, but of course in the province our donation limit is much higher. You know, if you reach \$2,300 in donations, you get \$1,000 back, and that's the maximum tax credit back. I don't agree with the motion largely because the only reason that you would consider that is if we're also considering going to the federal limit, and we haven't really established that yet. In fact, it may be relevant if that's where we land in terms of the contribution limits.

I want to talk a little bit more about the second recommendation. You know, Dr. Swann did talk about that as well, and that's specifically with regard to the recommendation here that political tax donation credits should never be any better than credits given for other charitable donations. I am absolutely one hundred per cent in favour of that statement. I have in the past worked for a number

of different charitable organizations, including nine years on the Lloydminster health foundation board and worked as the chair of that board for a number of years. Albertans are very generous people, and over the years it's been shown that our per capita giving to charitable organizations in Alberta is amongst the highest of all provinces in Canada. We also see that happen whenever there's a crisis. You know, witness what happened with the Fort McMurray situation and the response of Albertans to the needs of their neighbours in Fort McMurray.

It has always bothered me that from the point of view of taxation you get a more favourable treatment if you donate money to a political party than if you donate to your church, to your local charitable foundation, to the United Way, to the heart and stroke fund, to the Cancer Society. I have a problem with that. We should have a level that, you know – basically, if you decide to make a donation, the taxation treatment of that donation is the same, and political parties should not receive a more favourable treatment for those donations than other donations.

To conclude, Madam Chair, I'm opposed to the motion as it stands. I suppose that if we wanted to see if it could survive the light of day, you know, once we land on a contribution limit, we could adjourn debate on it. I'm not making that motion, though, but I want to be sure. Like I said, I wanted to take this opportunity to be on the record with regard to being one hundred per cent in agreement with the second recommendation.

Thank you.

The Chair: Mr. Hunter.

Mr. Hunter: Thank you, Madam Chair. I concur with what Dr. Starke just said there, but I would actually like to maybe add a little bit to those comments. Basically, it's this. I think that the charitable tax credit should be brought up to the levels of the political donation versus one going down, versus lowering the political down to the charitable tax credit. That's the only comment that I would make on that.

The Chair: Just a point of clarification. You're talking about charitable donations. Are you talking about it as captured underneath the federal tax regime? Okay. We need to speak to the motion at hand, then if you want to make another motion about charitable donation limits and political donation limits, then you could do that, but for the moment we're talking about the federal tax credit regime.

Mr. Hunter: I apologize, Madam Chair. I was actually just commenting on Dr. Starke's comments. I will be actually opposed to this motion as well.

The Chair: Yeah. I'm just going to tap us down on this point here. Mr. Clark.

Mr. Clark: Yeah. I will speak against this motion as well. You know, it would be very difficult, I think, to go face Albertans and tell them why we had voted for additional benefits to donating to a political party while charitable donations have not changed or any other donation tax credit has not changed. I tend to agree with Dr. Starke that the donation limits as they apply now, the tax regime as it applies now to provincial contributions is already very generous. To raise it to the federal limit, while I understand – actually, I'm not sure I understand the rationale.

Perhaps I can ask Dr. Swann: beyond just the idea of harmonizing for simplicity's sake in terms of paperwork, can you speak to why you believe this is a compelling idea over and above some administrative efficiency? Based on what you've heard from

Albertans, is this something that you've heard from some of your constituents or other Albertans that they believe is desirable to do?

Dr. Swann: No. I don't think I've heard a lot from Albertans about donation limits, but this is a smaller tax credit. This is a smaller donation limit, so a higher tax credit would seem to me to be reasonable. I actually would like to favour the federal limits and, again, harmonize the donation limit along with the tax credit.

The Chair: Mr. Clark.

3:00

Mr. Clark: Thank you. Given that we haven't settled on what the donation limit is, really, what you're saying, Dr. Swann – and I don't want to put words in your mouth but just want to make sure I've heard what you said. You're assuming that the donation limit will be lowered to the federal limit or to something else such that the actual tax credit that Albertans capture is not actually higher than what it is now because the overall limit is reduced. Is that a fair assessment of what I think you're driving at?

Dr. Swann: Yeah. Support for this motion would mean that we would support the federal donation limit as well, and we would move forward in a more harmonious way with the federal donation programs.

Mr. Clark: Thank you for that clarification. Given that, I think that even procedurally that's not what this motion says. This motion specifically says that we're going to align with the federal tax credit regime, which given our current donation limit would be substantially more generous than it is now. Given that, I can't support it.

Also, you know, in the conversation that has happened to date, we have not passed a motion on changing the provincial donation limit, but it seems to be higher than the federal limit, even in both proposals that have been discussed and debated at this committee. I don't exclude the possibility that it goes lower than the discussion to date, but, again, for several reasons I cannot support this motion at this time.

Thank you.

The Chair: Is there any further discussion on the motion? Anyone on the phones?

With that, I will call the question. All those in favour of the motion, say aye. All those opposed? On the phones? That motion is defeated.

Are there any further recommendations under tax credits from committee members?

Dr. Starke: Madam Chair, I would move that the SSEAC recommend that the EFCDA be amended so that political donation tax credits be adjusted to be the same as taxation credits given for other charitable donations.

The Chair: Are you open to a bit of wordsmithing from counsel?

Dr. Starke: Oh, absolutely.

Ms Dean: Madam Chair, if we could just make that a little bit more general, "provincial legislation" rather than the EFCDA, because it's other legislation that would be impacted.

Dr. Starke: Okay. Sure.

The Chair: As soon as Ms Rempel has finished drafting the motion, we'll ensure that Dr. Starke sees what is reflected accurately.

Dr. Starke, does that reflect your motion?

Dr. Starke: Yes.

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

Ms Rempel: Thank you, Madam Chair. Moved by Dr. Starke that the Select Special Ethics and Accountability Committee recommend that provincial legislation be amended so that political donation tax credits be adjusted to the same as taxation credits given for other charitable donations.

The Chair: With that, I will open debate. Member Dach.

Mr. Dach: Thank you, Chair. I'd just like to make a distinction between donations made to political parties for tax credits and donations given to charities. I believe that legally charities are charities and political parties are political parties, so they're not one and the same. A donation made to a political party is not a charitable donation. It's not a registered charity. So I think that distinction should be made, and we should be careful about our definitions. Comparing political donations to charitable donations is problematic for me, so I'd like to confirm with the office of the Chief Electoral Officer if indeed those definitions are properly differentiated.

The Chair: Mr. Westwater.

Mr. Westwater: Through you, Madam Chair, to the member, as this will affect legislation that's not the EFCDA, it won't impact us at all in terms of the definitions there. It's just that bringing in and carrying the motion would reduce the limits to charitable donation limits but would still be characterized as political donations.

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

The Chair: Yes.

Mr. Dach: Correct, but my question is that I wanted to clarify that indeed a donation to a political party or campaign or to a leadership campaign is not technically defined as a charitable donation, correct?

Mr. Westwater: I'll throw that to Ms Vance.

Ms Vance: To my limited knowledge of taxation law that is correct.

Dr. Starke: Madam Chair, it's entirely possible that we've inadvertently, you know, ventured into an area. I had understood that the tax credits for political donations were contained within the EFCDA, and I'm now being told they're not. Clearly, this committee doesn't have the mandate to amend other pieces of legislation beyond the four plus the one that we've been given to discuss.

You know, again, as I stated before, I've believed for some time now very strongly that with regard to folks that make donations, political donations should not receive a more favourable treatment for the dollars that are donated and for the donor than a donation to another registered charity. Now, if that's a harmonization that we can't pull off because it's part of the taxation act and not part of the EFCDA, then I would respectfully – I'd love to have a discussion on this. I'd love to continue it. But I think in the interest of time, if it's not within the EFCDA, then we should just withdraw the motion. But, again, I'd like to indicate and be on the record as supporting the second recommendation under tax credits, section (b).

The Chair: Are you withdrawing the motion?

Dr. Starke: I move to
withdraw the motion,
Madam Chair.

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

Are there any further recommendations from the committee on tax credits, under (b)?

Seeing none, we will move on now to section 7 on page 14, other issues for possible consideration, item (a), consolidating and modernizing the Election Finances and Contributions Disclosure Act and the Election Act. Dr. Amato, would you mind reading the proposal?

Dr. Amato: Yes. The proposal is as follows: “Elections Alberta recommends the Election Finances and Contributions Disclosure Act and the Election Act be consolidated and modernized.”

The Chair: Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. I guess my gut feeling is this might be a rather large discussion. Maybe it's not. But I'm wondering if it's appropriately discussed during, I guess, the financials act and maybe might be more appropriate to discuss once we're getting into the Election Act itself. I wonder what others' thoughts are.

The Chair: Ms Dean, do you have anything to add?

Ms Dean: You could certainly consider it. I think it's just a general principle that is being proposed here, that the two statutes be amalgamated. I don't think it's a complicated question, and nothing prevents the committee from making that decision at this time. In fact, some of the questions that we were dealing with earlier were motions that would be more appropriately addressed under the Election Act. But if the committee is of the view that the two acts should be one and you can make that decision now, it might be easier.

3:10

Loyola: I completely understand where Ms Dean is coming from, but considering the fact that we're just now getting to the Election Finances and Contributions Disclosure Act and we haven't even talked about aspects of the Election Act, I would feel more comfortable once we've had an opportunity to get into the Election Act a little bit more and see where there is crossover and where it does need to be harmonized. I'm not saying that we shouldn't; I'm just saying that I would feel more comfortable when we get to that stage and we start seeing the areas where they do need to be harmonized. Perhaps it would be best to make the decision then.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much, Madam Chair. I'm just curious, you know, noting that nine other jurisdictions have these two acts really as one, with what seems like a minor exception, Saskatchewan for certain things. I'm just curious if anyone from the office of the Chief Electoral Officer could explain if you have any idea, historically, why these are separate acts. I know it is one of your recommendations – in fact, it's your very first recommendation – to consolidate the acts into one, so it sounds like you're fairly enthusiastic about this one. But I'd just be curious if you can give us some context as to why historically they have been different acts and if there's any trade-off in making them one versus keeping them as two.

The Chair: Mr. Westwater.

Mr. Westwater: Thank you, Madam Chair, and through you to the member, historically the Election Act was created in the late '70s. Prior to that time the elections were under the auspices of the office of the Clerk of the Legislature, and the Clerk of the Legislature conducted elections. Returning officers were politically appointed positions by the Legislature. The act was passed prior to the election finances act coming into being as well. It was passed to run an election. Subsequent to that they passed legislation, the election finances act, to deal with the financial aspect of the election process. That's why two pieces of separate legislation historically have come to be.

The reasons we're recommending strongly that they be combined: it would help in terms of those who use the act on a regular basis, being political parties, candidates, members of the public who are trying to understand it and use it. The definitions for both acts are slightly different for the same phrases in many instances. We can combine the definitions phase for both the Election Act and the election finances act: what's a candidate versus a registered candidate, what's the campaign period, what's the election period? What are the differences there within the definitions part of it? Having it all together in one piece of legislation will make it a lot easier for political parties and their CAs and their volunteers to understand where all the rules are for an election, whether it's election finance or election process itself. It harmonizes, as I say, the definitions portion, and where the two intertwine, it enables us to put them in the sections that affect one another together within the legislation.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much, Madam Chair. I mean, that's enough to convince me that I think it seems to be, really, an administrative question, to just simply combine these two into one. Given that answer I don't think that we'll encounter anything in the Election Act that would cause us to want to keep these as separate pieces of legislation, especially in keeping with other jurisdictions in Canada. Given that, I will move 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: Ms Rempel, would you mind reading that into the record just for those on the phone?

Ms Rempel: Of course. Thank you, Madam Chair. 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 for discussion. Mr. Nielsen.

Mr. Nielsen: Thank you, Madam Chair. For our folks from the CEO: how much of, I guess, both acts – I don't know if you can even quantify it – sort of needs to be modernized?

Mr. Westwater: Through you, Madam Chair, if I may, in response to the member. Clearly, this is in support of the presentation that our CEO, Glen Resler, made to the committee in October of last year. There are a number of recommendations before this committee, both for the Election Act and for the election finances act, that are not part of the summary of presentations made to the committee by outside stakeholders that reflect the modernization of

both pieces of legislation. We're attempting through this process to modernize both pieces of legislation, put them in plain language, as the CEO previously presented to the committee.

We also ask that it become more enabling in nature rather than prescriptive. By that I mean that both pieces of legislation were written in a time prior to desktop computers, laptops, tablets, iPhones. They didn't exist when the legislation was first created. They didn't anticipate them because they hadn't been invented yet.

As I said earlier, the elections previously, prior to the first legislation being enacted, were conducted by the Clerk of the Legislature and conducted by appointed returning officers who had no background in running or managing election processes, so the election legislation, both the finance act and the Election Act, was very prescriptive in nature by necessity. That way we had the same level of service provided to electors across Alberta from 87 different jurisdictions and 87 different returning officers. It was very prescriptive. It goes to the point of telling you how the ballot is to be designed and printed and the specs for it – what can be on it; what can't be on it – what method of voting; if you're going to a poll, who you must speak to and who you cannot speak to and where you must go.

It allows very little flexibility in streamlining the process to make it more efficient and introducing best practices that have been identified and adopted by other jurisdictions over the last 30 years or so. Rather than changing them on a piecemeal basis, if we get them modernized and put them in current language and introduce best practices, we will enable the opportunities for improving the process without having to get legislative change every time we want to make an improvement to the process.

Mr. Nielsen: So if I'm hearing right, there are probably some wider implications here in terms of the work we will do moving forward on that and modernizing it, then.

Mr. Westwater: Through you, Madam Chair, that is correct. We're suggesting things like mandatory ID and things like that at the polls and different aspects in our recommendations, that you've had since October.

Mr. Nielsen: Well, Madam Chair, I'm certainly open to and very interested in where this might go. I'm going to suggest – I don't know if this is appropriate; please correct me if it's true – that we maybe defer this to when we reach . . .

The Chair: Are you adjourning debate?

Mr. Nielsen: Is that what I would need to do? Okay. Then I'm going to move a motion to adjourn debate.

Mr. Cyr: Can I ask one question real quick, please?

The Chair: We've already moved to adjourn.

All those in favour of adjourning debate, say aye. Opposed? On the phones? That is carried.

We will move to item (b), preregistration of a candidate.

Dr. Amato: This item is located on page 14. It's item 7(b), and the proposal is:

The EFCDA should 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 call of the fixed election date, as occurs at the federal level.

The Chair: Yeah. Mr. Cyr, would you like to make a recommendation?

Mr. Cyr: Absolutely, I would like to move a motion.

3:20

The Chair: Go ahead.

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 call of the fixed election date.

The Chair: Mr. Cyr, does that accurately show your motion?

Mr. Cyr: I would like to make one small change.

The Chair: Go ahead.

Mr. Cyr: Can you delete "fixed election date" for "in advance of the writ period"? Can you get rid of "call of the"?

The Chair: Mr. Cyr, is that accurate?

Mr. Cyr: We are good to go. Thank you.

The Chair: Okay. Ms Rempel, would you mind reading that out for those on the phone?

Ms Rempel: Thank you, Madam Chair. Mr. Cyr has moved that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to allow a candidate who is being 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.

The Chair: With that, I will open discussion on the motion.

Mr. Nielsen: Just so I'm not presumptuous, to make sure I'm on the same page with you, if you could make sure I know where you're going. I'm pretty sure I do.

Mr. Cyr: Well, obviously, it's important that we are making sure that our candidates that are looking to be registered as a nominee make sure that they're completing paperwork, and I think that's pretty much the nuts and bolts of it.

Mr. Nixon: Madam Chair, I'd like to speak to this, please.

The Chair: Member Loyola.

Loyola: Thank you, Madam Chair. Through you to our guests – I can see them conferring over there and chit-chatting about this – if you don't mind, I'd like to get your insights on the record regarding this motion.

The Chair: Mr. Westwater.

Mr. Westwater: Thank you, Madam Chair, and through you to the member, I would recommend wordsmithing the motion somewhat to make it more something that can be monitored and managed. Rather than "who is being nominated by a registered party," say "who has been nominated by a registered party." Then it's official. Part of the paperwork that a candidate files is the signature of the party representative that they are the nominated candidate of that party, so it wouldn't be somebody who's planning to be nominated,

or the party said, “Well, we’re going to nominate you” but they haven’t held the nomination process yet. That I’d recommend in there.

As long as you’re aware that for all registration paperwork in advance of the issuance of the writ, if you’re not putting a timeline on that, someone could file papers tomorrow if they get the nomination of their party. If it’s an independent candidate, they could file their papers tomorrow and start raising and spending money on their campaign because that’s what’s permitted once you’ve registered as a candidate. There are some issues with that that you should be aware of moving forward. If that’s the intent of the motion, and it’s carried, then that’s what will take place, but I just wanted to point that out to the members before you vote on it.

The Chair: Mr. Clark.

Mr. Clark: Yeah. Thank you very much. I really appreciate that clarification. It raises some questions in my mind. I do appreciate it. What I understand the intent of this motion to be – and I’ll perhaps ask my colleague who made the motion to speak to it further. We have this mad rush in the first two weeks of every writ period to file paperwork. There’s a lot of work that goes into that and a lot of time and effort. You know, perhaps if a candidate has been nominated some weeks before an anticipated writ, has been officially nominated, the signatures could be gathered, the information could be filed with your office prior to that. But if there are some further implications of that which I hadn’t quite considered, then we may want to at least think about that. But I guess I just want to ask my colleague if that’s in fact your intention or where you’re coming from with this one.

Thank you.

Mr. Cyr: Absolutely, having been through the process, that’s exactly one of my concerns right on. I guess the question is: how can we address the time frame on all of this?

Please let my colleague go.

The Chair: Mr. Hunter. Oh, sorry. Mr. Nixon was actually on the phone next.

Mr. Nixon: This is probably being repetitive now because it sounds like Mr. Clark and Mr. Cyr got it, but just to emphasize again that the intent here is to try and stop an initial rush.

Second, we have seen some candidates get into trouble or get in a bit of a jam, particularly in rural Alberta, where our mail is not as reliable as elsewhere in the province. We had one candidate last time who had some trouble with registered mail getting there in time. It’s a bit of a panic. So the intent is to be able to try to start to do it earlier.

I do think that the points raised by the officials are fair. So I think we could maybe make a couple of adjustments to accommodate that but still be able to deal with the intent of trying to stop 87 people from filing in week one.

The Chair: Dr. Starke.

Dr. Starke: Thank you, Madam Chair. I guess the thing that I would want clarified from this – and I can understand the intent. You know, there is always a flurry of activity at the time that the writ is dropped. I guess I would have no issue with the notion of filing registration paperwork with the CEO’s office, but to me, a nominated candidate cannot become a nominated candidate until the writ is dropped. You’re a nominated candidate by your party, but you’re not – to me, the paperwork could be processed. It could be, you know, processed prior to the writ date and, if you like,

preapproved. But to me, the election starts when the writ is dropped. If you’re either a nominated candidate of a registered political party or an independent candidate, certainly there’s nothing stopping you from door-knocking prior to the writ period or campaigning prior to the writ period. That’s a pretty well-established practice.

But this notion that you could become an officially nominated candidate, recognized as such by the Chief Electoral Officer, I think, is problematic. I’ll give you maybe just an instance, an example which is relevant in my case. My predecessor was the nominated candidate of the Progressive Conservative Party in May of 2011 in anticipation of the next election happening sometime in the next 12 months. In October there were some changes in our leadership of our party, and it resulted in, shall we say, a falling out between my predecessor and the leader of the party at that time. Mr. Clark is smiling at this, but just suffice to say that the nominated candidate, my predecessor, withdrew his candidacy, and it proceeded to a situation where I became the new candidate for the constituency.

Now, had he filed his nomination papers at the time that he was nominated as an approved nominee of the PC Party and filed them with the Chief Electoral Officer and had they been then approved in advance, as this motion contemplates, I’m wondering how much more difficult it would have been for him to withdraw that nomination once he had become the official nominated candidate, like I say, with the chief electoral office.

3:30

There are two steps here. One is to become the official nominee for your party – or you’re an independent – and then the second is to become an official nominated candidate that’s acknowledged as such by the Chief Electoral Officer. Personally, I don’t think that anybody should achieve that status until the writ is dropped. If it helps with the processing – and I’d be curious to hear from the Chief Electoral Officer whether that would be of assistance, if you had paperwork, for example, coming and starting two or three months before the writ date and could review it and make sure that everything is in order. Then on the day the writ is dropped there might be two-thirds or three-quarters of the candidates that would automatically on that date become approved candidates. But I just don’t see them becoming approved candidates until the writ is dropped.

Mr. Hunter: I guess I’m trying to understand this a little bit as well. I remember the last election. I think it’s trying to address the issue of making it fair for all parties. Last election the governing party was able to have everything ready, obviously, prior to, and the next day everything was moving, and everybody else was trying to catch up. I think that that was the intent of this, to try to be able to make this a little bit more even. So I support it with that intent.

Mr. Sucha: I want a little bit of clarity on the process that’s currently in place. I’m going to kind of reflect on my experience, if you will, which was that we kind of saw the writing on the wall, a little bit of what the previous government was going to do. I was nominated internally with the party in January, and some of the mechanism started going into play. I remember getting information from Elections Alberta before the writ was dropped and that some of the preapproval process was already done.

And then the other thing I recall, too – fortunately, because my campaign was a little bit smaller, my agent and I were both heavily involved in the nomination process – is that when we were filing our papers, the ones with the signatures for nominees, it was done with the local returning officer. So in that case the returning officer,

who did a phenomenal job organizing everything, only really had five candidates coming to her at the time.

Could you just refresh us on sort of the processes and mechanisms that are in place right now? Like, I'm curious if there is a problem because there were wheels in motion before the writ date.

The Chair: Mr. Westwater.

Mr. Westwater: Thank you, Madam Chair and through you to the member, I can share what we've done unofficially in previous elections to help candidates because we are located in Edmonton and we do require original signatures on the documents when you're registering as a candidate and what have you, which is problematic for candidates all over the province, obviously. So we have in the past unofficially, although it's not in the legislation, allowed preregistration to file your paperwork. We've accepted it from candidates prior to the writ being issued, but it was not accepted or approved until the writ was actually issued. You were not officially a registered candidate until writ day, when the writ is issued. But we did accept the paperwork in advance unofficially. It's not in the legislation.

The nomination process: as you've indicated, that's to be a registered candidate. When you've registered, you get things like maps, access to the voters list, certain supplies and materials. We provide you a candidate's guide and a scrutineer's guide and things like that to help you get your campaign under way and organized and started once you register with us.

The nomination process once the writs are issued to be a candidate to be put on the ballot: in the 10-day period after the writ day to 10 days later at 2 o'clock in the afternoon candidates who are registered with our office – and you have to be registered before you can become nominated with us. You register with our head office here in Edmonton. Then you can file your nomination papers at your local returning office with your 10 signatures. At that point you'll get your supplies and materials for your local jurisdiction from your local returning officer and a briefing on the dos and don'ts to try to help you through your campaign.

There are two different processes. There is the registration, which is required before you're allowed or permitted to file nomination papers with your returning officer. If this motion is put forward simply to allow you officially, in the legislation, to file your papers early, we don't have any difficulty with it because we're already doing it. Just so you're aware of that if that's the intent.

Mr. Cyr: That's exactly what we're trying to achieve here. It's that unofficial thing that is the one that continues to bother us.

The other thing is that you could actually – is this not true? – be deemed not a candidate 14 days after the writ. That's half of your campaign cycle that could be potentially lost.

Mr. Westwater: Through Madam Chair to the member: the question was withdrawing as a candidate, you mean?

Mr. Cyr: No. Being required to withdraw and putting forward – I believe that we need to make this more transparent and make this official and put this into legislation.

Mr. Westwater: Certainly. There's a registration process, and then there's a nomination process. There's a separate nomination process with the party to become the candidate of the party. That person would then register with our office as the candidate for that party, and then when the writs are dropped, they would file their

nomination papers with the returning officer to become the candidate we place on the ballot in that local jurisdiction. They have 10 days to do that.

The withdrawal process is a separate process. Once you're nominated as a candidate, the last day for withdrawing, I think, is the Sunday before the advance polls open.

Mr. Cyr: All right. Thank you.

Mr. Sucha: Just a clarification to make this clear. The motion that is on the table literally changes nothing that your office does.

Mr. Westwater: I would defer to Ms Vance on whether it's official or not or it would still have to be when the writ is issued that they officially become a candidate.

Ms Vance: My only comment might be hesitation around the word "file." I think, as we've set out, once you register, you can raise funds, you can spend money. You can't actually be registered until that writ drops. Administratively what happens before that is that you can sort of get some of your ducks in a row and then, you know, be registered as soon as you can after writ day. I think that's all that goes on. It's hard for me to tell, but that would probably be what this is.

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

The Chair: Mr. Nixon.

Mr. Nixon: Yeah. The feds already do this, and they don't have any trouble. I'm going to suggest, if I have the support of the rest of the committee, that

we adjourn this.

When we come back with the rest of the stuff, one of us will bring forward what's happened in federal legislation, and that might help us stop reinventing the wheel.

The Chair: All those in favour of adjourning debate on the motion, say aye. Any opposed? On the phones? That motion is carried.

Moving on to item (c), incurring expenses. Dr. Amato, would you mind?

Dr. Amato: The proposal before the committee, located on page 14, is simply:

The Wildrose Party disagrees with recommendation 25 of Elections Alberta and suggests that the current legislation does not require amendment.

Recommendation 25 is detailed in the right-hand column in the notes.

The Chair: With that, I will ask the committee if they have any recommendations to bring forward at this time.

Loyola: I think we can all agree that it's been a long day. To the staff of the CEO: could you perhaps take us through recommendation 25 and provide a little bit more insight on this issue?

The Chair: Mr. Westwater.

Mr. Westwater: Thank you, Madam Chair and through you to the member, what we're attempting to do with this recommendation is to level the playing field for all the parties, stakeholders in the political process. Currently independent candidates are at a disadvantage in terms of registering and spending and raising money for their campaign because until they're registered and the writs are issued, they cannot start spending or raising funds for their

campaign, unlike political party candidates, who can get access to funds from their CAs and transfers from them and party help in preparing for their campaign prior to the writs being issued. So in order to level that playing field, we were trying to make the rules the same for everyone so that you could not raise or spend funds on your campaign until the writs are issued and you're officially a candidate and registered under the act. That was the purpose and the intent of the recommendation, to try and create a level playing field for all candidates in an election, whether they were independent or party candidates. The only change would be for that purpose.

3:40

Loyola: Just to be clear, then, it would be so that everyone would then start fundraising and spending all at the same time.

Mr. Westwater: Through you, Madam Chair, that is correct.

Loyola: Okay. The only way that that occurs right now is that CAs can potentially transfer money into an account. How would that potentially work for an independent candidate? Let's say that they have a group of people that support them. Could they potentially set up their own bank account, start putting aside funds, and that money then is transferred into this independent candidate's campaign fund? Or is the goal to get everybody to that point where: no, you can't start raising funds until the writ drops?

Mr. Westwater: Through Madam Chair to the member. The CAs currently can spend money and prepare for the campaigns for their candidates prior to the writs being issued and transfer the funds to them once they've raised the money or use their own CA funds for that purpose. The independent candidates do not have constituency associations, so they don't have that advantage prior to the election coming about. If everyone can raise and spend money on a set time frame, which we're suggesting is writ day or when they're registered, then everyone can access whatever funds they've been able to accumulate prior to that at the same time and start their campaign at the same time and finish at the same time.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. Is it possible for an independent to set up an independent CA?

Mr. Westwater: Currently not in the legislation, no, other than an independent MLA, who can do such a thing. That's correct. If you're an independent candidate who is not a sitting MLA, then, no, you cannot.

The Chair: Seeing the time, I'm going to close our deliberations on the election finance act for the moment and move on to other business.

Coming back to Mr. Clark's motion. Mr. Clark, do you have a motion?

Mr. Clark: I will make it right now because I believe that it's in order now. I will move that

the Select Special Ethics and Accountability Committee request that the Legislative Assembly extend the timeline for consideration of the Election Act and the Conflicts of Interest Act to no later than January 31, 2017.

The Chair: Mr. Clark, does that accurately reflect your motion?

Mr. Clark: It does.

The Chair: Okay. I will just get Ms Rempel to read it for the record for those on the phones.

Ms Rempel: Thank you, Madam Chair. Mr. Clark has moved that the Select Special Ethics and Accountability Committee request that the Legislative Assembly extend the timeline for consideration of the Election Act and the Conflicts of Interest Act to no later than January 31, 2017.

The Chair: Mr. Clark, go ahead.

Mr. Clark: Can I speak to this? Yeah. Thank you very much, Madam Chair. I appreciate the opportunity to speak to this. You know, what I've really enjoyed about this committee although it's been a couple of long days is that we as a group have taken our time to thoughtfully consider different aspects of the one full act that we've gone through and portions of the second one. What's been really gratifying is that we've had several cases where a motion is made and some arguments are made on one side and the other, then we actually see the spot in the room where our group goes: "Actually, you know what? That's a good idea. Yeah. You know what? Let's do that." That's how this committee is meant to work, and I really want to with all sincerity thank my fellow committee members for your willingness to participate in that way. That's been a really gratifying part of this experience. What I see us doing is taking the time to learn the context of the legislation. We're, generally speaking, listening to each other's arguments, maybe not always, maybe more loudly than other times, but generally we're actually hearing one another.

You know, I think that given how far we managed to get, or maybe how far we haven't managed to get, with the Election Finances and Contributions Disclosure Act – we've looked at 23 motions on this act. We've adjourned 16 of them, many of which we have asked administration to go away with and come back and give us some information on. I can imagine that we're going to take some more time. My question to the committee is: why rush? The idea here is that I think it's reasonable for us to get through PIDA, as we've done, and EFCDA by the end of what is currently our mandate, allow whatever amendments are necessary for those two acts to come before the Assembly in the fall session, and then continue our work through the fall and probably to the end of January to get the final report written up for the final two acts, the Election Act and Conflicts of Interest Act, so that those acts can be amended in the spring, or perhaps it's a two-step process if we were to combine the Election Act and Election Finances and Contributions Disclosure Act into one.

The other thing I just want to point out is the timeline that was distributed earlier on. I believe it was in April or May. It contemplated all deliberations to be complete by the end of July – it's now the end of July; this is our last meeting – and to then start deliberations for a draft report through August and early September, draft the report, review, and approve a final version. To me, it seems very unlikely that we'll be able to thoughtfully go through the remaining two and a half pieces of legislation, allow staff time to draft a report, review and perhaps amend that report, and then deliver that by the end of our mandate on the 29th of September. Again, I want to be very careful that we don't short-circuit debate and deliberation over democracy.

With that, I'll cede the floor. I think I've said everything I want to say. Oh, just one more thing. If anyone suggests that we're not willing to work hard in this committee – and that's all of us, not just myself. I think all of us are willing to be here in the summer, we're willing to work hard, and we're willing to sit in the committee room

all day long if that's what it takes. That's not the issue. The issue is that the amount of time it takes to do this properly is more than the time we have. It's not a question of willingness to work hard.

With that, I'll open it up. I'd love to hear other members' perspectives. Thank you.

Mr. Sucha: If I can indulge Parliamentary Counsel just for clarification, in order for us to extend our mandate, it has to be passed through the Legislative Assembly. So that means that, let's say, if we end our mandate and we want to go longer, we can't meet over October, if I'm correct, until it's passed through the Legislature, which won't happen till it resumes, which is October 31.

The Chair: Ms Dean.

Ms Dean: Well, thank you, Madam Chair. The mandate of this committee is to file its report by September 28, I believe. You are correct. In order for the terms of the mandate of this committee to change, it would have to be approved through a motion in the House.

The Chair: Member Cortes-Vargas.

Cortes-Vargas: Yeah. I definitely don't want to rush. I mean, we could definitely recommend that the mandate be reinstated for more time. Perhaps a counter-offer just, like, that we could also continue doing our work within our mandate, come back to this decision on September 15, see how far we got within what we're doing, and then based on what we have done, include a recommendation that the mandate be extended for another period of time. That way we would know how much work would need to get done at that point, so we would know how much time is still needed. Right now we're picking January 31. MLA Sucha just pointed out that, you know, we wouldn't be able to meet during October. Maybe based on what we actually get done, we could recommend that whatever is left to be done be put on the mandate timeline. That's my consideration. I'm not looking to rush this. I just wanted to propose that idea.

3:50

The Chair: Dr. Starke, is that your hand?

Dr. Starke: Thanks, Madam Chair. I think what Mr. Clark is recommending is reasonable given the time frame that we're dealing with and the complexity of the pieces of legislation that we're dealing with. I think the work that's been done on the whistle-blower protection act has been very good. I think the work that we've done thus far on the electoral finances has also been very good, but it has taken time. The thing that is particularly challenging is that it's hard to predict how long these things are going to take. Sometimes what seems to be a rather minor point can result in a couple of hours of debate, and then at other times you've got a more substantive point that doesn't last very long, in some cases because debate is adjourned or for other reasons.

We do have a lot of work left, though. You know, we've just gotten through the recommendations on the whistle-blower protection act, but we don't have the report back yet. We won't have had a chance to consider that. I also remind the committee that we in fact have three and a half pieces of legislation to work our way through because we also have Bill 203, that was referred to us. Given that, especially in the case of these two particular acts, the Conflicts of Interest Act and the Election Act, there's no likelihood that it's going to make a difference whether we get those things into the Legislature this fall or next spring, I would say that passing this motion would allow us to be sure that we're putting our full efforts

into getting the considerations completed on the whistle-blower protection act, which is the one that's really the required one, and then also the EFCDA, get those two done and put to bed. If we could get those two done and put to bed by the September 28 deadline, I think we will have done pretty good work.

As Mr. Sucha correctly points out, if we are not then able to meet until the full Assembly gives us an extension on our mandate, we can ask for that. I would suggest very early in the fall session. It could be approved by a motion quite quickly, and we could get back at it in early November and hopefully get a fair bit of work done from the first part of November until just before Christmas in December and then again when we return in January.

I think that what Mr. Clark has proposed is eminently reasonable, and I think it acknowledges the time that it takes to get through these things.

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

The Chair: Yeah.

Mr. Sucha: I want to sort of echo both points that were made by Dr. Starke and Member Cortes-Vargas. We do have quite a bit of work left to do. The main concern is that I don't want us to be continuously going to the Legislative Assembly asking for more extensions, so I think if we hold back on making the request to September 15, then we'll have more of a concrete date, more of a concrete timeline of how much longer we need. In theory we might get through the Election Act. In theory we might not finish this one, you know, just with how our motions have been sitting. Realistically, I think it would be more prudent for us to hold off making a request to the Legislative Assembly for the extension till we're closer to the end date. Then we know what we have left to do.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much. I'll just go quickly here and hear what Mr. Nixon has to say. I will not move this at the moment, but perhaps we can adjourn and bring this back. I don't know if we'll get through this today. I just want to say two things very quickly. I'm not convinced – and maybe this is just that we've sat in this room for two straight days – that we're necessarily at our best working very full days like this either. I think actually part of the reason it may be taking us some time to even consider some of these motions and the reason that we've adjourned 16 motions is that there's a lot of information coming at us, and we're having a difficult time processing it. Frankly, that's part of the reason that we generally will have slightly shorter meetings. We could perhaps have more frequent but shorter meetings, which is reasonably easy to do while we're sitting.

I also just want to remind the committee of when Ms Dean was asked previously whether any committee of this Assembly has ever considered four pieces of legislation, or five, as Dr. Starke points out. To the best of our knowledge it's unprecedented, and I think we're discovering why that is. There's an awful lot of work here. It's important work, and, again, I think we should take some time. I'm open to debate or discussion about that timeline, whether the 31st of January is in fact the right date. Maybe we need slightly longer. Again, I think what we can tell pretty definitively right now is that if we try to get through the rest of this act plus three others, we're going to rush it, and we're not going to meet our deadline.

Mr. Nixon: Well, I think Dr. Starke and Mr. Clark just said many of the same things I was going to say, so I won't be repetitive, but I also think it's important to point out that Mr. Clark's motion does

not prevent us from finishing earlier. So if for some reason we were done in November or December and we were off by, you know, how long we thought it was going to take, this doesn't require us to go all the way until January 31.

Second, the idea that we'd be asking the Legislature for an extension more than once if we pass this motion today I don't think is true because we're not going to be able to ask the Legislature for an extension until late October either way. I think we should pass this motion so that at least it provides some clarity, that we recognize that we're probably going to have to go a little bit further to get the job done right.

If there is a lot of concern with the date that Mr. Clark has put forward, then maybe somebody should bring forward an amendment to leave the date open ended, to be determined on September 15, but for our committee today to acknowledge that we're going to need a little bit more time to do what's right for Albertans.

Mr. Clark: Yeah. If somebody moves that amendment, I'd be happy to accept that.

The Chair: Mr. Nielsen.

Mr. Nielsen: Yeah. I might need help wordsmithing this here. I'll propose an amendment that on September 16 we will determine the possible end date of the committee's mandate – help.

Ms Dean: May I propose some suggested wording?

Mr. Nielsen: Please.

Ms Dean: Perhaps move an amendment that would strike out the words "to no later than January 31, 2017," and that would be replaced with the words "and such date to be determined by the committee on or before September 15, 2016."

The Chair: Mr. Nielsen, does this amendment reflect your sentence?

Mr. Nielsen: Yes.

Ms Dean: Madam Chair, may I just read out how the motion would read if it was amended?

The Chair: Yes, Ms Dean.

Ms Dean: Mr. Clark to move that the Select Special Ethics and Accountability Committee request that the Legislative Assembly extend the timeline for consideration of the Election Act and the Conflicts of Interest Act to such date to be determined by the committee on or before September 16, 2016.

The Chair: Okay. Is that amendment accurate, Mr. Nielsen?

Mr. Nielsen: Yes.

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

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

Back on the amended motion. Is there any further discussion on the amended motion?

All those in favour of the motion, then, say aye. Any opposed? That amended motion is carried. Thank you.

The date of our next meeting is August 10, 2016, at 9 a.m.

If there's nothing else at this time, I will call for a motion to adjourn. Ms Miller. Moved by Ms Miller that the July 27, 2016, meeting of the Select Special Ethics and Accountability Committee be adjourned. All in favour? Any opposed? That is carried.

[The committee adjourned at 4:01 p.m.]

