



Legislative Assembly of Alberta

The 29th Legislature
Second Session

Select Special
Ethics and Accountability
Committee

Election Finances and Contributions Disclosure Act Review

Friday, September 9, 2016
10 a.m.

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**Legislative Assembly of Alberta
The 29th Legislature
Second Session**

Select Special Ethics and Accountability Committee

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

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

* substitution for Barb Miller

** substitution for Estefania Cortes-Vargas

*** substitution for Deborah Drever

Office of the Chief Electoral Officer Participants

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

Support Staff

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

10 a.m.**Friday, September 9, 2016**

[Mrs. Littlewood in the chair]

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

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

Mr. Dach: Good morning. MLA Lorne Dach, substituting for MLA Barb Miller and acting as deputy chair.

Loyola: Good morning, everyone. Rod Loyola, MLA for Edmonton-Ellerslie.

Mr. Nielsen: Good morning, folks. Chris Nielsen, MLA, Edmonton-Decore.

Mr. Horne: Good morning. Trevor Horne, MLA for Spruce Grove-St. Albert and substituting for MLA Cortes-Vargas.

Connolly: Michael Connolly, MLA for Calgary-Hawkwood.

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

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

Ms Renaud: Marie Renaud, St. Albert.

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

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

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

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

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

Ms Jansen: Sandra Jansen, Calgary-North West.

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

Dr. Swann: Good morning. Another day in paradise. David Swann, Calgary-Mountain View.

Dr. Starke: I'd hate to see Liberal hell.

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

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

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

Ms Rempel: Jody Rempel, committee clerk.

The Chair: On the phone we have Mr. W. Anderson.

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

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

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

The Chair: Thank you very much.

Just a note for official substitutions for the record. Mr. Horne is substituting for Member Cortes-Vargas, Mr. Dach is substituting for Ms Miller, and Mr. Malkinson is substituting for Member Drever.

Just a few housekeeping items to address before we turn to the business. A reminder that microphone consoles are operated by the *Hansard* staff, so there's no need for members to touch them. Please keep cellphones, iPhones, and BlackBerrys off the table as these may interfere with the audiofeed. Audio of the 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 please move a motion to approve the agenda?

Mr. Cyr: Sorry. Are we going to be getting to new motions today?

The Chair: Yes. You can always propose new motions at the end of the meeting, after we've gone through the adjourned motions, I should say.

Mr. Cyr: So it's unlikely we're going to get through all the adjourned motions today?

The Chair: We only have motions 5, 1, and 2, I believe. Yes. The other ones are third party, which won't be until the 19th. Once we get through those, then you would be able to do that today.

Mr. Cyr: Okay.

The Chair: Yeah.

Mr. Cyr: If we make it to, say, 3 o'clock, is it possible for us to go to new motions, then, if we're still debating?

The Chair: Yeah. Absolutely.

Mr. Cyr: I just would like to see a fair . . .

The Chair: Yeah. At the will of the committee, yup. Absolutely.

Mr. Cyr: Thank you, Madam Chair.

The Chair: Okay.

Sorry; Mr. Cyr, did you move the approval of the agenda?

Mr. Cyr: I can move it.

The Chair: Moved by Mr. Cyr that the agenda for the September 9, 2016, meeting of the Select Special Ethics and Accountability Committee be adopted as distributed. All in favour? Any opposed? On the phones? That is carried.

Just a reminder to everyone that today lunch will be taken at 1 p.m.

We will move to deliberations. This brings us once again to our consideration of the Election Finances and Contributions Disclosure Act and the motions on this matter that have been adjourned. An updated document listing these motions was included with the briefing materials for this meeting.

Before we proceed, I would like to remind everyone that in order to respect the privacy of all MLAs at the table, the taking of photos during our meetings is not permitted.

I understand that some committee members who participate in these meetings by teleconference have indicated that in addition to

it being read into the record, they would like to be able to see amendments and new motions that are being made during meetings. In order to accommodate this, the committee clerk will e-mail the text of these motions to committee members participating by phone. Of course, these e-mails, just like the displays on the screen, are tools to aid in the deliberations. They do not have any official status.

With that, we will move to what we had adjourned on yesterday, which was the amendment on what is now listed as number 5 on the updated list of deferred motions. Ms Rempel, would you mind reading perhaps the motion and the amendment into the record, please?

Ms Rempel: Okay. Thank you, Madam Chair. Again, as noted, this is number 5 on the new document. The motion as amended is that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to introduce nomination campaign spending limits for each person running for nomination of up to 20 per cent of a candidate's campaign spending limits.

An amending motion has been moved by Mr. Cyr, that the motion be amended by adding the following after "spending limits": "and such person shall only be required to file a statutory declaration with the Chief Electoral Officer instead of financial statements should that person running for nomination be acclaimed."

The Chair: Thank you very much.

With that, I will open discussion. Mr. Malkinson.

Mr. Malkinson: Thank you very much, Madam Chair. I've had time to look at this subamendment and review the arguments that Mr. Cyr made when making it, and I think he's got some valid points there. However, when looking through it, I was thinking that a person could be acclaimed and still have fund raised and incurred some expenses. I think the intent of the original motion, reviewing the arguments Mr. Cyr had made yesterday, is clear, that he wants to have a reduced administrative process when you have a nomination that is otherwise uncontested. I believe that was the intent of the motion.

But I feel that without clarifying that it was going to be expenses and any contributions, there would be a potential loophole there. As a result, I'd like to propose a subamendment, which I hope the member who proposed the original amendment would feel would be in a friendly fashion, to address this particular loophole.

The Chair: Go ahead.

Mr. Malkinson: I would propose a motion that the following words after "acclaimed" read "and has not incurred any expenses or received any contributions."

The Chair: Mr. Malkinson, is what you see on the screen there accurate?

Mr. Malkinson: Yes. I believe that is the wording I like.

The Chair: Okay. I'll ask Ms Rempel to read it into the record first before we e-mail it out to those on the phones, and we'll open discussion.

Ms Rempel: Thank you, Madam Chair. Mr. Malkinson has put forward a subamendment that the following words be added after "acclaimed": "provided that the candidate has not incurred any expenses or received any contributions."

Mr. Malkinson: That is the motion. Yes. I hope members would support this subamendment, and hopefully the opposition takes this,

you know, in the spirit that I'm presenting it, which is as a friendly subamendment to close a potential loophole.

10:10

The Chair: Member Loyola, are you on the speakers list?

Loyola: I just wanted to ask because we're – I know that in the current legislation I believe they use the word "candidate," but I know that we're also using "person running for nomination." I just wanted to make sure that the way it is is clear.

Ms Dean: We can change "candidate" to "person." It's a qualification on the earlier motion.

Loyola: Right? Perfect.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. Good morning to the CEO and staff. I guess the intent here, though, is that you're unilaterally including everybody, then, in this because as soon as you've got any expenses there – "I drove to submit my paperwork to the post office and used gasoline." Is this what your intent is? "I mailed my registration paperwork to the party office." I guess if you want to track contributions, that would be fine, but by adding expenses to this, you've pretty much just said: everybody. I think that if you're going to do this, then you might as well just vote down my amendment because this pretty much turns it back into the original motion. Is the intent just to include everybody in all of this, or are you just after to see who's contributed towards their campaigns?

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much, Chair. My understanding, as I understood your original amendment, is that you wanted to – in order to reduce the administrative burden when somebody was being acclaimed and for whatever reason in a particular riding that particular person running to be a candidate was the only person running and there wasn't a contested nomination, the idea of being able to acclaim them would be that there would be an easy way to submit the paperwork to Elections Alberta. I felt that there might have been a loophole in there that you wouldn't have intended, which is that often you can have candidates where they don't have expenses or they don't receive any contributions, and by having expenses and contributions there, it allows that scenario where somebody has a simple acclaimed nomination and they basically just make their statutory declaration to Elections Alberta. I may have misunderstood the intent of your motion, but that's my understanding of what it was.

It also closes a loophole because if somebody had contributions but no expenses, it would have created a loophole. I just want to ensure that – you know, we talked about spending limits. I wanted to make sure that if we are going to be setting spending limits, they apply to all nomination contestants in the same way. You can be acclaimed and have spent money, but one does not necessarily exclude the other. That's why I was hoping that this subamendment would indeed be in good faith.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I understand what you're trying to do, but in good conscience anybody that enters a nomination race can't say that they didn't spend any money. I think that if you wanted to take out "incurred any expenses," provided that that person has not received any contributions, I think that is achieving what you're trying to do. If they didn't receive any money and they

were acclaimed, then they can file a statutory declaration saying that they don't have to file financial statements.

I would love to hear the CEO's view on this.

Mr. Resler: I think, you know, your description as far as the expenses incurred would exist pretty much no matter what, but at the same time so would contributions because if you had that expense, you're personally providing the contribution in order to cover that expense. You're paying for that gas personally, which is considered a personal contribution.

My thoughts as far as the process itself, as far as how it would be applied: I would look at a web-enabled self-registration and reporting system with a few quick questions at the front. You know, maybe there's a threshold, that we work with Justice: "Do you have any expenses that exceed \$50? Yes. No." Or something like that. If it's yes, then you provide detailed reports. If it's no, then you just sign the declaration or do a web signature, and it's filed. I think there can be a simplified version that we can work with to enable that just to make the process easier.

The Chair: Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. I think it's very important to note that there are several different ways people become acclaimed, right? There are sometimes really hotly contested nomination races where you potentially have two candidates vying for a position and then one decides to drop out. A significant amount of money has been spent, and a significant amount of funds has been raised. I think it's important that we're making sure that we report those acclaimed candidates.

On the latter hand of things, we have other examples. As a case in point, in Calgary-Shaw the Liberal candidate was a very nice young gentleman who put his name forward, and I can tell you as a matter of fact that he agreed to wear the Liberal banner but did not spend a single penny in his seeking the nomination, barring maybe a few phone calls and an e-mail.

Ultimately, we're making sure that we continue to maintain this transparency when candidates are acclaimed but remove sort of that burden that comes to the chief electoral office when you have situations like a candidate who agrees to run for a smaller party, whether it be the Liberals or the Greens or something like that.

Mr. Nixon: Can I be on the speakers list?

The Chair: Yeah. You've been added. Thank you.

Mr. Clark: The amendment and the subamendment as proposed are trying to make somewhat better a terrible idea, and that's my concern with the amendment itself. I think that specifically the subamendment is overbroad, respecting what Mr. Sucha had just talked about.

I have yet to hear from the government side what problem we're trying to solve. I would like someone on the government side, please, to just tell me one, even one, specific example of past problems that this particular motion, on the whole but even as we talk about subamendments, would solve. Can you give me one example of undue influence or outright corruption, of problems that we are trying to solve beyond saying, "The federal government does it; other people do it, so we ought to as well"? Are there specific examples from Alberta that you can tell the committee and all Albertans of why this is a good idea and what problem we're solving? I have a difficult time even supporting a subamendment or an amendment to what I think is not, frankly, a necessary step in the first place. I would love to hear any specific examples of what

problem this is going to solve and why this is not an overreach by the government.

Ms Renaud: I think it's a popular question. I think everybody has picked it up. What problem are we trying to solve? I think what we're trying to do is to look at the democratic system as a whole and to look at the weaknesses or to look at some of the issues that Albertans have identified as problematic and wanting change. We've had, you know, the same government for a very long time. We've done things the same way.

I think it's not up to us to give specific examples of where we think somebody did something inappropriately, but what we do know – and I have talked about this a few times – is that at the point of nominations or at the point of entering into the system, there are fewer opportunities for women. There are fewer opportunities for people who don't have the financial means that other people do entering that system. It isn't accessible to all people in the same manner. So I think this is one way, just like with the other pieces of this democracy, this large process that we're looking at, that we're trying to flatten this out. We're trying to make it accessible and fair and transparent. That's what Albertans have told us they want: clear, transparent rules, processes, and results.

Thank you.

10:20

Dr. Starke: Well, I'm going to take up a little bit of what Mr. Clark is saying, you know. Forgive me, but even in Vermillion-Lloydminster I had the opportunity to knock on several thousand doors, and not a single person said to me, "My God, we need to do something about this nomination process. That is the number one pressing issue in Alberta today" or, even to broaden it out to democratic reform, that there's something so blatantly wrong with our democracy that we have to bring in a whole whack of new rules and rules to solve problems that we haven't even identified yet. I mean, I'm sorry. I have to agree completely with Mr. Clark in saying that, you know, for government to start searching for problems to solve that don't exist and applying remedies to diseases that don't exist – I mean, I have a certain amount of experience with that. Don't treat the patient if the patient ain't sick is a basic tenet of medicine. Quite frankly, it applies in government situations as well.

I would agree with Mr. Clark that this measure in total isn't necessary. There have been absolutely no strong arguments put forward as to why we should be delving into the internal dealings of parties. This subamendment, quite frankly, as the CEO has correctly pointed out, basically means that everybody has to file full financial statements because there are always expenses, and those expenses have to be paid for somehow. Even if those expenses are paid for personally, that's a contribution.

You know, as an example, many of our constituency associations in our party, because of the cost of running nominations – there are costs involved. You have to advertise. You have to put out announcements. You have to put out notices in newspapers and buy ads and all the rest of it. So many of our constituency associations set a filing fee for nominees. In our case it was \$500, and that doesn't even cover it. The cost of doing this process is still higher than \$500. But there is a \$500 filing fee, and most often that's paid for by the candidate. Now, under this system, that would have to be reported, and that would have to be processed by the Chief Electoral Officer. It would have to be even done in cases of acclamations.

Quite frankly, again, we are creating additional work, additional administrative burden to solve a problem that doesn't exist, to solve something that is only perceived in the minds of some. I can't speak strongly enough that this is wrong, that this is unnecessary. About

the only thing in my view that would make it perhaps more palatable would be to set a reasonable threshold, that this only occurs if either expenses or contributions are over a certain amount. In the subamendment yesterday Mr. Cyr suggested \$3,000. We can tinker with that amount. But, surely to goodness, an account or a campaign, whether it results in an acclamation or is a contested campaign that incurs \$1,000 or \$1,200 worth of expenses, is not something that is so fundamentally egregious to our democracy that we have to have it filed with the Chief Electoral Officer in 1,300 cases across the province.

I mean, I don't have anyone beating down my constituency office doors demanding that this happen. They are demanding a lot of other things, I can tell you, but they're not demanding this. I think, quite frankly, the subamendment is way too open. When we use the words "any expenses" or "any contributions," that means that basically everybody will have to file financial statements and not a statutory declaration, which Mr. Cyr is trying to introduce as being somewhere to reduce the administrative overburden that is going to be placed on the CEO's office.

As we heard yesterday, this is an area that Elections Alberta has never been asked to delve into before. Any time you are saying that government is now going to delve into this whole new area, there had better be a very, very compelling reason to do so. Members opposite have not provided us with any compelling evidence why there is a compelling reason to do so. I can't see any reason why we would even contemplate going ahead with this. I'm opposed to the subamendment. I am somewhat reluctantly in favour of the amendment, but it doesn't matter. It's not going to make me feel any better about the motion in the first place.

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much, Chair. You know, hearing the arguments and as I said originally in my opening statement – I mean, as I understood Mr. Cyr's original amendment, that I am subamending here, the idea was not to address a scenario where there was either an acclamation or a leadership that was contested, where there would be some expenses incurred sort of beyond what would be in running in a simple contest, but to provide an easy administrative way to do the declaration when you have somebody who, like I said, wasn't incurring any expenses beyond what would be the bare necessities in order to register as a candidate. That was the original spirit of the motion.

I'm going to address this to Mr. Resler. You had mentioned in response to Mr. Cyr that, you know, having heard the arguments from the room, "incurred any expenses" might not be the correct wording but having some reasonably low limit that would encompass mailing in the paper, for example. I think I may have heard that a number of \$50 – I believe I heard that, and please feel free to correct me if I'm wrong – might be a good, low limit for what we're trying to do here, which would be that you have a name-on-ballot type filing where somebody doesn't get any money and realistically they're not incurring any expenses to run except for the bare necessities to file as candidate. Would that number of \$50 seem about right?

Mr. Resler: The \$50 that I threw out I just used because anonymous contributions of \$50 or less do not require a disclosure, so that's why I threw that out. But you do have, depending on the party, the registration fee or whatever you want to call it, which you may say follows – our recommendation as far as the registration fee for the candidate portion is not to have that included in the financial statement because it is refunded if you file your financial statements on time. But, you know, in this case that is a cost of running the

nomination, so it's a reimbursement, and they're receiving something. So if that's built into it and that can be done in the drafting stage and you're just looking at minimal costs, then you'd be able to accommodate it with a small threshold.

The Chair: Mr. Malkinson.

Mr. Malkinson: Okay. Thank you very much. That small threshold: would \$50, not including the registration fee, seem reasonable to you to cover mailing in, for example?

Mr. Resler: I guess that's a better question to ask the committee members because we've never been involved in nomination processes. To know what kinds of expenses other than the postage, the filing, that type of thing, some travel depending on if you're in a rural area, more so than urban: I'm not too sure what all would be entailed.

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much. You know, I'd be willing to hear around the room, but, I mean, I think it's – I don't know if I can subamend my subamendment, but I feel it would need to have a slight redraft to take into account some of the things that we've been talking about, to have a small expense limit.

The Chair: You could move to withdraw.

Mr. Malkinson: Could I withdraw and then make a new one?

The Chair: Yes, you would be able to do that.

Mr. Malkinson: Can I withdraw and remake?

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

Mr. Malkinson, you wanted to make a new subamendment?

Mr. Malkinson: Yes, I do, Madam Chair. I propose that following the words "after acclaimed," we add "and has not incurred expenses above \$50, not including the registration deposit, or received any contributions."

You know, hearing from the other side of the room, let's change "\$50" to "\$100." That might be a little bit more reasonable, and we'll open it to the floor.

10:30

Again, I hope to reiterate that this particular amendment is to provide an easy way for those who are running for nomination in a particular riding where they are not competing for the nomination and are not getting any expenses. It is a simple way to file to Elections Alberta when there is no contest and, realistically, no expenses put in there. I think this, hopefully, would satisfy some of the concerns that we've heard around the table on this particular subamendment.

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

The Chair: Mr. Nixon, you're next on the speakers list.

Mr. Nixon: Well, first, on this latest subamendment, again, \$100 is, quite frankly, ridiculous, and now we have an urban MLA pulling that number out of their hat around this table. In my riding just north to south is a four-hour round trip. East to west is a five-

hour round trip. You know, that's a tank of gas, at best, that's being put in there.

In addition, the biggest problem with this motion, besides the fact that it's not needed and that it's going to cause Elections Alberta to have to hire a whole bunch more staff for a problem that the government still can't identify despite being asked over and over to identify the problem they're trying to solve, is that each party has different rules, and this will be about campaign periods. Some parties could foreseeably have a campaign period of seven days, 14 days; others might have 30 days. You can't apply it fair across the entire spectrum.

I just don't understand what the government is trying to solve with this. They're going to end up costing taxpayers a tremendous amount of money for a problem that does not exist. I think that what we should do is vote this subamendment down, and the original mover of the original amendment should withdraw it, and we can move on.

The Chair: Next I have Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I'd like to go a little bit to the nuts and bolts of how this is going to work. As a candidate I had to set up a candidate bank account and run all of my contributions and expenses through this bank account. This similar system would have to be done with a nominee. With the Wildrose – and I could be corrected if I'm wrong – we have a nine-day window to collect 75 signatures. Will you guys be able to register a nominee within a day or two so that they can be official?

Lastly, how exactly, if we're not tracking this through nominee bank accounts, is it that we're going to be able to enforce or check that they're following this wonderful \$100 limit that we've got here?

It appears that we're creating a whole lot of red tape that's actually preventing women and our most vulnerable if this is the way we have to go. I would love to hear your thoughts.

Mr. Resler: As far as the timely registration, that's where I've commented that I believe we need to automate the process just for the volume, the timing as far as when it's occurring, the timing of the nomination process itself, which could coincide quite close to the actual election or even during the election period if there's a late submission. So timing is very important, online accommodation.

Bank accounts: I would assume we'd probably have to go down that route in order to differentiate the expenses and be able to audit appropriately. You could use a personal account, but then your personal information would be submitted to our office in that sense, right?

You know, receipts for expenses, anything like that, would have to be documented or compiled and retained, probably for a three-year period, by these nominated candidates in case there are any complaints of investigation or whether we required additional information and follow-up. But, at the end of the day, if it is the low amount, if it's an acclamation, you would still have a declaration as part of the financial statement or submission even if it's the one page. Did you have anything? Yes or no. Sign the declaration. That declaration is – and it still is now with the other processes – a trust that you are telling the truth and that what you're providing is accurate.

The Chair: Mr. Cyr, you have another question?

Mr. Cyr: If the chair is okay with that.

The Chair: Go ahead.

Mr. Cyr: I know that, for myself, setting up a bank account was a huge strain on me because of the tight time frames that were there. I don't even know if it's possible to set up a bank account. Like, you need to be registered before you can set up a bank account. So if it takes a couple of days for that registration to go through, it takes your bank four or five days or a week to set up the bank account. Your whole nomination process is already done. Do you think this is feasible, and do you believe as the CEO that this potentially can bar nominees from the process for some of the parties?

Mr. Resler: I wouldn't be able to comment as far as whether that would prohibit anyone from being a nominee.

Are there administrative timelines required? Absolutely. You know, that process, the administration, would have to be built into our processes. We'd have to accommodate appropriately in order to turn it over in a timely fashion. At the same time, then, the political parties may have to address their bylaws and constitutions on their process in order to accommodate the new regulations.

Mr. Cyr: Just one last question. We keep hearing about the federal government using this process. They have fixed election dates, which parties can rely on. We have consistently seen that the Alberta government has committed to fixed election dates but has broken those promises. How can you compare us to the federal government? It's like comparing apples to oranges here. My concern here is that if a snap election is called in Alberta, you're probably going to find that the government will have a significant advantage over opposition parties because they are going to know and be able to time these elections so that we can't get nominees in place in time through this process. Would you say that that's a fair assessment?

Mr. Resler: That's the business we're in. We have to accommodate that now. As far as our administration, we budget for elections in multiple years because we don't know when it's going to be called. We have to be election ready pretty much at any time, whether it's a by-election, whether it's a provincial general election. So for our administration, that's something that's a constant environment in which we live, and this would be accommodated no differently than that.

The Chair: Ms Jansen.

Ms Jansen: Thank you, Chair. I'm a little discouraged when we sit here and we see amendments brought forward and arbitrary amounts thrown out that don't appear to come from anywhere but someone's imagination. You know, we saw this with the individual campaign costs, that went from \$40,000 to \$70,000. On this side we asked questions: "How did you come up with those amounts? How did you make the determination that \$40,000 was initially acceptable? When did \$70,000 become acceptable?" We never really got an answer that actually told us someone was sitting down and thinking these things through, so I find that discouraging.

10:40

I wonder this – and I don't know who has the answer – how many NDP members had contested nominations? I'm sure someone there could provide us with an answer. For those of us who have been involved in contested nominations – and let's talk about the whole female candidate thing. This does not help women trying to get into politics, when you add layers of bureaucracy to the process. This \$100: I don't even know what that means. What did \$50 mean? First we went from \$50 to \$100. There doesn't seem to be a rhyme or reason to that.

Now, we have experts here at the table. We have our Chief Electoral Officer and two hard-working staffers from his office who are here willing to answer questions for us. They're here to give advice, and we should be listening to their advice.

One of the things I worry about, first of all, is that the intrusion into the nomination process seems ridiculous. We're creating another opportunity to spend money where we don't need to spend money. Our Chief Electoral Officer is, I believe, gently letting us know about the extra administrative costs that we could be incurring by doing this, and we should be listening.

We've heard a lot of feedback over the last little while about the government's idea of asking taxpayers to refund campaign expenses to politicians. You know, I really feel – and people have said this to me on the street – that we're looking at eroding the democratic process and then presenting the bill for that erosion to the public at a time when we are hurting economically, and it just feels wrong.

I think we have an opportunity here to sit back and say: let's really think about what we're trying to do here. If the whole idea of the reform process is to come up with ways to make things easier for people, what we're in fact doing is just the opposite in the name of making changes. There have been a number of times at this table where an excuse has been brought up . . .

The Chair: Ms Jansen, are you speaking to the subamendment?

Ms Jansen: Yes, I am.

. . . that we're doing things like this because the feds do it. You can't cherry-pick what you want to present as an argument that the feds have done and not pick other things. You know, it's a weak argument. I think that, going forward, it's probably a good idea to talk about the changes you want to make on the basis of how they would affect Alberta and not on the fact that somebody else did it first.

Thank you.

The Chair: Mr. Horne.

Mr. Horne: Yeah. Thank you, Madam Chair. I've been hearing a lot of discussion on this subamendment. First, I would like to address the issue that a lot of members around the table have been talking about, contested nominations. Now, I could be mistaken, but I'm just reading the proposed subamendment now, and I note that this entire subamendment only applies to acclaimed nominations. So I'm a bit concerned about why we're getting so caught up on how much you would spend in a contested nomination when this wouldn't even apply.

I also note that this amendment is about protecting the health of our democracy. It's about transparency. It's about making sure that all Albertans know exactly how much was spent in a nomination race. Conceivably, a person seeking the nomination could spend money to effectively start the campaign period before the writ actually drops, and that's something that I believe all Albertans should be concerned about. I believe that that is a bit of preventative medicine for the health of our democracy. Indeed, I believe that's something that we should be looking at, trying to protect the health of our democracy in the best interests of all Albertans.

The Chair: Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. You know, I have to reflect, too, on the systems that we have in place to be very transparent as elected officials here. We do extensive expense reports. We also have to make sure we speak to all of our investment holdings to show the public what influence may exist. We have to report any

donors. We have to report any gifts that we receive from private entities as well. Lobbyists have to register with the provincial government to ensure that the public knows who is influencing the government and the sitting members.

There is one loophole that exists where someone could unduly influence a sitting member or a contending sitting member, and that is through the nomination process. We've already heard the concerns in the room in relation to what might happen with third parties because of campaign spending limits and that we need to look at addressing this. This is another concern that we're hearing. Ultimately, you know, in relation to when I hear, "Is there a problem?" well, recently we heard about irregularities happening in Edmonton-Ellerslie. Think about what would have happened if the provincial party had not caught that, if that member had become a sitting MLA and the concerns in relation to that or if there weren't resources to investigate that through that political party.

So I think it's important that we have this transparency for all Albertans. Albertans deserve transparent political parties.

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much, Chair. You know, my colleagues here have made my points, I think, for the most part. I just want to reiterate that I think this subamendment is about closing a loophole on acclaimed nominations. We're doing this because of transparency, doing it to fix what I felt was a bit of a loophole in Mr. Cyr's original motion. We picked the hundred-dollar number from hearing what Mr. Resler had to say because it became obvious that having it written with "any expense" would not be fair and in the spirit of what I was trying to do. I fixed that. We picked a number of \$100. That seemed reasonable from the arguments we'd heard around the table. I believe that this subamendment does what we want to do and is in the spirit of the original motion and in the spirit of fixing a loophole that I saw in Mr. Cyr's original motion.

With that, you know, I would encourage all members to support this particular subamendment. Thank you.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I just want to briefly address a couple of the points made by members opposite. A nominated candidate or someone seeking a nomination who doesn't win the party's nomination has absolutely no influence in the government process until such time as they become an MLA in a general election, where Albertans have selected them by marking an affirmative mark in a square box on a ballot. That's how someone becomes an MLA, and that's why rules kick in at that point. Now we have expense disclosures because we're spending taxpayer dollars; we're not spending donor dollars. The rules exist for people who get elected, not for those seeking to get elected, because they have absolutely no influence.

You'd mentioned the alleged irregularities in Edmonton-Ellerslie. Now, unless there's something going on with Member Loyola that I'm not aware of, the former PC candidate was exonerated there. There were actually no irregularities found. There are processes in place to address any unethical behaviour, spending that happens once you become an MLA.

You talk about transparency. If this government wants to do something about transparency, how about we fix FOIP? That's something that would have a big impact.

Just one final point, again to Ms Renaud's comments. While I absolutely believe it is imperative that we do what we can to reduce barriers to women and to people who do not traditionally seek elected office – that's really important to do – I think that especially this hundred-dollar limit, unfortunately, discourages those very

people from running because it adds a barrier and it adds a burden. It adds an administrative burden.

A lot of people will seek a nomination perhaps not expecting to win that nomination, but they want to go through the process and learn what it's all about. They want to build networks. They want to learn to speak in public. They want to understand the issues. Passing this subamendment puts a barrier in the way of someone who may otherwise not know much about the process. They go: "Gosh. I have to deal with big, scary Elections Alberta." Now, I want to emphasize that Elections Alberta is fantastic to deal with, and I mean that quite sincerely, but there's a perception in the same way that: "My God; the CRA is phoning." "Oh, my goodness; I have to fill in Elections Alberta forms. This is a big process." The reality is that it isn't really. For most of us who've gone through that process, we find that to actually be relatively simple. But we need to learn what that's all about.

10:50

It adds another hurdle for the very people I think you're trying to encourage to get into the process, if I take you at your word that that really is the essence behind this particular subamendment. I think you need to think very hard about whether, in fact, you're actually creating barriers for the very people you're trying to help and that it's yet another unintended consequence.

Thank you.

The Chair: Mr. Dach.

Mr. Dach: Thank you, Madam Chair. I've heard some pretty disturbing language around this argument from the opposition members, such things as that the subamendment would be a means of eroding the democratic process or that we're intruding into the nomination process, as though that process was the purview of a political party only and that we had no business as the public or as members of the Legislature to know how those things operate within a party. It's my contention that political party operation is the public's business and that we have a right as members of the public and members of the Legislature to know how those nomination processes work, to be able to measure them, to be able to evaluate and to see who spent money and raised money, and it should be recorded.

Managing donors' funds is not an administrative burden. It's one of the costs of running a parliamentary democracy. At every point in that process, from early nomination to the electoral process, we have to know who is donating money and be accountable for those funds.

So I take offence when I'm told that we are eroding the democratic process or intruding into some old boys' club that we shouldn't have any business talking about or that that shouldn't ever see the light of day or that it was just the business of that political party. It is our business, and we darn well should be looking at having it exposed to see the light of day because the public deserves that.

Thank you.

Dr. Starke: Well, I have to say to my former high school colleague that I couldn't disagree with you more. The suggestion that it is somehow the role of government to stick its nose into the internal operations of political parties is a massive overreach. I don't happen to like that you've got one person who is the president of 34 constituency associations, but you know what? That's your business; that's not my business. I wonder how Albertans would feel about it. Quite frankly, they might not like it either, and perhaps you'd have to find 33 more people to take on the role of

constituency president for all those constituencies that you can't find a president for.

You know, what you're talking about is patently ridiculous. It is a total overreach. It is not the business of government to go into the functioning of individual political parties and movements. I cannot believe that you would suggest that political parties are something that should be delved into by an overreaching government. And that's the fundamental difference, quite frankly, between the folks on that side of the table in the New Democratic Party and people in other parties that believe that political parties should be dealt with without interference of the government.

What if you in the governing party decided that there was something about the way the Wildrose Party operated or the Progressive Conservative Party operated that you thought should be different and you passed something to change the fundamental action because you said that it was your business? Quite frankly, sir, it is none of your business. It's none of anybody's business, for example, that one person is the CFO for 34 of your constituency associations.

You know, the suggestion here with this whole argument and this whole discussion is going to the fundamental difference between what you believe as being government's role and what those of us who believe in freedom and individual choice believe is government's role. Quite frankly, government has no role in those things. Some political parties organize specifically on mandates to eliminate government or to have less government. So the suggestion that, in fact, government has a major interventionist role in these areas, quite frankly, is offensive to me and offensive to many Albertans.

Trust me. We'll be letting people know, though, that that's at least your opinion and, I assume, the opinion of your party as well. I'm not sure if you're speaking on your own behalf or for the entire party. But it is an incredible statement that you would think that this level of overreach and this level of examination of the individual role – what Mr. Clark said just a few minutes ago is absolutely correct. Until you become elected as a Member of the Legislative Assembly, what happens up until that point is none of the business of the overall situation. Political parties are not public organizations. Political parties are, in fact, organizations that organize themselves, and to suggest – any more than a labour union should be delved into by the general public. We've known a lot about those sorts of things going on and the resistance they have to that.

So in this particular case – you know, I'm going to come back for a second to the subamendment because I'm sure the chair would like me to do that. Once again, the line "received any contributions": well, that means everybody files. Everybody files. Correct me if I'm wrong – and I'll ask the Chief Electoral Officer for his interpretation on this – but as soon as you have a registration deposit or even expenses below or above \$100, you have to make that even if that contribution is a personal contribution. As soon as we have received any contribution, that means that everybody has to file financial statements. This subamendment does nothing to reduce the administrative overburden, so this subamendment should be defeated.

You know, once again, the larger question that we're discussing here today as to whether this is an appropriate space or an appropriate place for the government to become involved in, for the state to become involved in, the interference in the operation of individual political parties: what comes next? Are they going to set the constitution for individual political parties? That is the business of political parties. Is that the public purview? Are they going to set the bylaws and decide how candidates for individual political parties should be chosen? That is the purview of the party. It is not

the purview of the state, sir, and that level of interference by the state in the operation of individual political parties is something that should send a shudder down the spine of anyone who believes in freedom and democracy and non state interference in the affairs of political parties.

That's all I have to say, Madam Chair.

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

The Chair: Yes.

Ms Jansen: It's hard to follow that act. I agree one hundred per cent with my colleague Dr. Starke.

May I just say to Member Dach's comments that he found it insulting – I'm not sure if that was the word – that I stated that this smacks of the erosion of the democratic process, and then Member Dach did allude to the old boys' club that, well, Mr. Dach, I'm here to tell you that that comment came from me, one of two women in this province who were re-elected in the last election. Two women. One of those women was your Premier, and the other was me. This is no old boys' club who is making these comments, Mr. Dach; this comes from one of the two women who were re-elected in this province.

The Chair: Mr. Nixon.

Mr. Nixon: Yes. I think some of the comments from the previous two members that spoke I completely agree with. I would like to point out that, you know, I find it always alarming and a little bit concerning that the current ND Party in Alberta doesn't list the directors of their party like the other parties do, but at the end of the day that's their business. This new-found hope of making all our parties as visible to the public as well: I hope that they follow that and make it really clear who the directors are. But at the end of the day that's their call. That's how they run their party.

I think that with the comments from Mr. Dach, it's pretty clear that at least he and, I happen to assume, the rest of his colleagues – that his intent is to begin to move to interfere with individual political parties. The state has no business in that. I completely and utterly disagree.

Also, in regard to some of the comments I heard about a former member of the Legislature in Edmonton-Ellerslie, I believe he called the riding, a person who was completely cleared, I find it offensive that that was used in this committee, and I highly encourage the member who brought it forward to apologize.

The Chair: Is there anything further with the subamendment?

Mr. Sucha: You know, at the end of the day I was speaking in regard to an investigation, allegations, and I apologize if I in any way made it seem as if I was accusing that member of anything as he was exonerated by his political party as well.

The Chair: Thank you, Mr. Sucha.

Is there any further discussion on the subamendment? Any on the phone? All those in favour of the subamendment, say aye. All those opposed? And on the phones? That is carried.

11:00

Dr. Starke: A recorded vote, please, Madam Chair.

The Chair: I'll start to my right.

Mr. Dach: MLA Dach. Yes.

Loyola: MLA Rod Loyola. Yes.

Mr. Nielsen: MLA Chris Nielsen. Yes.

Mr. Horne: MLA Trevor Horne. Yes.

Connolly: Michael Connolly. Yes.

Mr. Malkinson: Brian Malkinson. Yes.

Mr. Sucha: Graham Sucha. Yes.

Ms Renaud: Marie Renaud. Yes.

Mr. Cyr: Scott Cyr, MLA, Bonnyville-Cold Lake. No.

Dr. Starke: Richard Starke, Vermilion-Lloydminster. No.

Ms Jansen: Sandra Jansen, Calgary-North West. No.

Mr. Clark: Greg Clark, Calgary-Elbow. No.

Dr. Swann: David Swann, Calgary-Mountain View. No.

Mr. W. Anderson: Wayne Anderson, Highwood. No.

Mr. Nixon: Jason Nixon, Rimbey-Rocky Mountain House-Sundre. No.

Mr. van Dijken: Glenn van Dijken, Barrhead-Morinville-Westlock. No.

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

The Chair: Jessica Littlewood. Yes.

That is carried.

Back on the amendment.

Ms Rempel: Shall I read the amendment as amended?

The Chair: Yes. Please read the amendment as amended.

Ms Rempel: Thank you, Madam Chair. With the subamendment having been carried, the amendment would now read that the original motion be amended by adding the following after "spending limits": "and such persons shall only be required to file a statutory declaration with the Chief Electoral Officer instead of financial statements should that person running for nomination be acclaimed, provided that the person has not incurred expenses above \$100, not including the registration deposit, or received any contributions."

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

Mr. Cyr: Madam Chair, I was going to ask the CEO: do you believe that, as this amendment is sitting, this will actually reduce your workload in any significant manner?

Mr. Resler: Without knowing the process as far as the numbers of acclamations, we're still going to be dealing with the same number of registrations. That won't change. As far as the financial reporting, there could be some streamlining, I would see, but it still requires a review process, whether it's a one-page or a multiple-page declaration.

Mr. Cyr: I agree that this is going to put a burden on the department. I just see that all it's done is changed it more or less back to the original motion that was put forward by Mr. Nielsen. I guess that my concern here is that we've actually now created a half-page motion that says the same thing as the original motion

does. So it's hard for me to support the motion that I've put forward now that the subamendment has gone through, and I will ask to withdraw my motion because it . . .

The Chair: Withdraw your amendment?

Mr. Cyr: Sorry. Thank you.

Withdraw my amendment.

I would ask support from the committee.

The Chair: Are you moving to withdraw?

Mr. Cyr: Yes.

The Chair: All those in favour of withdrawing the amended amendment, say aye. All those opposed, say no. On the phones?

Oh, yeah. Sorry. It needs unanimous consent to withdraw, so it is still under discussion. Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. Well, it's very disheartening to see that we are creating complexity to something that obviously the government really wants to push through. The fact that they haven't been able to move forward any reasoning – I feel that I've actually put good reasons showing that this is actually going to create barriers for women and for vulnerable Albertans to not be able to join the process. To my dismay, I'm not getting any reaction other than that they are moving forward with something that is very apparent to be detrimental to the process for elections.

My concern always comes down to the fact that when we start to move down directions that appear to have some end goal to actually hamstring opposition parties – because this is exactly what this motion is clearly trying to do. It's dismaying that the government is using its majority in this committee to actually go after groups that are trying to establish themselves and to get a message out and engage Albertans.

So I won't be supporting the motion that I have moved forward. I will be encouraging all the committee members to defeat the amendment that I have on the table.

Thank you very much.

The Chair: Are there any further speakers to the amended amendment? Is there anyone on the phone that would like to speak to the amendment?

Seeing none, all those in favour of the amended amendment, say aye. Those opposed? On the phone? That is carried.

Mr. Cyr: A recorded vote, please.

The Chair: I'll start to my right.

Mr. Dach: MLA Dach. Yes.

Loyola: MLA Rod Loyola. Yes.

Mr. Nielsen: MLA Chris Nielsen. Yes.

Mr. Horne: MLA Horne. Yes.

Connolly: Michael Connolly. Yes.

Mr. Malkinson: Brian Malkinson. Yes.

Mr. Sucha: Graham Sucha. Yes.

Ms Renaud: Marie Renaud. Yes.

Mr. Cyr: Scott Cyr, MLA, Bonnyville-Cold Lake. No.

Dr. Starke: Richard Starke, MLA, Vermilion-Lloydminster. No.

Ms Jansen: Sandra Jansen, Calgary-North West. No.

Mr. Clark: Greg Clark, Calgary-Elbow. No.

Dr. Swann: David Swann. No.

Mr. Nixon: Jason Nixon, MLA, Rimbey-Rocky Mountain House-Sundre. No.

Mr. W. Anderson: Wayne Anderson, Highwood. No.

Mr. van Dijken: Glenn van Dijken, Barrhead-Morinville-Westlock. No.

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

The Chair: Jessica Littlewood. Yes.

That is carried.

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

11:10

Ms Rempel: Thank you, Madam Chair. The motion now reads that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to introduce nomination campaign spending limits for each person running for nomination of up to 20 per cent of a candidate's campaign spending limits, and such person shall only be required to file a statutory declaration with the Chief Electoral Officer instead of financial statements should that person running for nomination be acclaimed, provided that the person has not incurred expenses above \$100, not including the registration deposit, or received any contributions.

The Chair: I will open that up to the floor for discussion. Dr. Starke.

Dr. Starke: Okay. Then I have a question to the Chief Electoral Officer and the folks from Elections Alberta. Now that, you know, this has been changed around a little bit, we have a clearer picture as to what is being proposed, and this is a completely new area of involvement for Elections Alberta. Elections Alberta previously has had no involvement whatsoever in the nomination process at the party level. Sir, if you'd be able to outline for the committee what your estimation will be of the required additional resources in your office to administer these stipulations in terms of personnel, in terms of things like support staff, IT, reporting mechanism, that sort of thing, I'd just be curious to know what's involved and what your best-guess estimate is. I realize that it's pretty recent, but what will that all cost on an annual basis?

Mr. Resler: As far as an annual basis, we'd be looking at approximately five staff. We mentioned yesterday that the cost for that would be approximately \$350,000. Computer: we'd have to look at infrastructure as far as spacewise, if it can be accommodated within our current space or not, and we'd also be looking at developing a computer system, a financial registration and reporting system, which would cost several hundred thousand dollars, for sure, as a minimum, and then we'd also incorporate that, expand that web-enabled to other aspects as far as the candidate process, too. There are significant costs associated.

Dr. Starke: Would it be fair, then, again, just based on, you know, staff costs – and you mentioned about the build-out of the IT platforms and that sort of thing – that we could be looking at something in excess of a million dollars a year?

Mr. Resler: The IT capital expenditure would be a one-time cost, so it would be maintenance after that, but on an annual basis you'd be looking at, you know, around \$400,000 probably.

Dr. Starke: Thank you.

The Chair: Further speakers to the amended motion? Is there anyone on the phone?

Mr. Nixon: Yeah. I will, Madam Chair. I feel that, clearly, the government members of this committee intend to ram this through, so there's probably not much more point in continuing to talk about it, but given the costs I've just heard, I can tell you on behalf of my constituents that they would be outraged to find out that the government majority on this committee is about to ram through a motion that essentially is interfering with independent political parties and causing tremendous extra burden to taxpayers and to our Chief Electoral Officer, all the time solving a problem that, again, to now the government still has not identified that they're trying to solve. I will definitely be voting against this, and I highly encourage all of my colleagues to do as well.

The Chair: Any further speakers to the amended motion?

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

Dr. Starke: A recorded vote, Madam Chair.

The Chair: To my right.

Mr. Dach: MLA Dach. Yes.

Loyola: MLA Rod Loyola. Yes.

Mr. Nielsen: MLA Chris Nielsen. Yes.

Mr. Horne: MLA Horne. Yes.

Connolly: Michael Connolly. Yes.

Mr. Malkinson: MLA Malkinson. Yes.

Mr. Sucha: MLA Graham Sucha. Yes.

Ms Renaud: Marie Renaud. Yes.

Mr. Cyr: Scott Cyr, MLA, Bonnyville-Cold Lake. No.

Dr. Starke: Richard Starke, Vermilion-Lloydminster. No.

Ms Jansen: Sandra Jansen, Calgary-North West. No.

Mr. Clark: Greg Clark, Calgary-Elbow. No.

Dr. Swann: David Swann, Calgary-Mountain View. No.

Mr. van Dijken: Glenn van Dijken, Barrhead-Morinville-Westlock. No.

Mr. Nixon: Jason Nixon, Rimbey-Rocky Mountain House-Sundre. No.

Mr. W. Anderson: Wayne Anderson, Highwood. No.

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

The Chair: Jessica Littlewood. Yes. That amended motion is carried.

With that, it's 11:15. We can take a break for 15 minutes, and we'll come back at 11:30.

[The committee adjourned from 11:15 a.m. to 11:30 a.m.]

The Chair: I will round up everyone back to the table.

The next motion that the committee is discussing would be Motion 6. Ms Rempel, would you mind reading that for the record?

Ms Rempel: Thank you, Madam Chair. The motion moved by Mr. Cyr is that

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that no individual will guarantee a loan of more than 5 per cent of a registered party's campaign spending limit to either a registered party or registered candidate.

Ms Renaud: Thank you to the member for bringing this forward. As I understand it, Mr. Cyr was trying to put forward a motion to limit the amount an individual can guarantee a loan in order to prevent overcontribution through defaulted loans. Is that correct? No?

Mr. Cyr: This doesn't prevent – I'm sorry. I don't mean to debate without going through the chair.

The Chair: Perhaps Ms Renaud can finish what she was saying.

Ms Renaud: Yeah. I can continue.

By my calculations you're proposing that an individual could only guarantee up to \$105,000, based on the recommended spending limit. I guess I'm not too sure if the proposal actually does what I understood was the member's goal. Maybe he'll let us know. I believe we discussed this yesterday, and it was similar to MLA Miller's proposal, so it would seem at this point unnecessary.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. When we start talking about undue influence, having one individual guarantee \$10 million to a party seems to be excessive. Now, that's not the case right now. I am open to the government coming up with a different percentage or a different way, but there should be some limitation on how much influence one person has over a party. Now, the fact that we now limit contributions to \$4,000: I don't think that's going to be a reasonable limit to a personal guarantee.

The fact is that a lot of parties do need to ensure that they have funds during campaigns – there's no doubt – but do we want it to be unlimited? That's my question that I am posing to the government. Are you comfortable with one person pretty much being able to guarantee whatever number moving forward? So 5 per cent: fine. If that's not the number, maybe 4. If 4 is not enough, then 10. But I believe that there should be some sort of amount that a person can influence. The fact is that if we've got \$2 million, I think that 5 per cent is a reasonable number. But, again, I would be more than willing to hear what the government has to say on why they would not support an influence of this nature.

Ms Renaud: You know, absolutely, we do believe that we do need a limit. Just maybe some reminders about the discussion that we had. I'm just going to quote Mr. Westwater, who stated:

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.

So if I understand this correctly, it does mean, in principle, that the guarantee only becomes a contribution if there's a default and the individual is forced to pay this. Currently that would be subject to the \$15,000 limit.

I just want to add another piece. Mr. Westwater went on to state:

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

Mr. Resler: Just to add some clarification, the value of the loan is subject to the contribution limit. Banking institutions do not fall under this legislation, to clarify, so when they guarantee a loan, they wouldn't be looking at what limit exists under the EFCDA. I think what is meant is that anyone who guarantees more than what their contribution limit is runs the risk of a potential breach. So if the loan amount exceeds the contribution limit, there is always a potential breach that may exist. With that, it only becomes a breach when it's defaulted and depending on the provisions of the agreement with the bank. If that person is making payments, then it's the payments. If the loan is defaulted and they have to repay the full amount, then there are other, bigger issues as far as the overcontribution then. So it all depends. For the event to actually occur as far as the default and then what those payments are after that, that's when the limits within the EFCDA come into play.

Mr. Cyr: I do believe that personal guarantees are something that we need to, I guess, at this point review if we're comfortable. The opposition was uncomfortable with \$4,000 going into constituency associations, influencing. Now you're talking about millions of dollars of potential money possibly going in here. What I'm saying is that this isn't eliminating personal guarantees. It is just saying: at what exposure do we want to allow political parties to be influenced? I believe that that doesn't end the ability for political parties to get, say, several personal guarantees to be able to achieve what they're looking for, but we do need to identify that right now we're allowing parties to go well beyond the maximum contribution limit by potentially millions of dollars, not just tens of thousands or even thousands of dollars.

I am uncomfortable with it the way it is, and I would encourage the government to consider that there should be some sort of thought put into this. I had put this forward before to the government, and they said that what I had put forward was too complex because I had said that there should be a value assigned by putting forward a personal guarantee. Now I've simplified this to something that is easier to understand, and I'm hoping that we can discuss what per cent there should be allowed, not whether this motion should go forward or not.

The Chair: Member Connolly.

Connolly: Yeah. I just want to quickly ask Mr. Cyr: where did you get this number of 5 per cent? Was it just arbitrary?

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I came up with it. Originally it was 5 per cent of the \$1.6 million that had been proposed as the cap, and 5 per cent of \$1.6 million is \$80,000. What happened was that I was giving the candidates the ability to be able to put lines of credit forward to be able to meet their campaign thresholds. Again, I'm open, but that's the approach that I was using. I didn't want to limit the ability for candidates to be able to personally guarantee

their own campaigns. I don't believe we want to go below that number, but again I'm more than open to hearing what other suggestions are being put forward.

11:40

The Chair: Member Connolly.

Connolly: Yeah. Just a quick question for the CEO: how are loan defaults handled now? Well, has it happened in the past, and how was that handled?

Mr. Resler: Loan defaults are a private matter between the institution and whoever is signing the instrument itself. Where it becomes a default and there are contributions that are being paid – I don't know if we've had defaults. So it hasn't occurred in that sense.

Connolly: Thank you.

Dr. Swann: Madam Chair, there's clearly a difference between the amount of money we're talking about as a party versus the amount of money we're talking about as a candidate. To lump them together at one level doesn't seem, on the face of it, to be very logical if we're trying to be, I guess, balanced. I don't know if Mr. Cyr would like to propose an amendment himself – or I could – that might reflect the difference between the amount of money we're talking about in the party and the amount of money we're talking about as an individual. If 5 per cent is something that we're somewhat comfortable with, then something like half a per cent might be something that we'd be considering in relation to the whole party bit. I haven't calculated what half a per cent would be for the party maximum, but I imagine it would be close to \$10,000.

So I'll make a suggested amendment . . .

The Chair: Go ahead, Dr. Swann.

Dr. Swann: . . . and suggest that the motion be amended to: guarantee a loan of more than 5 per cent of a registered candidate's spending limit or 0.5 per cent of a registered party's campaign spending limit.

The Chair: You're intending to say 5 per cent to the candidate and 0.5 per cent to the party?

Dr. Swann: That's right.

The Chair: Dr. Swann, is there anything that you would like to say about the amendment while counsel and the committee clerk wordsmith that?

Dr. Swann: No. I think I've said what I needed to say.

The Chair: Okay.

The Chair: Ms Rempel, would you mind reading out the amendment?

Ms Rempel: Thank you, Madam Chair. I believe that Dr. Swann has moved that

the motion be amended by striking out "5 per cent" and inserting ".5 per cent" and striking out "to either" and adding the following words before "registered candidate": "no more than 5 per cent of a registered candidate's campaign spending limit."

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

Mr. Cyr.

Mr. Cyr: I'm sorry. I'm having a hard time seeing that. Can we put what the motion would look like?

11:50

The Chair: Ms Rempel, would you mind reading out how the proposed amendment would read in the motion?

Ms Rempel: Thank you, Madam Chair. If the amendment were passed, the motion would read:

the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended so that no individual will guarantee a loan of more than .5 per cent of a registered party's campaign spending limit for a registered party and no more than 5 per cent of a registered candidate's campaign spending limit for a registered candidate.

Mr. Cyr: I guess I've got some concerns right off the bat with this proposed amendment. Is it the intent of Dr. Swann to eliminate personal guarantees? This is essentially what he's doing. He wants to bring the party down to \$11,000 of personal guarantee and a potential registered candidate down to – what? – \$3,500 and \$4,000 of personal guarantee. Is it your intent to just get rid of them?

Dr. Swann: Well, I think that what we're trying to do here is to ensure that no individual has too much influence over a political campaign or a political party or a political candidate and minimize the impact of money on what would be a responsible democratic process.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. Does the Liberal Party have a personal – do they run . . .

Dr. Swann: No. We've had no campaign limits until this time.

Mr. Cyr: You don't run a line of credit at all?

Dr. Swann: Yes. We don't have any regulations around it or bylaws within our party around this.

Mr. Cyr: I know that a lot of political parties do use lines of credit, and I guess this is my concern here, your . . .

Dr. Swann: I'm just saying that we don't have a limit. We do have lines of credit. We don't have a limit at the present time.

Mr. Cyr: You're effectively advocating for your party to get rid of your lines of credit, then, because how do you not – like, political parties, from my understanding, have a hard time securing those lines of credit without personal guarantees. By doing this, you're relinquishing your line of credit – do you understand that? – which is why I don't want to make this too low, but you're going very low. If that's your intent, that's fine. I'm just trying to get through the process here, Dr. Swann.

Dr. Swann: I guess that's what we're here to discuss: what is a reasonable level? What is reasonable influence of one individual over the financing of a party or an individual campaign? I'm not sure what that is either, but this is a good discussion to try and explore that; .5 may be too low. My purpose was to at least begin distinguishing between individual and party. It's clearly too high, to me, to have 5 per cent of a party's campaign limit on one individual.

Mr. Cyr: Okay.

Mr. Sucha: Dr. Swann, the main question I'm asking – and correct me if I'm wrong. You're ultimately concerned just about the fact that someone could backstop a loan and then seeing that as political interference. You know, if I had \$500,000, I could backstop a loan to party X, and then there could be a way that I could interfere with some of what they're doing because I backstopped the loan.

Dr. Swann: Influence, yes. Influence the political process, the individual candidate, or the party.

Mr. Cyr: There's a vested interest for a candidate to want to ensure that he has enough funds to be able to go forward with his election. I don't think that's political interference, personally guaranteeing your own campaign. That's what I was trying to achieve there, saying: I want to be able to give candidates the ability to ensure that they get enough money.

Dr. Swann: And you suggested 5 per cent for an individual.

Mr. Cyr: At that time it was \$1.6 million. I'd be comfortable going down to, say, something like 3.5 per cent, which brings it back down to \$80,000. It's important for candidates to be able to – like anything, you collect funds throughout your campaign in anticipation, and there is some protection to ensure that candidates don't leave debts out, which is why I went with one number for both. I'm not closed to having one for each. But I do believe that the candidate needs to have the funds to be able to run a campaign if he is, and at \$3,500 you wouldn't even be able to get your signs for your campaign. I guess my concern here is that – I'm willing to hear other ideas – this appears to be significantly too low.

Dr. Swann: Okay.

Mr. Sucha: I have just some questions in regard to sort of if we were to put this in place for the CEO. How would we govern or how would we regulate this process?

Mr. Resler: We currently have the capacity in our financial statements where we ask for loans, so loan information is provided to us. We'd have to ask further questions as far as who is guaranteeing it and the amount of the guarantee for each, so that would be accommodated within the documentation.

You know, we're talking about the private matters of political parties, the internal affairs of them. Maybe Ms Dean can help me with this one. We're wading into regulating these private matters, and the courts have commented as to restricting that as much as possible. By doing something like this – say that it was this per cent and you're restricted to, what was it, \$10,000 or whatever that limit is – are you looking at constitutional issues as far as freedom of association if you aren't able to operate your organization? That's a concern that I'm having if that number is too low.

Ms Dean: I don't have anything further to add. If there's a desire from the committee for additional research on that point, we can certainly undertake to do that and report back to the committee.

Mr. Sucha: Sorry. I just have a few follow-ups. I know it's kind of been addressed a little bit, and most of these are kind of in some sense hypothetical because you may have never had to deal with this in the past, or if it was dealt with, it may not have been during your tenure. My main concern is also that – I think we all want to prevent overcontributions as well. Let's say that a political party either (a) defaults on the loan or (b) folds when there is an existing or outstanding loan. What would your next steps be if there was someone who was a guarantor for that loan but the loan was more than the contribution limits?

Mr. Resler: First, it most likely would be dealt with by the courts, so we would wait until the courts have dealt with the matter. There may be a writedown as far as the amount that is to be repaid, which would be defined by the courts. Then that amount would no longer be owing. You'd look at what is the actual payment, but it's whatever is the result of that. We take that information, apply the legislation to it, and deal with it. Whether it means administrative fines or prosecution, it would all depend on each situation.

12:00

Mr. Sucha: So, in theory, a past party president could be subjected to prosecution if the party defaulted from it?

Mr. Resler: Well, it would depend on who the signatories on it were. We also have a recommendation, which is listed on that one-pager that was handed out yesterday – I think it was the last item – which specifically dealt with clarifying who could be named in a prosecution because political entities aren't a real body, in a sense. Right? You have the executive, but we want to clarify who it is that we can prosecute.

Ms Jansen: Just a quick question for the CEO, Mr. Resler. When you mentioned the courts the first time, it sort of twigged a question. Is there anything in the courts or that went through the courts in relation to public access to a political party's financials?

Mr. Resler: The one court case that I'm referring to specifically deals with the Ontario Court of Appeal, which is Longley versus Canada, back in 2007, and it deals with discussing the Chief Electoral Officer's restraint from involvement in political party affairs and specifically states that "any regulatory regime governing political parties must interfere as little as possible with the autonomy and internal affairs of political parties."

We've already waded into regulating those private matters. Leadership contests would be an example of a private matter within the political party. The trend is moving into some regulation. As you've seen federally and also in Ontario, they're looking to regulate the nomination process also. But, you know, if you're looking at spending caps, contribution limits, those types of things, you're looking at the freedom of speech and association that can be affected.

Ms Jansen: Just for clarification, some of the issues that we're discussing at this table here potentially could be either unconstitutional or illegal?

Mr. Resler: If it's regulated, the courts will look at it within that parameter, but it's the degree of restriction that's being placed, whether it's reasonable or not.

Ms Jansen: So we could potentially be coming up with suggestions that will go forward in the fall and potentially become legislation that we may not or that the government may not be able to uphold at all?

Mr. Resler: Potentially. What has been proposed so far is currently in place federally, and there hasn't been any challenge on that, but potentially it exists, yes.

Ms Jansen: But there's a potential for a legal challenge through the courts on some of the federal regulations?

Mr. Resler: There always is, yes.

Ms Jansen: Okay. Thank you.

Dr. Starke: Madam Chair, it strikes me that in this discussion we're struggling a little bit to try and find the right space, and Dr. Swann, you know, said as much as that. We have to try and determine what's a right level. I would say that it is appropriate to set some sort of limit on what the percentage of the overall spending limit can be guaranteed both for a candidate's campaign, which clearly is a much smaller sum of money, compared to a party's campaign. But we're also dealing, you know, quite frankly, with some of the internal operations of both campaigns, which most of us have some degree of familiarity with, and with the operation of a party at the provincial level, which many of us would have very little familiarity with.

I think, quite frankly, and Ms Dean a few minutes ago mentioned that there could be some additional work done by the research team in terms of finding out what impacts these various limits might have. I would suggest that bringing in some information from executive directors and past executive directors, for that matter, from some of our political parties who have been involved in provincial elections might be very useful to determining whether, in fact, these restrictions would mean that it is completely unfeasible to even, you know, use loans or lines of credit as a means of interim financing for political campaigns, which, quite frankly, I think is a mechanism that is used by most parties because your expenses are often up front, and your fundraising sort of catches up to it.

So with all of that, I would move that we adjourn debate on this motion and that we further – and it wouldn't be part of the motion – ask our research team to perhaps do some of that background checking and survey some of the political parties operating in our province and get some of that information.

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

The next motion would be going back to Motion 1. Ms Rempel, would you mind reading that into the record?

Ms Rempel: Thank you, Madam Chair. Shall I read the motion and then the amendment?

The Chair: Please, Ms Rempel.

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

There is a motion for an amendment. Moved by Dr. Starke that the motion be amended to add the following words after "per calendar year": "and an additional limit of \$1,000 per calendar year to constituency associations."

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

Mr. Sucha: Thank you, Madam Chair. I want to extend a thank you to the members for bearing with us as we adjourned debate on this amendment yesterday. I really did want to take some time to think about this, and I still do believe that the original total amount is valid. I appreciate the arguments from the other side, but again the \$4,000 limit is comparable to other jurisdictions and is all inclusive in those jurisdictions as well.

Yesterday I and my colleagues conceded that Dr. Starke had a good point about not wanting to overweight contributions to constituency associations such that a handful of donors could help a candidate raise their campaign spending limits. However, this amendment as is does not actually reflect what I was originally

proposing, and as such I'd like to propose a subamendment as follows.

The Chair: Go ahead.

Mr. Sucha: MLA Sucha moves that the words "an additional limit" be deleted and replaced with "including a."

The Chair: Mr. Sucha, is that accurate?

Mr. Sucha: Sorry. I'm just looking at this really quickly.

Sorry. I stand corrected.

"An additional aggregate limit" and replaced with "including a limit."

12:10

The Chair: Mr. Sucha, is that accurate?

Mr. Sucha: Yes. Thank you, Madam Chair. This subamendment intends to clarify that only \$1,000 can be contributed in aggregate to a constituency association within a party and that the \$4,000 includes this amount. I believe this better lives up to the original motion, which indicates that an individual would be able to donate a maximum of \$4,000 per year to the party of their choice. They can donate through various channels, but the sum of their contribution can't exceed that maximum, and now they cannot exceed \$1,000 to a constituency association within a single party. The \$4,000 is the maximum in an election year or a nonelection year. Over an election cycle that is \$16,000. It is simple and straightforward. The subamendment still provides more clarity and choice to donors. I would encourage all of my colleagues to support the subamendment and consequently the amended motion.

The Chair: Mr. Clark.

Mr. Clark: Thank you, Madam Chair. I think this subamendment is a profound disappointment to me, and I'm curious to hear what Dr. Starke has to say, but I strongly suspect he's going to tell us that this does not reflect in any way the spirit of what he was striving for. What both Dr. Starke and I and, I believe, Mr. Cyr, or our friends from Wildrose – perhaps it was Mr. van Dijken – have tried to do through the process of debating this motion is preserve the two-bucket system because every single party except the NDP raises money that way. So because the NDP finds themselves in a majority government position and in a majority position on this committee, you've decided to use that power to change the rules to your advantage. That's what this is.

Mr. Nielsen: Point of order.

The Chair: Go ahead, Mr. Nielsen.

Mr. Nielsen: Thanks, Madam Chair. I'm just calling a point of order. You know, I think the member is trying to suggest something nefarious by the members of the government caucus, and I don't think that is very fair.

Mr. Clark: I am trying to suggest something very nefarious by the NDP, yes.

The Chair: Okay. So that would be out of order, then, in the committee.

Mr. Clark: Under what standing order?

The Chair: To call someone's intentions nefarious would fall under standing orders.

Mr. Clark: If you're quoting 23(h), (i), and (j), I presume you're striving for "false or unavowed motives." Is that where you're going?

The Chair: And to create disruption.

Mr. Clark: All right. So I will do my best to temper my comments to not create disruption, but this is a really unfortunate use of a majority position. I can strongly suspect that the members of the NDP caucus who were part of the opposition would have screamed loud and long had the majority government of the time used their majority – and it did on regular occasions – used their position to pass rules that were in their favour. What we should be doing in this committee is passing rules that are in the best interests of all Albertans and making the playing field level.

I want to emphasize the fact that should this pass and should the lower limit pass and should this proposed subamendment pass, it's actually to the advantage of the Alberta Party in our current form. But I'm sitting here arguing against something that is in my personal interest, that is in the interest of my party and our current state, because I think it's not right for democracy. I'm not here to promote my personal interests or the interests of my political party. I'm here to do the right thing for Alberta. The NDP should do the same thing. The government majority should do the same thing, should think bigger picture.

You know, the numbers that get thrown around of \$16,000 in the four-year cycle don't reflect the reality of how the vast majority – the vast, vast majority – of Albertans contribute politically. Very few people make a max contribution, period. Very few people make a max contribution every year. The reality is that most people – and we'll come back to it in the main motion – will get engaged as an election ramps up. Now, it's incumbent on all of us to continue our fundraising and outreach efforts throughout the intercampaign period, but the reality is that generally that happens in the year before an election. What this in effect does is to mirror the funding trend for the government party to the great disadvantage of every other party, including Wildrose, who raise a lot of their money in small donations as well.

All the arguments that we've talked about over the last couple of days – the administrative burden of ensuring that constituency and party contributions are not, in aggregate, in excess is not addressed here. The ability of a small number of people to fund a campaign: this does fix that. But not preserving the two-bucket system with no increase during a campaign period really disadvantages everyone except the NDP, and that is profoundly disappointing. Unfortunately, it's not surprising that that's the direction they've gone, but it's something that I think Albertans will pass judgment on and see for what it is.

With that, obviously, I will speak against the amendment and the subamendment and ultimately, once we get back to the main motion, speak against that as well but certainly against the subamendment.

Thank you, Madam Chair.

The Chair: I'd like to take this moment to remind members and staff around the table that you are not allowed to take pictures in this room. We will be making sure that the motions and amendments are sent to those that are on the phones. Just a reminder to those around the table. Thank you.

With that, Dr. Starke.

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

The Chair: Thank you.
Dr. Starke.

Dr. Starke: Well, thank you, Madam Chair. I actually wanted to jump in right after Mr. Sucha made the motion, but I wanted to respect what Mr. Clark had to say. Quite frankly, this subamendment is out of order. It changes the intent of the amendment, and a subamendment cannot change the intent of a motion. The intent of this motion is to preserve specifically a separate \$1,000 limit per calendar year to be provided for a constituency association. Mr. Sucha's subamendment eliminates that, so quite frankly the amendment is out of order. You should rule whether you agree with that, and if so, then we'll move forward.

Mr. Sucha: You know what? I'll respect the comments of Dr. Starke, and I will move to withdraw the subamendment.

The Chair: All those in favour of withdrawing the subamendment, say aye. Any opposed? On the phones? That is withdrawn. We are back on the amendment.

Dr. Starke: Madam Chair, speaking to the amendment, you know, I think that it's specifically intended to preserve what we've come to call the two-bucket system. It specifically provides for the \$4,000 per year maximum contribution to political parties, to party central, if you wish, and it provides for a maximum annual contribution of \$1,000 to one constituency association or an aggregate of \$1,000 to a number of constituency associations.

I think that this represents a very significant decrease in the contribution limits, which I understand is certainly the stated goal for many members of the committee. We can certainly debate as to whether we've gone too far or whether it's appropriate or whatever, but \$4,000 per year for the party and \$1,000 per year for constituency associations also preserves the ability for many parties in our province to operate as they have been operating in the past. You know, to change that or to eliminate that, I think, would be something that we would not want to see, so I would ask members of the committee to support the amendment and that we would then move forward with a scenario where we have a four-plus-one formula, which is, I would suggest, still very simple to understand.

I would like, maybe at some future date, to discuss a little bit about the veracity of moving forward with an additional contribution provision during a campaign period. But for now I would encourage members to support this amendment so the constituency associations have a separate \$1,000 limit whereby they can (a) fund their year-to-year operations, because some constituency associations are very active in terms of that, and (b) start building up a fund for contesting the next election.

12:20

Mr. Nixon: I'd just like to speak in favour of this amendment brought forward by Dr. Starke. Again, you know, I think he's already articulated why it's needed, but to be clear, if we continue down the path that the majority of government members on this committee are pushing us down, we are going to force all other parties except for the government party to restructure. It most definitely is not a point of order to point out that the government is using their majority, that they do this to essentially rig the system to their advantage. That is, in fact, a fact that they do this, and I think it will be very, very disappointing to Albertans.

The Chair: I don't believe that, like, any of the committee members in the committee would want to be accused of rigging the system, so I would probably caution against that language in the committee.

Mr. Nixon: Well, we can use different language if you like, Madam Chair. The fact is that the majority does this on behalf of the

government to give an advantage to the government party while obviously going out of their way to cause other, independent political parties to have to completely restructure and do their stuff while giving an advantage to the political party. That is, in fact, rigging the system, from my perspective.

The Chair: Is there any further discussion on the amendment? Mr. Cyr, would you like to speak to the amendment?

Mr. Cyr: Yes. Thank you, Madam Chair. I know that, for myself, going through nominations and going through an election, it was a lot of work to get out there and get the donations from our constituents. The fact is that when we start to look at checking with the party every time you are about to collect a donation, it's going to be a very onerous procedure for the constituency associations. This has been one of my concerns all along here, not having two buckets, which has successfully worked for years and years, and the government not, in my opinion, demonstrating adequately that there needs to be a one-pocket system.

The fact is that now you're actually taking engagement away from our ridings, and this is a concern for me because right now it is hard enough to find a chief financial officer and those to fill the boards. I understand and we've said already several times that the government party chooses not to have boards in a lot of their constituency associations, and that's fine. But I choose to have a board in mine, and I want them to be feeling and wanting to be engaged. The harder we make this on our volunteers on the ground for the grassroots party – and Wildrose is a grassroots party. This is going to be detrimental to our party, plain and simple.

So the two-pocket system is one that needs to be considered by the government. Now, whether it's \$4,000 or \$3,000 as an aggregate, I guess you can argue because that's what we're here for. But in the end, the fact that you don't collect money at the constituency level is up to your party, and that's great. Hey, if you want everything to go through the main party, that's fine. But for those parties that are very actively trying to do town halls and membership drives and bake sales and fall fairs, actively trying to connect with the local constituents, why would we want to, I guess, prevent that? This is another level of red tape that is creating that, just like the nominations are going to create a problem within my constituency. It's going to be harder on the executive. The fact is that every time we move something forward that is limiting volunteers' being active is a concern for me.

I guess the question is that by doing this – and I'll ask this again. There seems to be no justification for not going with the two buckets. It just seems to be the right way to go, so why can't we? That's the question that needs to be answered.

The Chair: Mr. Nielsen.

Mr. Nielsen: Oh, thanks, Madam Chair. I guess, at the risk of sounding like a broken record, there are other jurisdictions within Canada, including the federal level, that have brought in various forms of spending limits, and to the best of my knowledge democracy didn't stop in those jurisdictions. Parties that existed there didn't shutter the doors. They managed to adapt and continue to run their election campaigns, you know, probably successfully, I'm going to guess, as well. There's nothing new being done. This is not reinventing the wheel. I'm sure that in their histories there were certain ways of doing things in the past, and they decided to change at whatever points those were, and life went on for those places. I just want to have committee members keep that in mind while they're thinking about this.

At this time I'm not prepared to support this amendment.

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

The Chair: Go ahead, Mr. Nixon.

Mr. Nixon: Madam Chair, I just want to point out for the record here, I mean, that we have a situation where the Liberals, the Alberta Party, the PC Party, the Wildrose are all in agreement, and then the NDP appear to just be sticking with the Premier's office and their speaking notes and have to be propped up continuously on tiebreaking votes by the chair. I've got to ask: what's the point in having an all-party committee right now if it is going to be completely rigged, Madam Chair? All the political parties are onside. You have to continue to break the ties . . .

The Chair: I'm sorry. I'm going to have to continue to caution members against using the term "rigged." I don't believe that any committee members from previous or future positions in the Legislature would want to be using that word and be accused of that in committee or the Legislature.

Mr. Nixon: Okay. I'll use a different word.

What is the point in having an all-party committee if it's going to continually be manipulated by the NDP majority to attack other political parties and not to hear other sides and to give them an advantage in the electoral system? I can tell you that Albertans do not like that and will not stand for it.

The Chair: Any further speakers to the amendment?

Mr. Nixon: Well, I wasn't done, Madam Chair. I thought you were going to answer the question.

In addition to that, let me point out to the last member who spoke that the federal level has two buckets, so if they want to continue coming back to the federal government as your great example, to Ms Jansen's point, you can't keep cherry-picking the examples. The federal government has two buckets. What does the government have to say about that?

The Chair: Any further speakers to the amendment?

12:30

Ms Jansen: Sorry. Mr. Nixon asked a good question. I'm just wondering if anyone from the government side would like to answer it.

The Chair: Any further speakers to the amendment?

All those in favour of the amendment, say aye. All those opposed? On the phones? That is defeated.

Dr. Starke: A recorded vote, Madam Chair.

The Chair: I will start to my right.

Mr. Dach: MLA Dach. No.

Loyola: Rod Loyola. No.

Mr. Nielsen: MLA Chris Nielsen. No.

Mr. Horne: MLA Horne. No.

Connolly: Michael Connolly. No.

Mr. Malkinson: Brian Malkinson. No.

Mr. Sucha: Graham Sucha. No.

Ms Renaud: Marie Renaud. No.

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

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

Ms Jansen: Sandra Jansen, Calgary-North West. Yes.

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

Dr. Swann: David Swann, Calgary-Mountain View. Yes.

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

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

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

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

The Chair: Jessica Littlewood. No.

That is defeated.

We are back on the main motion. Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. As I alluded to earlier, I would like to move an amendment.

The Chair: Go ahead.

Mr. Sucha: To

add in at the end of "campaign period" the words "and including a limit of \$1,000 per calendar year to constituency associations."

Ms Dean: Can I just get clarification on the intent? Is the \$1,000 in addition to the \$4,000?

Mr. Sucha: Sorry. There's also another part I need to add to that as well. My intention is for this to be an aggregate of the \$4,000.

Ms Dean: I'm just a little confused because I thought the intent of the original motion was to include a global aggregate of \$4,000, which would encompass registered parties, constituency associations, and candidates. I'm just a little unclear about what those additional words you're putting forward would do.

Mr. Sucha: The initial intent is to prevent an individual from . . .

Ms Dean: Oh, I see. Okay. Maintaining the \$4,000 aggregate but introducing a limit with respect to any donations to constituency associations of \$1,000.

Mr. Sucha: That's correct.

Ms Dean: I understand.

Mr. Sucha: As I alluded to earlier, before I withdrew the initial subamendment, I really heard the concerns that came from some of the opposition members, including Dr. Starke, in relation to a few select donors being able to bankroll an individual campaign, and I think it's important that we recognize that and that we put safeguards in place to prevent that from occurring.

Dr. Starke: Well, Madam Chair, I suppose I should be encouraged that some of the arguments have actually found root. I'm pleased by that, and certainly this would address that. Unfortunately, again for the same reason as the arguments that were made a few minutes ago, I have to oppose this amendment. Once again it is clearly – and there can be absolutely no mistake about it – an amendment that

results in an adjustment of our system to favour a party structure as is the current governing party.

Having been there before the last election, which I can say none of the folks opposite were, I can tell you with absolute certainty that your four colleagues that were here before May 5, 2015, would absolutely have screamed had our party when we were in government introduced legislation that was comparable, to favour the governing party. You ran on a platform of doing things differently. You ran on a platform that there was a better way and that you would be more encompassing of the views of opposition parties and of all Albertans. I will remind you that not all Albertans voted for the NDP in the last election, and to set up a set of rules that very clearly favours your party while it is in government is, in my view – and I will be careful with my words here because I anticipate the chair might jump in – an overreach of the mandate that you have been given by Albertans.

I can tell you, having sat on the other side, that when you do that and Albertans see you doing that, there can be a consequence to be paid at the ballot box. I see a pattern of behaviour here that is somewhat, I will admit, familiar to what I've seen in the past, and I don't think it suits your government well. Now, you can take that advice for what it's worth. You can ignore it, or you can look at it and say: well, perhaps those folks over there have a point.

I'm opposed to the motion as it's been set because it very clearly does not preserve a situation where constituency funding is preserved and it very clearly says that anyone who wishes to contribute to their constituency association, which, as we have basically determined, is a nonfunctional entity in the majority of 87 constituencies on the side of the NDP, for other parties where they do have donors who do want to support their local constituency, it means that they have fewer dollars to contribute to the party central. That's wrong. That is fundamentally wrong.

Now, if you can't recognize that or don't want to recognize that, I guess that's fine, but what this motion proposes is fundamentally wrong. It fundamentally puts parties that have a constituency association structure at a disadvantage to your party, and to set rules that put your party at an advantage simply because your party is in the majority in the Legislature is wrong. If you want to go ahead and do it, I guess that's your prerogative. But I want to be very clear: what you're doing with this motion is wrong.

The Chair: Member Loyola.

Loyola: Thank you, Madam Chair. What I believe is fundamentally wrong is that an individual can under the current legislation give up to \$105,000 to a political party over a four-year election cycle. That's what I believe is fundamentally wrong with what's currently going on. We've listened to Albertans loud and clear that they believe that that amount should be reduced. We've come to the amount of \$4,000.

Now, through the discussion that's been going around this table – and I have it right here in front of me – opposition members have tried to move us up to \$36,000 because the \$4,000 that we're proposing would be, in an election cycle, a total of \$16,000, which we think is much more reasonable. Personally, my own belief is that it's way too high still because I don't know too many people that could give me or any of my colleagues here \$16,000 over a four-year election cycle. I don't know any. Our friends in the opposition have tried to push us to \$36,000 in an election cycle, and Mr. Clark has tried to push us to \$32,000. Again, for me it's still too high.

12:40

Now, we've listened to what you've had to say in terms of, you know, a handful of individuals being able to get a particular

candidate elected. We heard you. We think that you're right, and that's why my colleague has introduced this subamendment at this time to say: okay; well, then a maximum of \$1,000 per calendar year to constituency associations. So a person can give their money, all of it, to the party if they want to, or, as you're suggesting, they can give \$1,000 of the \$4,000 to the constituency association if they so choose. The choice is there for the individual contributor to do that. I don't see anything fundamentally wrong with that.

I mean, there was a past amendment that was talking about \$4,000 and then an additional \$1,000, but there's nothing in this amendment the way that it is right now for a contributor to give their \$1,000 to the constituency association. Nothing is stopping them. This is not about how our parties handle contributions, you know, your party versus our party. The option is still open. The choice is still there for the contributor to do so, right?

I'll finish off by saying that our intent here is to put a maximum of \$4,000. Individuals can choose how they want to split that up. They can give \$3,000 to the party if they want and \$1,000 to the constituency association, or if they want, they can give all of the \$4,000 directly to the party. It's completely up to them. It's in the hands of the contributor. I'll just leave it at that.

Mr. Cyr: Madam Chair, I would like to go on a different tangent for just a second here. I was notified that taking pictures of the motion is against the committee. This puts our MLAs that are not at this committee meeting at a disadvantage.

The Chair: We committed at the beginning to having the motions e-mailed to those that are on the phones.

Mr. Cyr: I guess my concern here is that we debate these before we make sure these MLAs have been able to verify that they got these. I don't see how we can let media in here, who take pictures and roll video, yet we . . .

The Chair: Perhaps we could refer to our committee clerk to find out what the policy is for pictures and video, Mr. Cyr.

Thank you.

Ms Rempel: Just to clarify, yes, at the discretion of the chair media may enter. They are not allowed to take still photographs either. Again, with the discretion of the chair they are allowed to bring in, I guess, video or television cameras. It's an established tradition that has been around for a long time. It's largely just to protect the privacy of all of the members at the table that pictures are not allowed. To accommodate that, that is why as quickly as possible we are sending what is on the screen, the same text, to the members who are on the phone with us.

Mr. Cyr: Okay. My concern here is that we start debating these things before they're finalized. That doesn't give our MLAs the ability to be able to – which is why I started to take pictures and get it to them as fast as possible so that they could see what we're debating and the direction we're going. I would like a ruling from the chair that she is banning pictures of specifically only the motions to go out to the MLAs as taken by MLAs and staff. This seems an unreasonable onus, and I don't think the intention is to hold debate up until all of these are out.

The Chair: I believe that what the intent is is to ensure that members that are in the room have their privacy protected in the same way that we would not make comment on members not present in the room. That's why we have ensured that we would send the motions by e-mail, because that was requested. Having it on the screen is new to begin with, and now it is also new to be able

to send that via e-mail to members not present. What we could do is to ensure that the members on the phone have received them via e-mail before we discuss them. Would that be acceptable to the member?

Mr. Cyr: It would be. It's just that – I guess my concern is that they're being left out of the debate because they don't have any idea what's happening.

The Chair: Which is why we committed to sending them via e-mail. They're also read into the record, which was what was happening before we had screens at all. Having screens is also new.

Mr. Cyr: I agree. As we move forward, these technological advances that we've got are great. I do understand the sensitivity of the members here that may not want their pictures taken, absolutely. That is a very reasonable request, that I'm not taking pictures of my fellow members.

The Chair: Understandably. If you're taking pictures in the room, we would have no idea what you're taking pictures of.

Mr. Cyr: I hear you. I guess, if you want to go to where we can't forward pictures, then confirming with the members on the phone . . .

The Chair: Taking pictures has not been allowed before.

Mr. Cyr: . . . that they have received the e-mail is the only other step we can go with this. That means we're going to be holding debate up until that process is done. If that's fine with the member, then I guess we can move in that direction. I was trying to facilitate and get these things moving faster, but if that's not the will of the chair, then that's fine.

The Chair: Mr. Cyr, taking pictures in the committee room has never been the practice of the room, nor has it been respectful of the privacy of the members in the room.

Having screens in the room is new, and it was intended, because of how many motions there are in the room as well as amendments, to ensure that members can see them. They have been read into the record each time so that members that are joining us by phone can hear them in their entirety before discussion opens. This morning we ensured that those on the phone would be made aware that those motions and amendments and subamendments would be made via e-mail. That is all new, and that is with the intent of making it accessible to members.

Mr. Cyr: I think that we're moving in that direction, but again I would like to, at least until we get confirmation from the members – and I hear that it gets read into the record, but it is hard, especially when I'm here even looking at it, to get through this. I even have one of them pieced together so I could see it. That's where I'm at. I'm having a hard time, and I'm here, so it would be nice to see that the members also have that same opportunity.

The Chair: Thank you, Mr. Cyr. We can ask the members on the phone to check in with the room when they have received the motions and amendments and subamendments. Does that sound fair?

Mr. Cyr: Thank you, Madam Chair.

The Chair: Dr. Starke.

Dr. Starke: Thank you, Madam Chair. I just want to make a few comments, you know, on Member Loyola's statements. I don't

think that anyone here in the committee has had any objection to reducing the overall contribution limits from where they stand presently, so the suggestion that that, in fact, is something that we're fighting against or that that's something that I would object to is not correct.

It really boils down to a question of what level is appropriate and, secondly, whether the rules and how those limits are set are fair to all political parties. Now, my fundamental objection to this particular motion is that it puts parties that have a constituency association structure at a disadvantage because those parties are potentially at a 25 per cent fundraising disadvantage from their donors compared to other parties. If I have a donor who gives the constituency association \$1,000, that donor now only has \$3,000 as their maximum limit that they could give to the party central. That puts our party at a disadvantage, sir. It puts your party at an advantage because for the most part most of your constituency associations don't fund raise. Because of that, this is a fundamentally unfair provision in this situation, and it is fundamentally unfair because it goes after and attacks the way other parties operate.

12:50

Really, what we're talking about here is a difference between a maximum contribution over a four-year cycle of between \$16,000 and \$20,000. Now, I think everybody will agree that either way, whether it's a \$16,000 total or a \$20,000 total, we are talking about a very significant reduction in the total amount that can be donated by individuals, whether it's to campaigns or individual constituency associations.

Accordingly, I cannot support a motion that systematically and systematically places one group of political parties at a disadvantage in comparison to the political party that is governing. I come back once again to say that it is fundamentally unfair, and I think that it's fundamentally a misuse of the mandate that you've been provided by Albertans. That's what this motion does.

I think that we are very much making significant reductions in the spending donation limits and what donors can provide to parties. If the goal is to reduce the influence of specific large donors, I think that the direction we're going is very much accomplishing that. But we have to, in trying to reach for that goal, still preserve some semblance of fairness between the political parties that operate in this province. This motion does not do that. This motion is . . .

The Chair: We're currently on the amendment.

Dr. Starke: This amendment is unfair to political parties that have constituency association structures. I come back to stating that the \$1,000 limit to constituency associations to prevent the scenario that I talked about yesterday is an acknowledgement of the potential unintended consequence of going to \$4,000 unrestricted. But to then say, "We'll solve that problem by further hamstringing your political party by 25 per cent in its ability to fund raise" is unfair.

I come back to: this motion is unfair. The motion that was just defeated, the one that talked about four plus one, would have at least been fair and would have also accomplished the goal of reducing the amount of money that was going into the system to \$20,000, an \$85,000 decrease. I would think that that's something that if that's your intention, if that's your goal, you would be reasonably satisfied with. Quite frankly, I'm opposed to this.

Madam Chair, I'm not sure if this is entirely in order, but as we do need to attend another meeting, I was wondering if it would be possible to now move that we recess until 2 p.m. and resume the discussion at that time.

The Chair: Are there any further speakers to the amendment?
Are you moving to adjourn debate on the amendment?

Dr. Starke: Well, my concern about adjourning debate is that we would then have to go to a different piece of business before we could resume debate on this, so I'm not talking about adjourning debate on the motion. I'm just talking that we call it 1 o'clock as we had talked about rising to recess at that point in any case.

The Chair: Is it the will of the committee to break for lunch? We will resume at 1:55.

[The committee adjourned from 12:54 p.m. to 1:57 p.m.]

The Chair: I will call this meeting of the Select Special Ethics and Accountability Committee back to order.

Currently we are on the amendment to Motion 5. Ms Rempel, would you mind reminding the members at the table of what the amendment was?

Ms Rempel: Thank you, Madam Chair. Mr. Sucha has moved that the motion be amended to add the following after "campaign period": "and including a limit of \$1,000 per calendar year to constituency associations within the aggregate limit of \$4,000."

The Chair: Thank you.

With that, I will open up discussion on the amendment. Is there anyone on the phone that would like to be added to the discussion?

Mr. Nixon: Yes, please, Madam Chair. One angle of this I actually think we haven't discussed yet is the tremendous negative impact this is going to put on independent candidates, something that is already a serious problem. Within our system independent candidates struggle to be able to get their message heard. I think that that's something we all agree on. This will essentially now create an even tougher situation, putting them at a disadvantage over every other party as far as their fundraising ability. I don't know if that was also the intent of what the government is trying to bring forward here.

The Chair: Mr. Clark.

Mr. Clark: Yeah. Thank you very much. I appreciate Mr. Nixon bringing that up. We all as members of a political party don't often think about independent candidates, and independent candidates certainly have a role in our system. I wouldn't mind if Mr. Nixon could expand a little bit on why he feels that independent candidates would be burdened further. What is it specifically? I guess, you know, I'm curious. First off, not speaking from any sort of position of being in favour of this amendment or the main motion itself, but if an independent candidate can collect \$4,000 to a constituency association or a candidate – maybe that's my misunderstanding of how independent candidates operate in between election periods. So if you can expand on that a little bit, and perhaps we can also ask Elections Alberta.

Mr. Nixon: From my understanding, the way I'm reading it – I would be curious to hear Elections Alberta's opinion on that as well – is that, you know, for example, my party would be able to raise \$4,000 from that donor, but an independent candidate would be stuck only being able to raise 1,000 bucks because they can only raise through the constituency association.

Mr. Clark: Yeah. That's an excellent point. I'd appreciate it if we could ask Elections Alberta for clarification on that, please.

Mr. Resler: The ability of an independent candidate to raise funds: currently they are restricted because they do not have a constituency association or a political party, so they're restricted within the

current limitations of a candidate, so the \$2,000. If it is per the motion presented, if they follow in this, the aggregate of \$4,000, they'd be able to access \$4,000 per contributor. Like, if the reading is including the limit of \$1,000, that doesn't restrict that \$1,000 of the \$4,000. Do you know what I mean? So the \$4,000 is still available. It's only if you give to a constituency that you're limited to the \$1,000 cap, so they'd have access to the \$4,000.

Mr. Nixon: Right. So once a candidate is declared, they can raise the same level as a party, an independent candidate, sir?

Mr. Resler: Yes.

Mr. Nixon: All right. Then I am misunderstanding that, so thanks for the clarification on that.

Also, at this point, Madam Chair, I don't know if I'm still on the speakers list or still have the floor.

The Chair: You still have the floor.

Mr. Nixon: You know, we heard a government member quite passionately go on about, essentially, that the opposition was trying to keep the numbers high, and that's ludicrous. From the very beginning of this process all parties agreed that the numbers were way too high, that we wanted to work together to get those numbers down. The debate on where those numbers should be is a fair debate. I would argue that those numbers shouldn't just be pulled out of the air in order to protect our democracy. Everybody has agreed on that point, so for that member to continue to bring it up I think is unfortunate.

But to be clear, this amendment and the motion that it is trying to amend both go out of their way to change the structure of the other political parties, not the structure of the government party. The amount of the donations: yes, they need to be lower; we want to get big money out of politics. Everybody is in agreement on that. The concern is the change of structure to other political parties.

I will continue to argue that if the government continues to use their majority to attack the other political parties in this committee, they're using their majority to rig the system to their advantage, and my constituents will not stand for that.

The Chair: Hopefully, members will not be using the term "rigging" in the future.

Member Loyola.

Loyola: I have nothing to say, Madam Chair.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I'd like to propose a sub-amendment to this amendment.

The Chair: Go ahead.

Mr. Cyr:

Following "constituency associations" add the following: "and a limit of \$3,000 per calendar year to a registered party."

2:05

The Chair: Mr. Cyr, does that look like the subamendment you were looking for?

Mr. Cyr: It does.

The Chair: Okay. I'll ask Ms Rempel to read it into the record, and then we will ask the members on the phone to confirm that they have all received it.

Ms Rempel: Thank you, Madam Chair. Mr. Cyr has moved that Mr. Sucha's amendment be amended to add "and a limit of \$3,000 per calendar year to a registered party" after the words "constituency associations."

The Chair: Mr. Cyr, is that correct?

Mr. Cyr: It is correct.

Loyola: Please elaborate.

Mr. Cyr: I would love to.

The Chair: I'm just waiting for the people on the phones to get the subamendment, because you had asked for them to ensure that they let us know that they had received it.

Mr. Cyr: Thank you. I appreciate it.

Mr. van Dijken: I got the e-mail.

Mr. Nixon: I got it as well, Madam Chair.

The Chair: Mr. W. Anderson, have you received it?

Mr. W. Anderson: Yes, I have. Thanks for asking.

The Chair: Mr. Cyr, go ahead.

Mr. Cyr: Thank you. The concern that I've been hearing from the government is that it's the amount that they're worried about, \$16,000. They are very focused that it has to be this number. I'm not saying that it shouldn't be \$16,000, but if the government is looking to make sure that \$16,000 is that number, what this is doing is creating \$3,000 to the party as a contribution and \$1,000 to the constituency association per year. That means that \$4,000 per year for four years is \$16,000. That meets exactly what it is that you have brought forward as the number you're looking for, but it also gives the opposition parties who have grassroots the ability to raise money with the buckets, to be able to encourage our constituencies to grow.

I would love to see this as a good compromise on all sides to show that even though we may disagree on maybe some of the optics on how this should be done, the opposition is willing to work with the government to be able to achieve the number that the government is looking for.

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

Mr. van Dijken: Yes. I can be added.

The Chair: Mr. van Dijken, go ahead.

Mr. van Dijken: Yeah. I apologize if there's any extra noise. I am in the combine.

Anyway, with regard to Mr. Cyr's subamendment, this would allow us, in our party anyway, and, I suspect, the other parties, that deal largely with their local CAs running their local campaigns, to remove an administrative nightmare where, if we have only one bucket that would be created, we would be constantly at the CA level double-checking with the party and the party double-checking with CAs. I think this allows us to move in a direction where we won't run into those difficulties yet meet the number that the government was hoping to achieve with the initial motion.

Thank you.

Mr. Cyr: I just want to, I guess, go to the CEO to make sure that my interpretation of this is correct. Does this pretty much reduce the workload that could possibly be brought to your department? Instead of going with that massive aggregate that's going to be a real problem between party and constituencies, this should achieve both what the government is looking for and what the opposition is looking for, which is to reduce the workload on your department as well as keep the conflict out of our parties.

Mr. Resler: The motion presented would present the contribution limits, the format, in a sense, the same as what it currently is, so it would not change how we manage that. Currently the party and the constituencies have the separate contribution limits, and that would remain with this. So no impact.

Mr. Cyr: All right. Okay. Thank you.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much, Madam Chair. Again, I think anything we can do to maintain the two-bucket system is valuable. I know we've been around this mulberry bush a few times. We're beating a well-worn path around this unfortunate bit of shrubbery. I just think, again, it's very important for all of us on the committee to recognize that not all parties operate the same way. You know, I'm here on the Elections Alberta website right now, and to the best of my understanding the NDP have gathered exactly zero dollars into their constituency associations since the general election. Zero. All of the money goes into the central party. Now, feel free to correct me if I'm wrong about that, but that's the way the NDP operates. You're absolutely within your right to do that, and that's perfectly fine, but that's not the way other parties do it. That's not the way the Alberta Party does it although we do it to some degree that way. I know that's not the way the Alberta Liberal Party does it. I know that's not the way the Progressive Conservative Party does it. It's not the way the Wildrose Party does it.

I want to pick up on a comment made earlier, I believe by Mr. Nixon, that it is quite remarkable that you have parties on the opposition side that have, I think, a pretty diverse range of views, representing geographically all corners of this province, rural and urban, who disagree profoundly with the approach that this government is taking. I've cautioned you previously on the political risks and the perception risks that you run in tilting the playing field to the favour of one party over another. That's the effect that this motion has, and the subamendment strives to fix that imbalance.

I would really encourage the government to consider supporting it. I'm not optimistic, but I think it's well intended and does solve a problem, so I would encourage all members to please support this subamendment.

Thank you.

Mr. Cyr: Madam Chair, I've had a request. Can we put all of this into just an amended motion so we can all see what it looks like in its finality really quickly and then have it read out?

The Chair: Yeah. We can do that.

Mr. Cyr: Thank you, Madam Chair.

Dr. Swann: I was just going to add my support for this motion. It does preserve some of the way the opposition parties operate and doesn't compromise the government in any way in terms of its maximum. It just ensures that our constituency associations are playing a vital part. They're rewarded for the efforts that many of the volunteers do. It recognizes that they – in fact, I think it

empowers constituencies and local members to be more engaged, to feel some reward for the efforts that they're making and ensures that they have something to work with in anticipation of an election. So I think it's a win-win for both sides if we can find this compromise.

2:15

Mr. Dach: I have a question for the Chief Electoral Officer and his officials regarding transfers of money from a central party to constituency associations. My understanding is that they're quite capable of facilitating transfers between themselves in fashions that suit their requirements. Is that not correct?

Mr. Resler: Correct. The legislation currently allows parties, constituencies, and candidates within the same party to transfer funds.

Mr. Dach: So if a donor chose to donate centrally, they could determine what money needed to be channelled to constituencies according to their requirements as a party?

Mr. Resler: If the contribution was provided to the party, for their purposes the party decides on how those monies are to be allocated, yes.

Mr. Dach: All right. That's what I thought.

Dr. Swann: I think therein lies the challenge, Mr. Dach. There's a sense of, I guess, central control in the model that you're suggesting as opposed to a shared-control approach to fundraising and campaign management that empowers constituencies as opposed to reaching hands to the party office saying, "We think we deserve this," and the party saying, "Well, no. We think this other constituency has a better chance or has a better candidate," or "We've decided to give to certain people over others." This is not an empowering decision, in my view, to centralize everything and not allow either the donor or the local constituency to play their appropriate role in funding and an empowering election process. So that's precisely, I think, what is part of the tension here.

If I want to donate to my own constituency or if I want to donate to the candidate in my constituency, I have to leave that to the discretion of the central party. I don't think that empowers people to take on more of a role and have more active engagement in the political process. I think you're undermining that whole effort.

The Chair: Member Loyola.

Loyola: Yeah. I guess it surprises me that members across the way who usually want to support choice and freedom of decisions and things like that would be arguing against this. I mean, here we are trying to give the contributor the choice of what they want to do. They can either give it completely to the party, as I stressed before, or it's completely up to the contributor themselves. So depending on whichever culture they're used to – I'll put it that way, their behaviour. If they're used to contributing directly to a constituency association, there's nothing stopping them from doing that, right? The contributor can say, "You know what? For all my life I've given to constituency association X. I can continue doing that under this motion." There's nothing stopping them, right? The only thing that we're doing – and, you know, I checked with Mr. Resler during the lunch hour – is that under the current legislation they can give a total of \$5,000, but it has to be \$1,000 to each constituency.

Correct me if I'm wrong, Mr. Resler.

Mr. Resler: A thousand dollar maximum per one to a maximum of five to as many, but the five is the total.

Loyola: Yeah. So all we're saying now is that you're going to have to choose the one constituency that you want to give to, and you can give them a maximum of \$1,000, or you can divide that \$1,000 amongst any number of constituencies as you see fit, right? And then they give the remaining \$3,000 to the party if they want to. That's my understanding.

Dr. Swann: My understanding of what you're suggesting here is that \$3,000 minimum has to go to the central party for decision-making; only \$1,000 can be dedicated to the constituency. Am I misunderstanding this?

Loyola: No.

Dr. Swann: A limit of \$1,000 per calendar year to a constituency association.

Loyola: Yeah. That's what . . .

Dr. Swann: You're saying that the central party dominates decisions.

Loyola: No, no, no. That's got nothing to do with it. That has nothing to do with it. You can give – if there's a culture of giving the central party all of your money, well, you can continue doing that, too. If there's a culture of you giving a thousand to a constituency association, you can continue doing that, too. We're putting the choice in the hands of the contributor. Let me make that absolutely and abundantly clear. The choice continues to be with the contributor.

Dr. Swann: To a maximum of a thousand dollars.

Loyola: To a maximum of a thousand dollars. Now, under the current legislation, you could give a maximum of up to \$5,000 to constituency associations, but you could only give each constituency association a maximum of a thousand dollars. That's what we're trying to reduce. By reducing all the amounts that we're suggesting that people can contribute to political parties or constituency associations, we're saying that we're going to reduce it from \$5,000 to a thousand, but you can continue to choose however many constituency associations you want to divide up your \$1,000 by, right? We're still putting choice . . .

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

The Chair: Yes, Mr. Nixon.

Loyola: . . . in the hands of the contributor. We're not tying anybody's hands here.

Ms Jansen: Well, with all due respect, Mr. Loyola, you are tying people's hands here. That's exactly what you're doing, and that's exactly what the complaint is and the push-back.

You know, when I hear words like "this is about choice and freedom of decision," this is exactly the opposite of that. I think that in a perfect world when we talk about grassroots democracy, we talk about the ability for people to go out and not just find the party they want but to find the candidate they want and support that candidate if they have the view that that person is suited for public office and would make a good leader.

I know that in my constituency the people who come up and help me, a lot of them come out and help me because they want to see me succeed in that job because I help them in the community and they think I do a good job. That's why they hold fundraisers and

bake sales and things like that in order to ensure that our constituency association is strong and that they are contributing in a way that they feel is important. That, to me, is grassroots democracy. It's not just about the party; it's about the people in the community and their ability to make their voices heard, and they do that with their time, their effort, and their dollars. Let's be clear here, to use your language, that you are doing the exact opposite of that. You are limiting their ability to do that.

The Chair: Mr. Clark.

Mr. Clark: Thank you very much, Madam Chair. I'm a bit of a nerd, so I look at data. I try to base my decisions and my arguments on most things not on emotion. I can occasionally get emotional about things, and I can get especially emotional about data, if that hangs together; I think it does. It's been a long couple of days.

Dr. Swann: Does your wife know that?

Mr. Clark: She does. It's one of my most endearing qualities.

Moving on to the matter at hand, I did spend a little bit of time here – it's actually very easy to do, and our friends at Elections Alberta have done a fantastic job in laying out the data in a very accessible way. How many donations in calendar 2016, the first two quarters of reporting, for the NDP have gone to constituency associations versus how many have gone to the central party? The answer is: zero donations have gone to the NDP constituency associations by any donor in the first two quarters of 2016. All of the donations go to the central party.

So when we say that you are tilting the playing field by using your majority on this committee, using your majority in the Legislative Assembly to fit the rules to the way that your party works, that's not just some gut feel we sort of think. It's fact. How many donors does the NDP have greater than \$4,000 in 2016? Three.

2:25

So what you're doing is that you are tilting the playing field to fit how your party operates to the disadvantage of other parties, not just the other two big parties, not just the PCs and the Wildrose, but the Liberals and the Alberta Party as well. As we work to establish a foothold and to grow – and perhaps that's some political calculus that you have made in your grand party strategy, that there's some risk here that those of us that are centrist parties may somehow threaten your majority more so than the parties on the right. Maybe that's part of it, and you want to prevent us from rising and growing and gaining support.

Specific to this subamendment – we've said it a million times. Not only do different parties operate differently between constituency associations and the central party; the role of a constituency association and of a central party is fundamentally different. The role of a central party is big-picture policy, is province-wide engagement, is big-picture campaign planning. The role of a constituency association is main street. It is in our neighbourhoods, in our communities talking with and working with and empowering grassroots, real Albertans, not strategists and wonks sitting in some windowless office coming up with grandiose campaign strategies, the kind of stuff I think the NDP doesn't like very much.

What we ought to like is grassroots democracy. That's what I like. That's why I'm here. But what this effectively does is stifle grassroots democracy because it makes it more difficult for constituency associations to raise money, to operate, to reach out, to connect with Albertans, to get people irrespective of who they vote for engaged in the democratic process. That's what we ought to be doing in the Select Special Ethics and Accountability

Committee. That's our job. I hope you can see that because if you don't, you're clearly going to pay the price at the ballot box.

Just in closing, Madam Chair, I also worry that there is some calculus here, that should the current government find themselves no longer government after the next election and the next party, whoever it may be, goes and changes the rules back to something a little more reasonable, this creates a frame where the NDs can go: you see; you're tilting the rules in your favour. Perhaps we'll have the opportunity in four years time to have that very debate in this very committee room with a different set of characters. I also worry that that's part of what you're doing here. You're trying to poison the well for a future government.

There are a lot of things I don't like about this. This subamendment is one effort yet again to try to fix some of the things that are inherently wrong with the way you've gone about it, so I would encourage all members to support this amendment and move on.

Thank you.

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much, Madam Chair. I've been listening to the arguments and, you know, Mr. Cyr made his original amendment. I thought it would be useful for us to go through how we ended up here with these amendments. The reason why I want to go through this is that I'm sort of confused now about what the opposition is looking for.

We started off with the original motion. We had a \$4,000 contribution limit. Whether you're going to put all of that \$4,000 to a constituency association, whether you're going to put \$4,000 to an individual party, whether you're going to chop that \$4,000 up into maybe any number of individual constituency associations, it was up to the individual donor to do that. That seems to speak a lot to what I've been hearing from the other side about choice. It's about the choice of the individual donor to do that.

That was our original motion we had here, but then arguments came up that we needed buckets, that there could be undue influence, that we needed a thousand dollar maximum for individual donations to a particular constituency. Dr. Starke made, you know, I think an impassioned argument that a handful of people donating their full \$4,000 limit under the original motion potentially could unduly influence a particular constituency association. So we in this committee thought about it. We hummed and hawed, and we came up with this idea that we would have a limit of \$1,000 per calendar year to a particular constituency to address that concern of Dr. Starke. Then during that discussion of where we eventually ended up, there were passionate arguments from Mr. Cyr, in fact, that we wanted an amount that was additional, above the \$4,000, that we specifically needed that . . .

Mr. Nixon: Point of order, Madam Chair.

The Chair: Mr. Nixon, what's your point of order?

Mr. Nixon: The member seems to be, well, quite interested in this history lesson of the committee to date. I would disagree with much of it. He seems to be spending a tremendous amount of time focusing on talking about amendments that have already been voted on and not any time talking about the subamendment that's before this committee right now, so maybe he'd like to get back to the subamendment.

Mr. Malkinson: Okay. Perhaps I will get more quickly to my point, then.

We've had arguments for buckets, for a greater amount, and now we have a new amendment that is trying to have an amount, by

separating it up into even more, smaller buckets, that's under the \$4,000 amount after we had great discussions at length on how we needed a higher number and after great, impassioned arguments about donor choice. It almost sounds like the opposition wants to go right back to where we started. Like, I'm hoping for some clarification from the opposition about what exactly it is because it seems like we've had a very roundabout argument that they want one thing before lunch, and they want another thing after. I hope for some clarification on that.

That is why, talking to the member on the phone there, I sort of went through a little bit of a history lesson as I was following along with this, to sort of see where, you know, at least to me, there appeared to be some counterpoints. It's a different thing one time; it's a different thing another. I was hoping for some clarification from the opposition on that point.

The Chair: Mr. Nixon.

Mr. Nixon: Yeah. I will give you clarification on that point, Mr. Malkinson. Buckets matter to us more than these amounts. We've made that very, very clear. We respect and depend on the independence of our constituency associations. We're proud of them. I know the PC Party is proud as well. I can't speak as much for the other opposition parties that are around the table right now because I don't know as much about their parties, but we are definitely proud of our constituency associations. We respect their independence within our system.

The motion that has been brought forward by the government, which this subamendment is trying to fix, takes that away. It limits the ability of our constituency associations to work independently within our party, it takes away their power within our party, and it forces a centralization system down on them. It also creates a tremendous amount of complication for our volunteers who have to deal with the accounting, and at the end of the day it forces people to not want to participate in politics. That matters more to us.

Now, Mr. Cyr is bringing forward an amendment that makes very clear that we respect the number the government has come up with, the \$16,000, because we are in complete agreement that we need to lower it. His amendment does that. It takes care of the \$16,000 total donation limit, that the government members feel is important, but at the same time it respects the structure of other parties. As other members have already pointed out in this committee, the government party's constituency associations do not collect any money. I'm not sure what their role is within the government party. You know, I don't know. I can tell you that I've never been to an NDP constituency association meeting. As Dr. Starke has pointed out previously in this committee, it's their business.

What the government is forcing through right now will fundamentally change the way that our political parties work, take away the power from our grassroots within our party, and is something that we categorically reject. Mr. Cyr is providing an avenue for the government to be able to accomplish the goal that they've stated while still protecting the independence of other political parties.

I know the chair won't let me use the word "rigged," so I won't use it, but by voting against this, it will be clear that the government members are manipulating the system to the benefit of their party, and that is not right.

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

Mr. Sucha: Actually, no. Sorry. Mr. Malkinson addressed a lot of my concerns.

The Chair: Dr. Starke.

2:35

Dr. Starke: Thank you, Madam Chair. I'm going to perhaps try to provide some of the clarity that Mr. Malkinson is asking for. I'll see how successful that is. Very clearly, going back to the discussion we had yesterday, as you acknowledged, the \$4,000 unrestricted, unlimited donation created a situation where five individuals could completely bankroll a \$70,000 campaign, and I pointed that out. I think that did sort of land, and that was a realization that perhaps you didn't realize in your initial motion, a potential unintended consequence. The fact that you've included a \$1,000 per calendar year limit, which is consistent somewhat with what we have presently, I think is good because it does provide for constituency associations to be able to do fundraising, but it also means that any one person cannot contribute to an extent that they alone will have a significant or a huge bearing on the total amount that a candidate might spend, especially if we're considering, you know, a \$70,000 spending limit.

The problem that we have – and this is what I stated before lunch, and it's entirely consistent both before and after lunch – is that the unrestricted \$4,000 gives the New Democratic Party a 25 per cent or 33 per cent, depending on how you do the math, advantage over other parties because you don't do constituency associations. That is just simply unfair, especially given that our operations are that way and you know full well that they work that way. So to change, now that you're in a position where you do have the voting majority on the committee, the rules to specifically put other political opponents, other political parties at a disadvantage, I'm going to suggest again, clearly and consistently with what I suggested before lunch, is unfair. I can tell you with absolutely no fear of contradiction that if this had happened two years ago, your four colleagues that now sit in cabinet would have absolutely opposed any such manipulation of the electoral finances system. They absolutely would have.

As far as where we stand on this, I think that Member Loyola indicated that the \$16,000 seems to be a very important number that you wanted to get down to. My own suggestion, quite frankly, is that I think that it's going farther than is necessary. But if that is the number that your caucus has landed on as being the number that you want to be able to, you know, stand up and proudly indicate to Albertans as what you've done, well, quite frankly this allows for that. The \$16,000 is maintained. But it is also critically important, in my view, that the constituency associations and the central party, which, as has been correctly pointed out, operate at very different levels and have very different functions, be each provided with a specific contribution limit.

I believe that Mr. Cyr's suggested subamendment is one that is reasonable, is fair. It provides for the goal that the government members have stated of keeping a \$16,000 contribution limit, and it also allows for the operation of all political parties. Because of that I'm in favour of it. I hope that members can see themselves clear to supporting it, and then we can continue with some of the other issues that we need to deal with.

The Chair: Mr. Sucha.

Mr. Sucha: Thank you, Madam Chair. The one thing that I reiterate is the \$4,000. What I'm hearing from the opposition is that the system that they're advocating for is important to them, and I respect and I appreciate that. If we stay with the flat \$4,000, this can still exist because you can create your own internal policies and allow your internal party to dictate that that's going to be the case, that there is a cap on donations of \$3,000. There is nothing stopping

the internal parties from making those decisions. This is, in my mind, quite unnecessary because the internal party, if this is important to them, can do it anyway without this rule.

The Chair: Are there any further speakers?

Mr. Cyr: I respect where the member is coming from. I truly believe that the inexperience with the constituency associations drives the NDP towards this direction of no limits towards constituencies. Having been involved with my local constituency association for a number of years, I would say that it gives me and many of the colleagues at the table an understanding of how constituency associations work because they've been in that and done it. They've worked with the CFO. They've created the donation slips. They've been involved in the process from the beginning to the end, and they've done it many times. The government hasn't, which is what our concern here is.

We are actually trying to encourage them to understand that while we understand that they don't want constituency associations to be involved in the political process, we do. By making this harder for us, we're going to be at a disadvantage. If that's the goal of the government party, then this is achieving that. The fact that you don't understand constituency associations and how their makeup works is very evident with this whole thing.

The fact that we are trying to work with the government – we consistently heard that the number was important, and now we get down to this point where we've said: "Fine. We see this is where you want to land, so here we are." And we find out that the number actually wasn't – in the end, it was always about the buckets. That's what's evident here, that this has nothing to do with the number. It has everything to do with the fact that you just want one limit for all and you want to ignore our constituency associations, and that is a very unfortunate development in this. I see that it appears that there is a movement that is trying to limit where the opposition is able to work at a grassroots level, and to be honest, I take offence.

The Chair: Ms Renaud.

Ms Renaud: Thank you, Madam Chair. I've heard a number of people across the way say, you know, that they don't really know how the NDP works and how things are financed or how things flow. That's a fair statement for you to make, so I'd like to explain a couple of things. It may appear, in fact, that there aren't active constituency associations, but the way that people process donations or funds is not representative of how activities are run. To say that we don't have active constituency associations is incorrect. We do. You may not see funds flow the same way that your party does, but we do the same work in constituency associations. Not all of them are as old or as strong as other ones, like other parties', but that's just the reality.

You know, with all due respect, I think that this isn't about buckets; I think this is about a number. This is about a financial number, not buckets. I think the first attempt was to give a little bit of flexibility . . .

Mr. Nixon: Well, good, because we gave you the number you wanted.

The Chair: Mr. Nixon, did you want to be added to the speakers list?

Mr. Nixon: Yeah. I would because I want to point out to the speaker that we gave her the number that she wanted, so that's good. She should vote for the motion.

The Chair: I have you on the speakers list. Thank you.
Ms Renaud.

Ms Renaud: Thank you. That's it.

The Chair: Mr. Nixon.

Mr. Nixon: Madam Chair, are you saying I can speak now?

The Chair: You are next on the list. Go ahead.

Mr. Nixon: Oh. Thank you very much. Again, we have another government member saying very clearly that this is about the amount. Mr. Cyr has brought forward an amendment that without a doubt makes it clear that that amount will be the recommendation of this committee. There's a chance for it to be passed with every party supporting it, assuming that it goes the way I think it would if we vote in support of Mr. Cyr's motion. So if it's truly about the amount, then the government would vote for it. But I suspect that we're about to find out that it's not about the amount, that Mr. Cyr in his last comments is correct; it's about the government trying to rig the system to hurt other parties.

2:45

Mr. Nielsen: Madam Chair.

The Chair: Mr. Nielsen, go ahead.

Mr. Nielsen: Thanks, Madam Chair. I'm calling a point of order on this. You have repeatedly counselled the member on that type of language use. I now suggest that he withdraw and apologize to this committee.

The Chair: Mr. Nixon, are you prepared to withdraw the statement using the phrase "rig"?

Mr. Nixon: Sure. I'll withdraw the phrase "rig," absolutely, and apologize for the phrase "rig" and will then continue with comments if that's okay.

The Chair: Go ahead.

Mr. Nixon: To be clear, then, because the word "rig" seems to cause a lot of frustration for the government members, this is being set up exactly the way that the government has proposed as far as the amount. By voting against it, it will definitely appear to most Albertans that this government is now using this committee to try to manipulate the system against the opposition parties, and that would be extremely unfortunate.

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

Mr. Clark: Thank you, Madam Chair. I don't have time to go through the Elections Alberta reports, all 87 of them, for the New Democrat constituency associations.

The Chair: I am hoping that we can bring new material to the discussion on the subamendment.

Mr. Clark: Sure. I'd love to do that, and I will get there. I would like to ask Ms Renaud: because you'd indicated that there are active constituency associations in the NDP world, because I do think that's really the material issue we're talking about here, how financing works to support democratic activity, can you point me to a constituency association that has even assets in a bank account? I haven't found any yet. There may be some. If you know of any, I'd really appreciate you sharing that with the committee because it

certainly doesn't seem like there is any activity happening there, and again it just makes that argument. If there is data that shows that, in fact, you operate in a different way that I'm not understanding, I would love to hear it.

Ms Renaud: Just to clarify, I was going under the assumption that the role of a constituency association isn't just to manage a bank account. As I said, different parties operate or manage finances differently, so if they're processing donations or funds, we're doing it in a different manner. That doesn't mean there isn't an active and strong constituency association. Maybe my question to Mr. Clark is: what is the role of a constituency association?

Mr. Clark: I've got a great answer to that. Again, the role of a constituency association is to be reaching out, selling memberships, I believe, raising money for the next campaign, and being active in the community. Perhaps that is happening with the NDs. I haven't seen a ton of evidence of it. It all seems to be high-level air game kind of central control stuff. Maybe it's happening.

You know, the issue is not so much how the NDP chooses to operate. That is entirely up to you. But to skew the system to favour one party over another, in this case the government party, to craft rules that apply to everyone that suit only one party's means of operation just feels wrong. We've made that point over and over again. Again, I'm just trying to come up with any evidence, to ask you for any evidence – perhaps there's something I'm not aware of – of how you operate that would refute my feelings and those of the folks on the opposition side. I have yet to see it.

Ms Renaud: Well, I think, certainly, if it was just about the bank account, you know, that would certainly be within our range of choices, to open and manage a bank account. The NDP operates funds in a different manner. As far as the activities of constituency associations, they're not all up here. A lot of them are on the ground. If you drop by St. Albert Saturday night, we can introduce you to some activities. But I think, again, that constituency associations are more than just bank accounts, and when you continuously go back to "This report says this; this happened here" – certainly, we process funds in a different manner.

Thank you.

The Chair: Mr. Malkinson.

Mr. Malkinson: Thank you very much, Chair. Marie just made my point about bank accounts. You know, I feel like we've sort of beaten this to death, and I know for myself that I am ready to vote on this amendment.

My final comment is going to be that the suggested amendment would do precisely what the opposition has opposed so greatly throughout this conversation, which talks about imposing a specific method of collecting donations. This amendment just puts it the other way as opposed to where we started, which I thought was quite fair. So I am personally not in favour of this particular amendment, and I'm going to be voting it down. I feel like we've discussed this at length, and I'm ready to vote on it if that is the committee's will.

Mr. Cyr: I would like to mention that when you look at the provincial parties – the Wildrose, the PCs, I believe, the Alberta Party and Liberal Party – a lot of us have active CAs, that are working. But we also need to go to the federal parties, that you have referenced several times in this, and they also have active CAs and collect on CAs. So when you look at the fact that the Alberta ND Party seems to be the anomaly here, not the rule of how political parties work, I would say that it appears that this is leaning us in a

direction that isn't accepted practice in Alberta at all, and I don't understand why we would go this direction.

I would encourage you to support my amendment because this is the direction that most political parties are using within Alberta, and I don't see why suddenly we need to change direction.

Ms Jansen: Just to Ms Renaud's comments and just, you know, the way we look at constituency associations – and I found this helpful from the time I started. To me, a constituency association is a group of people who've come together to support you as an MLA and to raise money to make sure that you are re-elected as an MLA. That is the main role of a constituency association. It's written right into our constitution.

For us, the perception issue comes when the NDP executive director is president of 34 of your constituency associations and a paid employee is CFO for 35 of your constituency associations. We don't see that grassroots involvement, and herein lies the problem, that we look at constituency associations in a very different way. The rules you're looking at are very much designed to suit your government and not any of the other groups here at the table.

The Chair: Is there anyone further to be added to the speakers list on the subamendment? On the phones?

Ms Rempel, would you mind reading the subamendment into the record first?

Ms Rempel: Thank you, Madam Chair. The subamendment made by Mr. Cyr is that the amending motion be amended to add "and a limit of \$3,000 per calendar year to a registered party" after "constituency associations."

The Chair: All those in favour of the motion, say aye. Those opposed? On the phones? That is defeated. I will take a recorded vote, starting to my right.

Mr. Dach: MLA Dach. No.

Loyola: MLA Rod Loyola. No.

Mr. Nielsen: MLA Chris Nielsen. No.

Mr. Horne: MLA Horne. No.

Connolly: Michael Connolly. No.

Mr. Malkinson: Brian Malkinson. No.

Mr. Sucha: Graham Sucha. No.

Ms Renaud: Marie Renaud. No.

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

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

Ms Jansen: Sandra Jansen, Calgary-North West. Yes.

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

Dr. Swann: David Swann, Calgary-Mountain View. Yes.

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

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

Mr. van Dijken: Glenn van Dijken, Barrhead-Morinville-Westlock. In favour of subamendment.

2:55

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

The Chair: Jessica Littlewood. No.

That subamendment is defeated.

We are back on the amendment. I will open up debate on the amendment. Is there anyone on the phone who would like to be added to the speakers list?

Dr. Starke: Well, Madam Chair, I guess one thing in all of our consideration and discussion of all of this – and I'm not sure if this is coming up in a later motion or if this is our only chance to discuss it, but it strikes me that in all of this discussion we've had no discussion whatsoever about contributions to individual candidate campaigns. It's silent on that.

My concern is that if we don't at least bring it up and discuss it, we may be in a situation where the only way that contributors can contribute to a political party or to a candidate is by contributing to a central party or to a constituency association but, indeed, the whole notion of candidates fund raising for their own election campaigns is now eliminated. I would suggest that that is something that most Albertans would not want to see happen. If that's something that's in keeping with the government members' desires as far as how we change our electoral financing process, I'd like to hear about that, and I'd like to hear why they feel that that would be beneficial.

But I do think that at some point, whether it's by adding amendments to this particular motion or by making sure that there is a motion that we discuss at some future point, we make sure that we at the very least discuss what the appropriate limits are for donations to individual candidate accounts because if this is the sole motion that deals with the contributions to political parties in their operations in the province, right now that means that when you are a nominated candidate, you are completely dependent on either your constituency association or your central party transferring funds to your campaign and that you're actually not even allowed to fund raise. That would be a concern to me.

If that's the intent of the NDP members, I'd sure like to hear about it, and if it is not, I'd like to hear what their suggestion is as far as how we should remedy that.

The Chair: Member Connolly.

Connolly: Yeah. Thank you, Chair. Just to go back, the motion as it reads right now is that the Select Special Ethics and Accountability Committee recommend that that the Election Finances and Contributions Disclosure Act reduce the contribution limit to \$4,000 per calendar year and be indexed to inflation with no variation during the campaign period. So I just want to check with the CEO that that would then say that you can donate to either a candidate or a political party, actually, as the original motion reads without the amendment. That's how it would be; it would be "party."

Mr. Resler: Actually, it's not clear to me either because then I'd also throw in – because we're now regulating nomination candidates and we have leadership contestants, does it apply to all five: party, CA, candidate, leadership contestants, nomination contestants? Or is it restricted within the three: party, constituency, candidate? So I'd ask for some clarity also.

Connolly: Right. As I understand it, it would be \$4,000 per year, if this amendment is passed, with \$1,000 going specifically to constituency associations. That's how I would understand it.

Mr. Resler: So \$4,000 for the three or the five?

Connolly: It would be either \$4,000 . . .

Mr. Resler: Aggregate in a calendar year.

Connolly: Yes.

Mr. Resler: To any political association or entity type of thing.

Connolly: That's how I would understand it. However, I would ask Mr. Nielsen for clarification.

The Chair: Mr. Nielsen.

Mr. Nielsen: Yes, Madam Chair. Yeah. That's the intent.

Mr. Clark: This is one heck of a can of worms. So just so I'm clear – and I will ask this question as clearly as I can. I'm trying to pick up on what the Chief Electoral Officer said. I think this is a really essential point. We have five, I guess, the NDP – sorry; it's getting late. My brain is a bit fried after two full days of committee meetings. The government side, based on the motions that we're considering and that have been passed, envisions five I guess buckets, if you will, just to use that term, or five categories of fund-raising and spending: a party nomination process, a constituency association, a political party, a leadership contest, and an election candidate. Those are five separate entities or buckets or categories. Is it the government's intention to limit the aggregate total donation in one calendar year to \$4,000 across all five of those entities? Is that even something you've thought about? It sounds facetious, and I don't mean it that way. Is that, in fact, something that you've contemplated? If it is, is it, in fact, your intention to limit to \$4,000?

Thank you.

Mr. Sucha: Madam Chair, I apologize for interrupting. I find we're getting off the topic of the amendment right now, and I was hoping that we could continue to address this, and then we can go to the other topics when we start talking about the main motion again.

Mr. Clark: I think the reason this topic is relevant in speaking on the amendment is that it will help us inform our position. Perhaps there's some remarkably persuasive argument you could make or that we could make to sway the other side on this topic. I think that having an understanding of whether this discussion of "within the aggregate limit of \$4,000" applies only to constituency associations and parties: is that it? Or perhaps if we work up to the main motion, it may also include candidates during an election cycle. That's my understanding of what your intention is. But does it also include nomination contests and leadership contests, which, given the let's call it fluid nature of the Alberta political landscape right now, are somewhat more frequent than perhaps we may ordinarily see? Regardless, it's at least conceivable that all five of those things happen in a year. That's why it is relevant to this amendment, so I would really appreciate some insight from the government side on that.

Thank you.

Mr. Sucha: Overarchingly, the amendment as it reads, as it has been laid out right now, is dealing with the concerns that have been addressed by Dr. Starke in relation to one individual being able to bankroll an entire campaign. That was the intent of putting this motion down, to address these concerns that had been brought forward by the other side.

The Chair: Ms Jansen.

Ms Jansen: Sorry, Chair. MLA Clark asked a question, and I think many of us would really like to know an answer to that. It's pretty important. Can we get an answer to that question?

Loyola: I think that Mr. Nielsen made it clear that it was to all five. He stated as such on the record that we're all very much aware that once the writ drops, then the constituency association bank account must close, the candidate must open up a bank account, and funds are then transferred from the constituency association bank account to the candidate's bank account. Perhaps Mr. Resler can correct me if I'm wrong, but that's my understanding. It's very much included in that. By no means are we saying that a candidate cannot raise funds.

The Chair: Ms Jansen.

Ms Jansen: Sorry. This doesn't happen all the time, but it does happen. It probably hasn't happened across the aisle, but it certainly has happened in other parties, where a constituency association decides not to offer up much in the way of money to a candidate to run. What happens in a case like that, where the constituency association says: "Meh. You're on your own. We'll give you maybe 10 grand even though it costs a lot more than that to run a campaign. The rest you're on your own for"? What do you do in a situation like that? Anyone?

Mr. Clark: You raise the money.

Ms Jansen: You raise the money yourself as a candidate. Ah.

3:05

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

The Chair: Yes.
Dr. Swann.

Dr. Swann: Yeah. I'm genuinely confused, and it may be the lateness of the day, but I thought we were only talking about a cap on party/constituency shared funding. Now I'm hearing that this would also include the candidate nomination process or a leadership convention. I think that maybe we need to take a break and think about this and revisit this at our next meeting, so I'm going to call for an adjournment. I can't get my head around what it is I thought I was voting on, and now there's some confusion perhaps with the CEO as well. He raised the question himself, sounding like he was also surprised that this included all five categories. Do we want to think about this and come back to this?

I move that we
adjourn debate.

The Chair: All those in favour of adjourning debate, say aye. Those opposed? On the phones? It's carried.

I would like to give the committee the chance now to give notice of new motions. I know that there was some discussion about that there was a motion that was coming from Mr. Nixon yesterday as well as there are potentially some more motions coming from Mr. Clark.

Mr. Nixon, are you ready to read your motion into the record?

Mr. Nixon: Just two seconds, please. Mr. Clark can go first if he likes.

The Chair: He deferred to you, so we perhaps will wait until one of you is ready, then.

Mr. Clark: Age before beauty.

Mr. Nixon: Madam Chair, I'm good to go.

The Chair: Go ahead, Mr. Nixon.

Mr. Nixon: Okay. I have the wording now, Madam Chair, of the changes, with some help from counsel. My understanding is that you guys have a digital copy there. Is that correct?

The Chair: Yes. We can have a digital copy sent.

Mr. Nixon: Okay. Are you ready for me to read it, or do you want to put it up on the screen first?

The Chair: Go ahead and read it.

Mr. Nixon: Okay. Moved by Mr. Nixon that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended to (a) add the following definition to section 1(1): related nonprofit association means an entity established for a purpose other than to make a profit and which has the same person occupying the position of director by whatever name called as a registered party, (b) prohibit a registered party from receiving loans or regular payments from a related nonprofit association or an extraprovincial political party, and (c) require the registered party to disclose to the auditor of the registered party for the inclusion on the financial statements any transaction the registered party had with the related nonprofit association or any extraprovincial political party.

The Chair: Mr. Nixon, are you giving notice to the committee to come back to deliberate on this, or are you making a motion to discuss this at this point?

Mr. Nixon: I think that given that there are other members who want to get motions out, I'm giving notice to come back and discuss later.

The Chair: Thank you. We'll ensure that the other committee members on the phone have the motion as well, then.

Mr. Nixon: I have a second one, but I don't know if somebody else wants to go first.

The Chair: I think you can go ahead.

Mr. Nixon: Okay. My next one – and I'll go slowly because I don't think there's a digital copy of this – is that

the ethics committee move that the EFCD Act be changed to require political parties to disclose to Elections Alberta the identities of all of its provincial directors, provincial officers, and/or provincial executive members and to further require Elections Alberta to make that information public on a quarterly basis.

Ms Rempel: May I read that to make sure that I've got it?

The Chair: Go ahead, Ms Rempel.

Ms Rempel: Thank you, Madam Chair. Mr. Nixon, I'm just going to read back what I believe you said to make sure that it's accurate. I have that you intend to move that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be changed to require political parties to disclose to the Chief Electoral Officer the identities of all of its provincial directors, provincial officers, and/or provincial executive members and to further require Elections Alberta to make that information public on a quarterly basis.

The Chair: Is that correct?

Mr. Nixon: That is correct.

The Chair: Mr. Clark, are you ready with your motions?

Mr. Clark: Yeah. Madam Chair, thank you. You and I had a very brief conversation in the hallway about the motions here that Elections Alberta has asked for us to consider based on some of their recommendations. Some of them are dealt with in adjourned break to have a quick conversation perhaps with yourself or even members of the government side and Elections Alberta just to get my head around each one of these. I'm hopeful that these are ones that are relatively uncontroversial and straightforward.

3:15

But I have to say that in all the to-ing and fro-ing that we've done, I have not had an opportunity to review these thoroughly to the point where I'm comfortable actually putting my name to moving them, because I'm not certain that I necessarily support each one of them. I'm not saying that I won't. I just have to say that I haven't had a chance to do that yet.

If there are members of the committee who have done so and would be willing to move some or all of these motions, certainly I would welcome that. I don't feel I'm in a position to do that right now.

The Chair: Mr. Clark, do you have questions of the CEO at this time? Perhaps you could put this on the record.

Mr. Clark: You know, I'm afraid it's just not something I've given enough time to go through. It's a 10- or 15-page document, and while I appreciate the summary and I suspect these are relatively innocuous, I would like to have the opportunity to review that before I move the motions or perhaps have that fall to someone else. It certainly doesn't need to be me.

The Chair: So you're not ready to make any motions currently?

Mr. Clark: I'm not ready to make any motions. If there are others who are, then great. Perhaps we can add this to other business at another time or to the agenda on Monday or another meeting, but I'm not in a position to do that now.

Thank you.

The Chair: Mr. Cyr.

Mr. Cyr: Thank you, Madam Chair. I'd like to move a motion that the Select Special Ethics and Accountability Committee recommend that the Election Finances and Contributions Disclosure Act be amended, that transfers from a political party to its constituency associations or candidates in a constituency cannot exceed the aggregate of the money raised by the party or constituency association from donors resident in that constituency since the last election held in that constituency.

The Chair: Mr. Cyr, would you be able to confirm the text on the screen?

Mr. Cyr: That is what I read out. Thank you.

The Chair: Is this notice, or are you making the motion right now for discussion?

Mr. Cyr: I guess I should take a look at the time here. I will give notice, and if we have time to get back to it, that's fine.

The Chair: Is it the will of the committee to break for five minutes for Mr. Clark to figure out the motions that he wants to bring forward that were recommended by the Chief Electoral Officer? Okay. We will reconvene at 3:25 p.m.

[The committee adjourned from 3:19 p.m. to 3:31 p.m.]

The Chair: I will call the meeting back to order, please.

Are there any further motions to be read into the record at this time?

Seeing none, if it's the will of the committee, then as part of Monday's agenda committee members could bring forward additional motions at that time.

Okay. We are now on to other business. Is there any other business that the committee members would like to bring up at this time?

Mr. Clark: Madam Chair, my sincere apologies if this is something that was circulated in great detail about Monday's meeting which I missed, but could we just discuss briefly what is on the agenda for Monday and how the committee envisions Monday going? Are we going to be continuing our deliberations on Monday, or is it going to be a planning, report-writing discussion only?

The Chair: On Monday I think that so far the discussion would be around the section of the PIDA report that will be for the Public Interest Disclosure (Whistleblower Protection) Act. Then there will be a walk-through, of course, given by Parliamentary Counsel. Then there would be the discussion of the mandate for the committee going forward, whether to ask for an additional mandate from the Legislative Assembly and on what acts would be covered therein and the date the committee would be looking for as a due date for that, in essence. I believe that that would be the time also when parties would be able to make their own minority reports or would be told that they could make their own minority reports given that they have the draft of the PIDA report at that time. Then for part of that meeting also we could go to listing new motions that you would like to bring forward.

Mr. Clark: Okay. Do you envision any deliberation, then, on Monday? Is it simply putting motions on the floor, or do you envision that we would actually spend some time deliberating?

The Chair: I believe that that would be at the will of the committee.

Mr. Clark: May I ask my committee members – and if perhaps administration can give us some insight – as to how long you feel that the discussions about the draft report may take? The mandate may take a little while; that might be a little difficult to predict. The discussion of the draft report: do you have a sense of how long that may take?

The Chair: Dr. Massolin.

Dr. Massolin: Thank you, Madam Chair. Well, it really depends on the committee because it depends on how the committee reacts to the report in terms of wanting revisions, potentially, or just accepting it as is. It could go quickly, as it has done in the past, or it could take a little bit of time. I mean, I don't know how long. It's hard to predict.

Mr. Clark: I guess, from my perspective, I would like to at least leave the option open. I know we're only meeting for half a day on Monday, but given that time is short, it would be good if we can spend as much productive time as possible deliberating if we possibly can. I would suggest we all come prepared to deliberate.

The Chair: Does the committee agree to that? It looks like there is general agreement.

Mr. Clark: Thank you.

The Chair: Is there anything else that committee members would like to bring up?

Okay. The date of the next meeting will be 9 a.m. on Monday, September 12, 2016. A proposed agenda will be made available shortly.

If there's nothing else, I would call for a motion to adjourn. Moved by Member Connolly that the September 9, 2016, meeting of the Select Special Ethics and Accountability Committee be adjourned. All in favour? Any opposed? On the phones? That is carried.

[The committee adjourned at 3:35 p.m.]

