



Legislative Assembly of Alberta

The 27th Legislature
Third Session

Standing Committee
on
Public Safety and Services

Financial Disclosure Rules for Leadership Contestants

Presentations

Thursday, July 8, 2010
9 a.m.

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**Legislative Assembly of Alberta
The 27th Legislature
Third Session**

Standing Committee on Public Safety and Services

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Standing Committee on Public Safety and Services

Participants

Progressive Conservative Association of Alberta	PS-313
Bill Smith	
Alberta NDP	PS-317
Rachel Notley	
Alberta Party	PS-320
Edwin Erickson	
Bob Whyte	
Alberta Liberal Party	PS-322
Corey Hogan	
Wildrose Alliance Party	PS-324
Vitor Marciano	

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[Mr. Drysdale in the chair]

The Chair: I guess I'll call the meeting to order. Welcome, everybody, to the Standing Committee on Public Safety and Services. We'll go around the table and introduce ourselves. When we're done, I'll ask the members who phoned in to introduce themselves as well. I'll start with my left.

Ms Rempel: Jody Rempel, committee clerk, Legislative Assembly.

Mr. Allred: Ken Allred, MLA, St. Albert.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Mr. Sandhu: Good morning. MLA Peter Sandhu, Edmonton-Manning.

Mr. MacDonald: Good morning. Hugh MacDonald, Edmonton-Gold Bar.

Dr. Massolin: Good morning. I'm Philip Massolin. I'm the committee research co-ordinator, Legislative Assembly Office.

Ms Notley: Good morning. Rachel Notley, MLA, Edmonton-Strathcona.

Mr. Johnson: Jeff Johnson, Athabasca-Redwater.

Mr. Rogers: Good morning. George Rogers, Leduc-Beaumont-Devon.

The Chair: I'm MLA Wayne Drysdale, chair, from Grande Prairie-Wapiti. I'd also like to point out for the record that Mr. Allred is participating as an official substitute for Dr. Brown. Now we'll go to the people on the phone. I think Heather's there for sure.

Mrs. Forsyth: Hi. Heather Forsyth, Calgary-Fish Creek.

Mr. Boutilier: Good morning. Guy Boutilier, MLA, Fort McMurray-Wood Buffalo.

The Chair: Good morning, Guy.

Mr. Boutilier: Good morning.

The Chair: So that's all. We have two on the phone. Good morning, everyone.

First of all, we'll approve the agenda. Everybody has had a chance to look at the agenda.

Mr. Rogers: So moved, Mr. Chairman.

The Chair: Okay. Thanks, Mr. Rogers, who moved the agenda. All in favour? Any objections? The motion's carried.

Next we'll adopt the minutes from the previous meeting of June 9, 2010. Any errors or omissions?

Ms Calahasen: No. I move the minutes.

The Chair: Moved by Ms Calahasen to adopt the minutes from June 9, 2010. All in favour? Opposed? Carried.

That takes us to number 4 on the agenda, review of financial disclosure for leadership contestants. At the last meeting the committee passed a motion to invite representatives from all registered political parties in Alberta to meet with the committee on the issues of financial disclosure for leadership contestants. The five parties who accepted our invitation have been scheduled to make presentations this morning. A half-hour time slot is being set aside for each group, including up to 10 minutes of presentation time followed by 20 minutes for questions from committee members.

At this point I'd like to invite Mr. Smith from the Progressive Conservative Party to join us at the table. I have some housekeeping things. I'll remind the presenters that they do not need to operate the microphones as this will be done remotely and that presentations are a part of public record, that the meeting proceedings are recorded and transcribed by *Alberta Hansard*, and that a live audiostream is broadcast on the Internet. You have up to 10 minutes for your presentation, and then we'll have 20 minutes for questions. I'd ask you to begin by introducing yourself.

Mr. Smith: Good morning. My name is Bill Smith, and I'm president of the Progressive Conservative Association of Alberta.

The Chair: Good morning. Thank you, Mr. Smith. I'll give you the floor to do your presentation.

Progressive Conservative Association of Alberta

Mr. Smith: Good morning. Thank you very much for having me this morning. On behalf of the Progressive Conservative Party it's an opportunity that we appreciate being given. As you are all aware, we underwent a leadership contest race in 2006. As members of other parties will know as well as our party members, it's a very stressful event, and it's a very arduous process. At the end of it there are always opportunities for improvement.

One of the things that came out of our leadership contest was some recommendations in terms of leadership campaign contributions, disclosure of those items. At that point in time there was no legislation in place, and our party did not have any specific rules governing contributions. A number of our leadership candidates chose to rely on the Freedom of Information and Protection of Privacy Act in disclosing the contributors to their campaign. That, of course, requires that they have consent of the individuals to release the information. As a result of that we found, obviously, at the end of the process that that wasn't the ideal process.

Following that, in 2007 at our annual general meeting a resolution was passed by our party to recommend to the government of Alberta that legislation be enacted regarding disclosure of campaign contributions and expenses. We fully supported that. That resolution passed at our AGM. I believe it was in 2008 the Chief Electoral Officer made this as one of his recommendations, and then that was followed up by the tasking from the Minister of Justice to this committee to look into this issue and to make recommendations, as I understand the way this is to go. The Progressive Conservative Association of Alberta believes in openness and transparency and believes that it's critical for Albertans and our party members that we as a party be as open and transparent in our processes as we can in order to maintain the confidence of Albertans and members in the political process.

You know, I would congratulate the Legislature on some legislation that they've passed under the leadership of Premier Stelmach, most recently the legislation regarding the lobbyist registry. We think that that's a terrific piece of legislation regarding openness and transparency. The fact that cabinet ministers' expenses are available

online: we think that's a great step forward. We think that the availability of access to information on government contracts is also great. We as a party support openness and transparency.

As such, myself as president of the party along with the leader of the party, we have committed as a party that before the next leadership contest that we'll have within our party, we'll require of our candidates full disclosure of all campaign contributions and expenditures regardless of whether legislation is passed by that point in time or not. Frankly, we would challenge all other parties to look to that end.

Other than that, I really don't have a lot to go on about. I look forward to your questions. Again, thank you for allowing me to participate.

The Chair: Thank you, Mr. Smith.

We have some people on the speakers list. We'll begin with Mr. MacDonald, followed by Mr. Rogers.

Mr. MacDonald: Thank you very much, Mr. Chairman, and good morning, Mr. Smith. I think the political process is better served with what you're planning to do the next time you have a leadership race and it's a full disclosure. The Alberta Liberal Party certainly did that the last time we had a leadership race.

I have a question. I don't know if I understood your opening remarks correctly. I know Ed Stelmach in his leadership campaign had partial disclosure of his financial donations. Ted Morton: I'm unaware of any disclosure of his financial supporters. How does the FOIP Act – you mentioned the FOIP Act as being an issue. Do we need to change the FOIP Act?

9:10

Mr. Smith: No. I don't believe we do. What I said was that a number of our candidates used the guidelines of the FOIP Act in reporting their contributors. If they didn't have consent from the individuals to report their contributions, they wouldn't do it.

Mr. MacDonald: Okay. That was in the guidelines, you say.

Mr. Smith: No, no. I said that was a guideline that they used. As I said, there was no legislation in place, and we didn't have specific rules governing disclosure at that point in time.

Mr. MacDonald: Thank you.

The Chair: Thank you, Mr. MacDonald.

Next Mr. Rogers, followed by Ms Calahasen.

Mr. Rogers: Thank you, Mr. Chairman. Mr. Smith, thanks for your presentation. I wanted to just clarify what I heard you say, that it's your intention and you anticipate that the PC Party will be moving in this direction, so essentially if we pass legislation requiring this kind of disclosure, basically, the PC Association of Alberta likely will be ahead of that or in step. Is that what I hear you saying that you anticipate?

Mr. Smith: I would anticipate we would be in step with it. It depends on when our next leadership race takes place, but we'll definitely have it in place before that occurs.

Mr. Rogers: To be ready.

Mr. Smith: I don't know what your timing would be on the legislation.

Mr. Rogers: Fair enough. Thank you very much.

The Chair: Thank you, Mr. Rogers.

Ms Calahasen, followed by Ms Notley.

Ms Calahasen: Thank you very much. First of all, thanks for coming to present. It's good to see a president of an association come forward to be able to bring some comments in terms of the proposed legislation. My questions are a few. You indicated that you would support the idea of and the PC Party would want to see financial reporting by individuals who are in a leadership race. So my question is: should the identities of the contributors and the specific amounts contributed by them be also a part of that disclosure, and what amount should be the required amount that, in your view, should be considered?

Mr. Smith: I guess there are about three different provinces and the feds that have rules around that right now. The disclosure amount, I think, in B.C. is \$325 or something of that nature before you're required to disclose the individual's name. Frankly, we haven't turned our minds to the actual dollar figure that we think would be the right dollar figure in terms of that, so I'm afraid I can't add particularly to that question.

In terms of donors, then, that would flow from there as well, who the donors are. I believe a couple of the different legislations require all donors to be named, and under a certain amount they don't have to. As with many volunteer organizations, because we're not into or ramping up for a leadership race at this point in time, we haven't spent the time to go over the details on that.

Ms Calahasen: Second question, Mr. Chair. Should there be restrictions, then, on who may contribute to any of the leadership contestants or limits on amounts that may be contributed? What are your thoughts or the party's thoughts on that?

Mr. Smith: I would think the thoughts would be that there should be limits, and I think probably the Elections Act would be a good governing piece of legislation to go on on that. I mean, I don't think it would be in anybody's interest to have the ability for any one individual or company or entity to make a contribution of such a significant nature that it changes the balance of the leadership race. I think the Elections Act probably would be a nice guideline to use.

Ms Calahasen: Thank you.

The Chair: Thank you.

Next Ms Notley.

Ms Notley: Thank you. I just want to sort of confirm. Two questions, I guess. The first one is to sort of lay it out. You're saying that your party's position is that, generally speaking, you're in favour of more disclosure. Do you have particulars about that disclosure, or are you suggesting that it would be essentially having leadership races monitored or covered as though they were under the Election Act and, basically, subject to a parallel set of rules?

Mr. Smith: As I said, we're going to institute before our next leadership race a full disclosure requirement of all our candidates. If there is legislation that parallels that and requires that, we'd be very supportive of that.

Ms Notley: When you say disclosure, you're talking spending as well as income coming in?

Mr. Smith: Absolutely. Contributions and expenses.

Ms Notley: Right. Okay. Thanks. Then my question is – and I'm just curious because we really have been having a conversation around the table about this – how would you see a leadership campaign and the duration of it being defined? The reason I say that is because, you know, you have those scenarios where the party declares a leadership campaign, but perhaps six months before that the outgoing leader does a little wink-wink, nudge-nudge to his favourite or her favourite successor, and that person starts raising money then, or alternatively you have the thing where former Prime Minister Paul Martin was raising money for about 10 years. You have all those different dynamics, so I'm just curious as to what your thoughts would be in terms of how you'd define the leadership period.

Mr. Smith: Well, I think that's an interesting challenge for your committee to be able to determine. I would think, you know, not different than what we do as parties now where we raise monies for our local constituency associations and for our provincial bodies; there's an ongoing reporting process for that. I guess, and I'm sort of spitballing here, that if a candidate comes forward and is bringing forward money that they've had contributed to them prior, I think all of that would need to be disclosed, and all of those contributors, depending on the guidelines, would need to be disclosed. I think that would be fair.

Ms Notley: Thanks.

The Chair: Thank you, Ms Notley.

Next Mr. Allred, followed by Mr. Sandhu.

Mr. Allred: Thank you, Mr. Chair. Thank you, Mr. Smith, for your presentation. Mr. Smith, in your presentation you've suggested that you would certainly abide by legislation if it was brought in, but if it wasn't brought in, you would implement your own disclosure rules. What would be your preference? Would you prefer to have standard legislation that would cover all parties, or would you prefer that each party come up with their own rules?

Mr. Smith: Well, I guess from a Conservative standpoint that if the imposition of a particular piece of legislation costs the taxpayer a significant burden, then we would not particularly support that. If it can be done on a sort of reasonable cost basis, you know, such that Albertans aren't bearing the burden of it, and if it's cross party, if it's applicable to all parties, then great. I'm quite optimistic that with our current leader and our current executive, as we go forward and we look to our next leadership contest, we'll set the bar for everybody in terms of disclosure.

Mr. Allred: Just to follow up on that – and you raise an interesting scenario about the cost. Irregardless of the cost but based just on the principle, what would your preference be: one standard set of rules for everyone or each one create their own rules and enforce them themselves?

Mr. Smith: I think a standard set would be best, that applies to all.

Mr. Allred: Okay. Thank you.

The Chair: Thank you.

Next Mr. Sandhu, followed by Mr. MacDonald.

Mr. Sandhu: Thank you, Mr. Chair. Thank you, Mr. Smith. I've got a question about disclosure. When leadership starts, like, what time frame are we looking at getting disclosure? Say our party, the PC Party, somebody wants to run. Some candidates start early, a couple of years before, some a year. What time frame will be used?

9:20

Mr. Smith: Well, I don't know how you would necessarily work the idiosyncracies of the legislation, but it would seem to me, as I said to MLA Notley a moment ago, that there's probably a way that you can view this, not dissimilar to contributions to a constituency association or the provincial associations for any of the parties, in that for any money that an individual is going to use that they've raised over time, that they're going to bring forward into their candidacy, that would all need to be disclosed. I don't think you can just say: oh, I happen to have a couple hundred thousand dollars here that some friends gave me. I don't think that flies in any way, shape, or form.

Mr. Sandhu: Another one is: what kind of time frame is there when the leadership is all done, the reporting times after?

Mr. Smith: The reporting time afterwards?

Mr. Sandhu: Yeah.

Mr. Smith: I guess I would probably go to the Election Act and use the same guidelines for reporting.

Mr. Sandhu: Okay. Thank you.

The Chair: Thank you.

For the record I'd like to note that Mr. Cao has joined us on the telephone. Is that correct, Mr. Cao?

Mr. Cao: Yes, Mr. Chairman. Finally we've overcome the technical problem. I'm online. I heard you well. I will be silent until I want to ask questions. Thank you.

The Chair: I'm sorry. Did you say you wanted to be on the speakers list, Mr. Cao?

Mr. Cao: I didn't hear the previous presentation because of the technical problem, so I'll wait.

The Chair: Okay. Thank you. Welcome, Mr. Cao.

Mr. Cao: Thank you.

The Chair: Next we have Mr. MacDonald, followed by Ms Notley.

Mr. MacDonald: Yes. Thank you again, Mr. Chair. Mr. Smith, the only guideline I have from your party is the partial disclosure from Mr. Stelmach's leadership campaign. There are various levels of contributions, from small through to large. There are contributions in the amounts of \$5,001 through to \$10,000, and then there are contributions in the amounts of \$10,001 through to \$15,000. There are individuals and corporations who were donors in this category. My question to you is: do you think there should be a cap on the amount that can be donated to a candidate regardless of which party's leadership they would be seeking? Do you think we should put a cap on the amount of donation?

Mr. Smith: Well, we put a cap on contributions under the Election Act. I don't think that would be unreasonable, to have the same sort of criteria for party leadership.

Mr. MacDonald: Okay. My next question would be: have you given any thought, if we had a strict set of rules in place and a leadership candidate from any party violated those rules, as to what penalties you would suggest or what advice you would give the committee? What would you like to see in penalties if an individual violated?

Mr. Smith: Well, I guess as a lawyer I would say that it depends on the degree.

Mr. MacDonald: Is it a dollar amount?

Mr. Smith: Yes. I'm clearly joking here. I think, again, we would go to the penalties under the Election Act. Having not reviewed them, I would expect that the penalties are in line with what the transgression would be. As such, I think a parallel system would be adequate. I have not reviewed the penalties under the Election Act, so I'm speaking off the cuff with respect to that. But there needs to be a sanction of some nature. While I said it jokingly, it probably would depend on degree and what's determined by a reasonable view of what occurred.

Mr. MacDonald: Thank you.

The Chair: Thank you.
Next Ms Notley, followed by Ms Calahasen.

Ms Notley: Thank you. When you talked about some of the problems that your party faced with your last leadership campaign, you talked about the candidates deciding to sort of follow along PIPA guidelines. I think it was PIPA, actually, not FOIP, that you were mentioning, but I could be wrong: whichever, the consent. Notwithstanding that, was there consideration given to suggesting to the candidates that they simply return the money that people insisted remain anonymous?

Mr. Smith: You know, I don't know if that was suggested to anyone.

Ms Notley: Just speaking from my own experience, that's what I did in my nomination race. I just sent back money after getting it when people wouldn't allow me to disclose their names. It is a bit unfortunate that that wasn't considered as an option.

Mr. Smith: Yeah. I can't speak to whether it was considered or not.

Ms Calahasen: But only after being elected?

Ms Notley: Sorry. After getting it; before being elected.

Ms Calahasen: Okay.

The Chair: Those are your questions?

Ms Notley: Thanks.

The Chair: Thank you, Ms Notley.

Ms Calahasen: Just a question. You know, the Chief Electoral

Officer is always involved in monitoring and ensuring compliance with rules that the Legislative Assembly brings forward. I'm just wondering: what are your thoughts or the party's thoughts relative to the role that the Chief Electoral Officer should be able to take in terms of monitoring and ensuring compliance?

Mr. Smith: Well, I mean, if legislation is enacted, you need a body of some nature that's going to oversee the process. It would seem that they would be a natural fit given the role that they play. If they're able to take on that burden without excessive drain on their system, then probably that would be the way to go.

Ms Calahasen: Thank you.

The Chair: That's the end of my speakers list unless there's somebody on the phone that would like to ask a question.

Mr. Boutilier: Yes. Thank you, Mr. Chair.

The Chair: Yes. Go ahead, Mr. Boutilier. You have the floor.

Mr. Boutilier: Thank you, Mr. Chair. Good morning, Mr. Smith.

Mr. Smith: Good morning, Mr. Boutilier.

Mr. Boutilier: I thought you made some very important points at the beginning when you talked about open and transparent. My question to you would be: what is your definition of open and transparent? Describe the difference between that and partial openness and transparency.

Mr. Smith: Well, that's an interesting question. I don't have my dictionary with me, but, I mean, what I've talked to so far, I believe, is that all campaign contributions and all expenditures that are incurred and occur during a leadership campaign require full disclosure. I don't know if there's a partial piece to that, sir.

Mr. Boutilier: Okay. Thank you. I appreciate that. In the previous leadership vote in 2006 no one had complete openness and transparency. I think the term was used that some members who were running had partial openness and transparency. Is that correct? I think it was based on the request of Albertans who chose not wanting to be identified as contributing. Was that the case in 2006?

Mr. Smith: I wasn't a member of the executive at that point in time, nor was I involved other than as a campaign volunteer, so I'm afraid I can't speak to that.

Mr. Boutilier: Mr. Chair, would anyone have that information, or could we get that information?

Mr. Smith: I'm sorry. What exactly are you looking for, Mr. Boutilier?

Mr. Boutilier: I was looking for, Mr. Smith, on the contenders in the 2006 leadership review. I heard Ms Notley talk about the situation with the other political parties. What is being suggested by you as president of PC members is that it would be completely open and transparent as opposed to partial, which it's my understanding took place in 2006.

9:30

But if I could jump to my secondary and final question – and thank you very much for coming this morning – it would be:

Albertans feel afraid of wanting their name to be disclosed for contributing in a leadership review. The comments that I have received from Albertans from each corner of our province have indicated that there is a sense of fear because of the fact that one party has been in office for almost 40 years. There is a fear of recrimination. I know you very well, and I know the value that you place on the issue of fairness, but is there any way of addressing that fear of Albertans who have watched one party be in place for 40 years and are fearful that if they disclose at a leadership review, potentially there could be some type of recrimination? I'm interested in terms of what Albertans are concerned about relative to that. That really could apply to any political party, not just simply the one that you're president of.

Mr. Smith: Well, Mr. Boutilier, I as well as you have the opportunity to travel around the province and talk to Albertans. I myself have never experienced fear. Well, personally I have been scared of stuff but I don't think necessarily the fear which you're describing. Unless you are able to substantiate those types of, I'll say, allegations, I'm afraid I wouldn't actually be able to speak to them.

Additionally, I think that this process that we're involved with here is regarding legislation on a go-forward basis and really what's best for the political parties going forward as well as, most importantly, what's best for Albertans.

Mr. Boutilier: Yes. Of course, I'm speaking on behalf of Albertans, similar to you, when we speak of the fact that they have concerns over the disclosure. This is Albertans saying that, voters of Alberta who vote no matter for whatever political party or whatever political leader.

I was interested in that, and I thank you very much for your comments this morning.

The Chair: Thank you, Mr. Boutilier.
Next Mr. Rogers, please.

Mr. Rogers: Well, thank you, Mr. Chairman. I really feel a need to make a comment following Mr. Boutilier's comments. I'm really getting very tired of this whole thing about innuendo of people being afraid to participate in other parties because of government recriminations.

I think what is important here, Mr. Chairman, is that we're talking about a set of principles of open, clear disclosure for any political party. We've heard Mr. Smith, the president of the PC Association, commit that his party would be willing to proceed along those lines sometime in the near future, whether in step or ahead of any proposed legislation. The reality is that when we draft a set of principles – and I'm particularly thinking of principles cast in legislation – under this umbrella and make it clear to the public what is expected and the fact that if you feel like contributing to any political party, there will be disclosure and your name will be on the public record, no different than people with government connections. There may be individuals with Communist leanings who would be willing to support a Communist party but would not want their names associated.

So I'm really getting tired of this whole thing that there's some government bogeyman that's going to get anybody that supports any other party than the government. I think that goes right across the board, where free individuals have the ability in a democratic society with clear laws to do as they see fit.

Thank you.

Mr. Boutilier: Mr. Chair?

The Chair: Our time is allotted for this presentation. I'm sorry, Mr. Boutilier.

I was also going to state that this committee's mandate is to give recommendations on future legislation for the leadership review, so I don't think we'll delve too far in the past or what's happened or gone wrong in the past.

Mr. Boutilier: Thank you, Mr. Chair. I just wanted to let you know that I'm certainly not tired at all.

The Chair: Okay. The committee ruled we allow a half-hour for this presentation, and the time is allotted, so we'll thank Mr. Smith for his presentation. Thank you for coming this morning.

Mr. Smith: Thank you for the opportunity. I appreciate it.

The Chair: Next up on the list is Ms Notley, and she can take the chair.

Ms Notley: Do you want me to go down there?

The Chair: I think probably it would be best if you did.

Ms Notley: Okay.

The Chair: Thanks. Ms Notley, I don't think you really need any introduction at this committee. I do have some rules that I'm supposed to inform you of, and I think you already know those as well, about the microphone and the record. You do have up to 10 minutes for a presentation and 20 minutes for questions after. With that, I'll ask you to begin.

Alberta NDP

Ms Notley: Thanks very much, Mr. Chair. Just to start out, I'm pleased to be able to be here. Obviously, the leader of our party had requested to be able to attend, and then as it turned out, the scheduling conflicted with previous plans that he had made, so I'm pleased to be able to come here on his behalf and offer up some comments on this issue, one about which our whole caucus and party have strong feelings because, of course, back to 2007 the leader of our caucus had introduced a private member's motion on this issue, and we've been advocating very strongly on it before that time and ever since.

I guess I want to start by sort of saying in one sense, though, that I'm a little perplexed as to our presence here to discuss this. I only say this because back in February 2007 the then and current Premier of the province made a very public commitment to bring in leadership financing rules. At that time it was subject to a decision of a convention of his party, which took place in March 2007, which endorsed bringing in leadership financing rules so that in May 2007 we had not only the Premier but I think he was at the time head of the Treasury Board again committing to Albertans in a conveniently pre-election time that leadership financing rules would be brought into place at the earliest opportunity.

Now, of course, as we all know, last spring we had probably the largest overhaul to our Election Finances and Contributions Disclosure Act that we've had in at least the last decade, yet unfortunately that very simple issue was not addressed in that legislation. Instead, it was referred to this committee for more discussion. I have to say that I am not only perplexed but frustrated that there is this delay because had I taken the Premier at his word, I would have thought this legislation would have long since been proclaimed.

So why should we be doing it? Well, there are a number of reasons. I'll start, I guess, by quoting from the former Ethics Commissioner, who pointed out the need to bring in leadership financing. He said in May 2007:

There have been numerous media items about the lack of "rules" for leadership campaigns and, most specifically, the fact that no candidate is required to disclose publicly the names of contributors and the amounts contributed. Political campaign contributions are often viewed in media items and by "watchdog agencies" as potential conflicts of interest and even potential corruption.

That is true because we are all holders of political and public office, and we must be above reproach at all times. So I agree, actually, with the Ethics Commissioner.

As has already been mentioned, since then the Chief Electoral Officer also made a series of recommendations, the most emphatic of which was, of course, that we should bring in leadership financing rules.

9:40

Another reason, of course, that has been referenced already for why we need this is quick examination of past practice and some of the real threats to open and transparent democracy that arose from past practice. Just to review. We have in 2006 the Premier of the province receiving just under \$170,000 of donations from anonymous donors. The then minister of – I'm not sure what he was minister of, but certainly the now Minister of Education received approximately \$145,000 in anonymous donations. The then minister of finance also received anonymous donations although I have to admit I was unable to find the actual amount.

This is a problem because we have key decision-makers in this province receiving amounts of money which I believe any objective observer, any citizen of the province would view as being adequate in their amount to raise concerns, and they're receiving this amount of money from anonymous people. It really strikes me as quite amazing in this day and age in this developed country that we have the mechanism for that kind of thing to happen and that we're not concerned about it and that we haven't already taken action on it.

More recently, of course, we had the spectre of the Wildrose Alliance having their own leadership convention. While that's a smaller party, it's quite interesting because, of course, we know that one major player in the world of political donations, certainly to a certain segment of political parties, is the oil industry. We know that the be-all and end-all, the primary reason for being, for that political party and that leader was to lobby this government for a policy that would bring extensive financial benefit to that sector, and in fact they were successful. Yet, we don't know who financed that leader's leadership campaign, notwithstanding the standard assertions of transparency that would be forthcoming.

We know that it continues to be a problem. We also know that in the 2006 leadership campaign – and I don't know whether this also applies to the Wildrose Alliance leadership campaign from last summer; I have not been able to find commentary on it – at least two of the candidates in the Tory leadership campaign sought and received donations from people out of province. Whereas under the Elections Act that would be prohibited, we have the spectre of people who, while they cannot exercise their right to vote, appear able to exercise the right to buy a vote, which is really an inappropriate situation. We ought not to have out-of-province donations coming in to any political party or to any political leadership campaign. Of course, once again, it's one of those things that's unregulated right now, and it raises the spectre of having out-of-province players who do not have the right to vote having an impact on our political process.

Ultimately, we look at other jurisdictions. We see that federally and in several other provinces we already have leadership donations rules. When you combine the absence of those rules here in Alberta with the also very open-ended and shall I say Wild West nature of our election financing rules as a whole, we end up in a bit of a truly, as I say, I guess, Wild West situation. You know, whatever goes, goes. We have no spending limits in terms of our election campaigning rules that do exist, so when you combine it with the ability to bring in buckets of money from anonymous donors through a leadership process, you have a perfect storm of truly unregulated election financing that needs to be addressed in the interests of all Albertans.

What would we do? What would New Democrats propose happen? Well, what we have said for years and years and years now, obviously, is that leadership campaigns need to be regulated. The simplest way to deal with this as quickly as possible is simply to apply the current rules with respect to election financing to leadership campaigns so that leadership campaigns would be treated like an election under the act. What we would then do is that we would see incoming donations reported, the identification of donors reported, the amount donated reported, the amount donated limited to the extent that it is under the current act, and then we would see it enforced and overseen by the Chief Electoral Officer. That is what we would do.

Also, of course, as we have said on numerous occasions and which I want to take this opportunity to reinforce at this point, we should actually in Alberta have spending limits, and those spending limits should be applied to leadership campaigns as well. We should also have limits on who can donate. We should not allow corporate donors. We should not allow union donors. Those same limitations should ultimately apply to leadership campaigns. We should do everything we can to put politics back in the hands of the average citizen and take it away from those people with deep, deep pockets who want to be able to use their influence in a way that's disproportionate to the number of votes they actually have.

Ultimately that's what we'd like to see. In the short term it seems to me that there's a very easy solution, to simply apply the current legislation to leadership campaigns to ensure that the kind of concerns that were raised in the public through the last couple of campaigns will be eliminated in the future.

Thank you.

The Chair: Thank you, Ms Notley.

With that, we have the floor open for 20 minutes of questions. We'll start with Mr. Allred.

Mr. Allred: Thank you, Mr. Chair, and thanks, Ms Notley, for your presentation. I think you probably answered my question just in your summary. But I'm understanding that you support using the existing Election Act and the existing principles in the Election Act as the basis for disclosure of leadership campaign donations as well.

Ms Notley: That's correct. I mean, as I've said a number of times and as we have said a number of times, there are very serious problems with the Election Act as it currently exists. We don't have spending limits. We are one of the few jurisdictions in the country to not have spending limits. Frankly, if we're going to go back into the act, we ought to actually look at that. The same thing is we don't have limits on who can donate. Once again, we should be looking at that. If the concern is the complexity, at the very, very least what we can start with is taking our somewhat open and sloppy Election Act and applying it to leadership candidates.

Mr. Allred: But adding some of the things, such as the spending limits, et cetera.

Just a further question: do you feel that the administration of the leadership disclosure should be under the auspices of the Chief Electoral Officer as well?

Ms Notley: I think that there may be sort of an agency role or whatever that would be applied to the parties, but ultimately the enforcement and the oversight needs to rest with the Chief Electoral Officer, as it does with other campaigns.

Mr. Allred: Okay. Thank you.

The Chair: Thank you.

Next we have Ms Calahasen.

Ms Calahasen: Thank you. Thank you very much, first of all, for your quite informative presentation. You answered a lot of the questions that I had, but there are two questions that I do have still. You talked about everything to do with what can be done under the Election Act. The question is: what do you feel the consequences should be should there not be any filing done? That's my first question. Then I'll go to the second question after you answer that.

Ms Notley: Well, that's a really good question. I mean, I think, again, it's a bit of an awkward situation. We're sort of taking a two-staged approach. The first stage is at the very least to bring this under the current, inadequate Election Act, in which case the fines would be similar to what fines are already in place under the Election Act. If a candidate does not disclose appropriately, there are penalties under the Election Act, all that kind of stuff.

However, I do believe that we need to revisit whether those penalties are adequate. When you're looking at campaigns like, for instance, in the last Conservative leadership race, where you have candidates raising \$1.7 million and they risk a \$10,000 or \$15,000 fine for failing to report. Well, you know what? That becomes a cost of doing business. I mean, it's of no impact in terms of ensuring that it's actually enforced. I think we need to revisit the strength of these penalties to ensure that they actually serve the purpose that they're meant to in terms of discouraging people from breaching the act.

Ms Calahasen: Thank you very much for that. My second question. You made a comment that there should be no out-of-province donations, and you indicated because you felt that they're not Albertans and therefore they might have influence in what happens in Alberta. Can you tell me why, if people are willing to donate from all across Canada – we are, after all, within Canada – there is no availability for anybody who wants to contribute to a campaign that can be done within the limits? Why would you not consider that?

9:50

Ms Notley: Because in my view at the end of the day the vote should always value more than the dollar. If you're not letting somebody from Saskatchewan or Toronto or New York or Austin, Texas, vote in our election, nor should you allow them to give money because if you do, what happens is you end up creating a situation where ultimately, particularly where you have no spending limits, the dollar becomes more valuable than the vote. I think that's disrespectful to democracy and also disrespectful to the citizens.

Ms Calahasen: Just on that issue. Then, if supposedly, as an

example, someone or a union from Ontario wants to donate to a campaign, whether it's Conservative or NDP or Liberal or whatever the case may be, and if they donate something through another function within the province that would be on an individual basis, would that be considered not to be done, or would you consider that as a possibility?

Ms Notley: Well, as I said in my initial statement, I don't think unions or corporations should be allowed to donate. We should limit it to individual voters. That has been our position for some time. However, given the current situation right now, corporations should be registered in Alberta; unions would be certified in Alberta. Some unions are part of larger unions. Some corporations are part of larger corporations. But that body which is registered in Alberta should be what is limited to providing the donation. As well, just simply wealthy residents of other jurisdictions, many of whom donated to Tory leadership campaigns in the last election, ought not to be allowed to exercise their influence beyond the value of their vote and their residency.

Ms Calahasen: Thank you.

Thank you, Mr. Chair.

The Chair: Thank you.

Next Mr. MacDonald.

Mr. MacDonald: Yes, Mr. Chairman. This is more of a comment than a question. Certainly, I would like to remind members of the committee that there are restrictions on who can vote in an election in Alberta. You have to be a resident for six months. There are also restrictions on who can donate in this province to any political party or at any time during a campaign. So I don't think it's unreasonable to suggest that we should restrict and limit financial donations from outside the province. We have rules in place now. I think they could be tightened. I was surprised to learn that during the Conservatives' leadership race one of the candidates, the third-place finisher, Dr. Morton, had, as I understand it, a fundraiser in Vancouver, a large corporate fundraiser. I just don't think that sort of activity in any party by any leadership candidate is appropriate.

Thank you.

The Chair: Thank you.

I have no other speakers on the list unless there's somebody on the phone.

Mr. Cao: May I?

The Chair: Yes. Go ahead, Mr. Cao. You have the floor.

Mr. Cao: I just have a short comment and then a question. My comment is that during the public campaigns, elections, this is applied to all Alberta public election campaigns, and contributions to political parties have been governed by our election laws. We should not confuse that with what we're doing here, which is the internal party leadership race.

Based on my perspective, experience in the leadership race so far, I think that supporting a candidate of your choice is still there. It's a democratic party. You join a party and then that party's democratic process. There are many candidates, and if you support one, that's your own decision. That is, you know, still a democratic system inside a party. If you support that candidate, then you can contribute. Anybody as a member can contribute. Even if you're not a member, you can always donate, contribute on a personal

basis, so there is no fear of retribution. It's your decision. I mean, in a leadership race after considering all the candidate slate, if I choose one and then I contribute and that's it, I have no fear, okay?

The other thing is the subject of influencing the leadership by vested parties, by organizations: you know, local, within the province, or outside the province or even outside the country. It's something that we need to pay attention to.

The other point that I also want to comment on is that sometimes you are, like, a governing body for the party of the province – that's separate – but the existing leader within a party. I mean, this is nothing new. If you are a leader within a party elected already and you want to try to do it again, then you try to influence people within the party for the next leadership. That's still open. The democratic system within the party still allows that new challenge for the existing leader. Let's say the Progressive Conservatives. Every two years we have a review of the leadership question. So it's there. There's nothing that prevents people from doing that. That's the internal party leadership.

My question to Ms Notley is about the restriction of contributions and so on. As we all know, the cost of a campaign, the cost of maintaining the democratic system is not small these days. So I was wondering how we can nurture democracy by throttling down the dollars. Then, you know, the question is: the vote is more important than money, but if you don't campaign, you don't spend money, tell people, then you don't have the vote; people are not aware of our democratic system. It's just like a tree. If you don't water and fertilize, it won't grow. To me the cost of a campaign is something that we need to pay attention to. May I have some comment on that, Ms Notley?

Ms Notley: Sure. I guess the analogy, I would say, is that if you only let those with the most intense fertilizer – I won't get into much depth about the type of fertilizer, but anyway – and access to the water, perhaps because they just bought their portion of the water market, grow democracy, then you're only going to end up with one crop. I think what you actually need to do is approach it from a more egalitarian point of view.

I mean, the federal system has limited spending, and that was a good thing. Conversely, they have created a mechanism of actually putting money back to the parties if they reach a certain level in political support so that what happens is you have a more level playing field. What happens is that people are making their choice on the basis of policy issues and on the basis of how they want to see their community grow as opposed to who can raise enough money to buy ad time during whatever the most popular TV show is that election. Frankly, the latter process is a dysfunctional way to grow or maintain or protect your democracy, and in fact it will lead to the opposite, as we've seen in the U.S. Instead, what you need to be able to do is give voters the opportunity to choose on the basis of a fair hearing of the different ideas rather than simply who can afford to promote their ideas.

I mean, this is very theoretical, and that's not what we're here to talk about today, but in the long term I'd rather see us look at a model along what the federal government had done because that was moving towards a more equitable system of ensuring democracy. I ultimately think that allowing unrestricted spending by those with unrestricted dollars is actually the opposite of growing democracy.

Mr. Cao: Thank you.

The Chair: Thank you.

I have no other speakers on the list. Are there any on the phone?

If not, then I'll call this part of the meeting closed. We'll take a five-minute break before our next presentation, from the Alberta Party. Thank you. We'll reconvene at 10:04.

[The committee adjourned from 10 a.m. to 10:07 a.m.]

The Chair: I would ask that the Alberta Party take their chairs at the end of the table, please. I'll ask you to introduce yourselves, please.

Mr. Erickson: I'm Edwin Erickson, the leader of the Alberta Party. I have an official statement to make from the party.

The Chair: And the other member, please?

Mr. Whyte: My name is Bob Whyte. I'm one of the Edmonton region elected representatives. I'm perhaps the first person for this party to register to make a presentation today. My presentation will be very brief.

The Chair: I would just like to remind you that you do not have to operate the microphones – they're operated remotely – that presentations are part of a public record, that the meeting proceedings are recorded and transcribed by *Alberta Hansard*, and that a live audiostream is broadcast on the Internet. You have 10 minutes to make your presentation together, and then we'll have 20 minutes for questions. I don't know if you're five minutes each.

Mr. Erickson: I will make the official statement from the party. Any other statement is not an official representation of the party and is certainly not part of our mandate for being here.

The Chair: Okay. Thank you. I'll ask you to go ahead and start, Mr. Erickson.

Alberta Party

Mr. Erickson: Thank you. Mr. Chairman, members of the committee, ladies and gentlemen, it's my pleasure to speak to the committee on behalf of the Alberta Party. I will take this opportunity to give you a brief description of our party for your information, followed by the Alberta Party's recommendations to the committee.

The revitalized Alberta Party has suspended all its former policies and on March 4 of this year embarked on a program to reach out to Albertans through its Big Listen project. The intention of the Big Listen project is to engage a wide cross-section of Albertans in the process of creating party policy, with the first fruits of that labour to be realized at our policy convention in November of this year. The Big Listen project is born of the Alberta Party's core belief in exercising accountability, transparency, and collaboration with members of the Alberta Party, with participants of the Big Listen, and with all Albertans.

Although some initial thoughts on potential positive changes in accountability for funding of leadership campaigns have been items of discussion within the board of directors and executive of the Alberta Party, it must be stressed that our party has not yet completed the first decisive phase of the Big Listen program. Because that process has not yet been fulfilled, we are not prepared to make specific recommendations to the committee at this time.

However, we would like to make it known for the record that the Alberta Party does definitely support in principle the concepts of funding limitation, accountability, and transparency for all provincial political parties when conducting party leadership campaigns. In the spirit of collaborative effort toward enhanced good government, as

leader of the Alberta Party I extend the offer to work together with the committee and all other political parties toward this common goal.

In closing, the Alberta Party wishes the committee success with its endeavours to institute meaningful legislative or regulatory reform applicable to all. Thank you for the opportunity. I'm available for your questions.

The Chair: Thank you, Mr. Erickson.

I'll open the floor to Mr. Whyte for some comments.

Mr. Whyte: Thank you, Mr. Chairman and members of the committee, for upholding my registration to speak here today. Very briefly, I support the representations that were made in writing by Mr. Robert Leddy, who is present today and who is a former interim leader of our party.

I query one of the important statements made by the gentleman who spoke before who stated, "The revitalized Alberta Party has suspended all its former policies." The query is because those policies which have been adopted by the general membership of the province continue until they are changed by the general membership of the province. I think it is suitable to make a representation that a board of directors cannot discharge the decisions of the general membership. A board of directors needs to act within the mandate that has been given to them, and it is on that point that I wanted to speak here today. I felt if I remained silent, then I would be giving consent by silence to this statement.

Thank you.

The Chair: Thank you.

I'll open the floor to questions, starting with Mr. Allred.

Mr. Allred: Thanks, Mr. Chair. Mr. Whyte, in your reference to the former policies of the party, was there any policy that dealt specifically with this issue of disclosure of leadership campaign funding, et cetera?

Mr. Whyte: To the best of my knowledge there was not. A lot of work has been done on it, but it has not received the final imprimatur of the board of directors.

Mr. Allred: So there never was a policy with regard to disclosure of leadership campaign funding.

Mr. Whyte: To the best of my knowledge. There is a desire for transparency and so on, but to the best of my knowledge there is no exact provision on this.

Mr. Allred: So with regard to this particular issue, then, I would presume that you and the leader are in concurrence.

Mr. Whyte: Generally speaking, yes.

Mr. Allred: Thank you.

The Chair: Okay. Thank you, Mr. Allred.

Next Mr. MacDonald, please.

Mr. MacDonald: Yes. Thank you, Mr. Chair. Mr. Erickson, you were present for the submissions made by the Conservative Party, by Ms Notley from the New Democrats. Do you generally agree? Certainly, the Alberta Liberals have been the leaders here. We have had full and open disclosure for some time. The statements made by

Ms Notley and certainly the statements made by Mr. Smith that they, too, would like to see an open, transparent disclosure process not only for donations but also for expenses to leadership campaigns – you're the leader of the Alberta Party. What would you like to see done?

Mr. Erickson: Well, I think my statement that I made saying that we support in principle the concepts of limited funding, accountability, and transparency for all political parties pretty well tells you that we concur with that notion.

Mr. MacDonald: Thank you.

The Chair: Thank you, Mr. Macdonald.

The next question by Ms Calahasen.

Ms Calahasen: I understand that you both agree. According to the concepts that you've been working with on the funding limitation and accountability, both of you agree that there should be an accountable measure to be able to deal with financial situations for leadership races. Is that in fact true?

Mr. Erickson: Yes, that's the general . . .

10:15

Ms Calahasen: Okay. Knowing that – and I understand that you have not completed the Big Listen, as you call it – are there any policies or anything that would guide this party to look at public disclosure from a context of reporting, and what would your thoughts be as to who should govern the management of such a thing?

Mr. Erickson: I'm sorry that I can't give you any indication in that direction because of the fact that our process is incomplete. I'm here today to fortify the concept that we do want increased accountability, transparency, and fundraising limitation for leadership races. Unfortunately, I can't expound on that very much. I'm here to show my party's support to the concept.

Ms Calahasen: So if the party is in support of the concept and if our process is finished before your process is finished, you would live with whatever we come forward with in recommendations?

Mr. Erickson: Absolutely.

Ms Calahasen: Thank you.

The Chair: Thank you.

That's all the questions I have now. Is there anyone on the phone that would like to ask questions?

Mrs. Forsyth: No. I'm fine, Chair. Thanks.

The Chair: Hearing none, I guess I'd like to thank you gentlemen for coming this morning and presenting to us. Thank you very much.

Mr. Erickson: Thank you very much.

The Chair: Our next presenter on the list is the Alberta Liberal Party, and I would ask them to come to the table, please.

Good morning, Corey Hogan, I assume, executive director from the Alberta Liberal Party.

Mr. Hogan: That's correct, yeah.

The Chair: We're a few minutes early, but I'm sure you don't mind that. You're here and ready to go, so I'll let you introduce yourself, and I'll turn the floor to you for a 10-minute presentation and then 20 minutes of questions. I don't know if you were here earlier, but I'd also like to remind you that the microphones are operated remotely. You don't need to touch them. The presentations are part of the public record, the meeting proceedings are recorded and transcribed by *Alberta Hansard*, and the live audiostream is broadcast on the Internet.

With that, I'll turn the floor to you. Thank you.

Alberta Liberal Party

Mr. Hogan: Thank you, Mr. Chair. My name is Corey Hogan. I'm the executive director of the Alberta Liberal Party. The Alberta Liberal Party has applied the current Alberta Election Act requirements for disclosure of financial donations to political parties to its leadership candidates. Our leadership candidates have provided full disclosure of all their donations as if they were fundraising for a provincial election, and this information has been made publicly available through our website.

The Alberta Liberal Party strongly encourages the committee to recommend the following be applied to the disclosure of financial contributions to provincial political party leadership candidates: that leadership contest donation limits, restrictions, and disclosure come under the same rules as donation limits and disclosure under the Alberta Election Act as they apply to Alberta elections; that the rules under the act for donation limits and disclosure be strengthened.

It is our strong contention that the well-established public good of knowing who has financed our politicians far exceeds any risk of retaliation that may result from political donors. Indeed, the difficulty with this argument is that it would apply as logically, if not more so, to provincial campaigns between parties, where we as a province have long held and established the necessity of disclosure.

In addition to these, the Alberta Liberal Party also encourages the committee to recommend the following: that the committee recommend the gold standard of real-time disclosure of contributions, but if this be found to be impractical, have biweekly or monthly disclosure; that disclosure should be covered from commencement of leadership contest until the closing of leadership accounts or settling of campaign debts; that rules govern the management of reporting of surpluses, deficits, and liabilities, and that surpluses only be allowed to be transferred to the leadership contestant's political party or returned to the contributors of the campaign.

The question of consequence and remedy is also one that was put to the committee by Minister Redford. However, the Alberta Liberal Party does not believe that the legislation should allow the overturning of a leadership result as this would create difficulties in the internal organizing of party constitutions and procedures. Instead, there are a number of other consequences the committee could suggest and, depending on who the offending party is, whether that be the party or the contestant or one of the contestant's workers, there can be a series of escalating remedies beginning with fines, followed by the loss of tax-deductible status for political parties in that case, and in the most serious cases deregistration or jail time, deregistration reserved for outright fraud on behalf of the party.

Even before any legislation the Alberta Liberal Party would like to take this opportunity to encourage all parties to take action today and meet or exceed the standard that the Alberta Liberal Party has set for them, disclosing the contributors of their most recent

leadership campaigns. It is essential for the health of democracy in this province that people have confidence that their politicians and political offices are not being bought and sold by narrow interests with deep pockets. Leadership contests have become an essential political activity, with the amount of money and stakes involved higher than those of contests for individual constituencies. Any talk of clean government and meaningful electoral reform without regulations in this vital area is incomplete.

Thank you very much.

The Chair: Thank you, Mr. Hogan.

I'll open the floor now to questions from members. I don't have anybody on the list as of yet.

Mr. Allred: Just one question. Thank you for your presentation. You seem to favour the current Election Act framework for public disclosure. If you had a preference, would you prefer that it be legislated, the same rules for all parties, or would you prefer to let each party set their own rules?

Mr. Hogan: That the rules be consistent across the board.

Mr. Allred: Thank you.

The Chair: Thank you.

Next Ms Calahasen, please.

Ms Calahasen: Thank you very much. I think you answered a lot of the questions that were asked by the minister and expounded on some of the areas and the Liberals' concepts. The question I do have, though – there was one that you sort of missed – is the Chief Electoral Officer's office, how they should be involved, your thoughts on that, and who should govern that.

Mr. Hogan: I think the practice that exists as we currently interact with Elections Alberta – there are standards for contributions to the party: we must meet them; we must disclose them; we must provide audited statements. I envision the relationship being very similar.

Ms Calahasen: Thank you. The other thing that you brought out was that you said that we should strengthen what is currently in place. What do you see us doing to be able to strengthen that? What do you see that component being?

Mr. Hogan: I suppose I should expand. By strengthening, that would be reducing the amount of money on which a contribution must then be disclosed – right now it's \$375.01; we would like to see that lowered – reducing the ceiling to contributions, and limiting or removing contributions from corporations and unions.

Ms Calahasen: Mr. Chair, just further on that. You're saying that if you lower the \$375 – that has been how long in existence? I can't even remember how long it has been in terms of the \$375. With inflation and such things, you know, the money doesn't mean as much as it used to. So could you tell me what your view would be in terms of saying: should it be increased to maybe even more than that rather than the \$375?

Mr. Hogan: Well, if anything, it should be reduced. Certainly, if you look across the country – British Columbia, I believe, is at \$100; federally it's \$20; beyond that it must be sent out there – \$375, I do believe, is a significant contribution. Certainly, it's larger than the average political contribution in this country and in this province as

well when you're looking at the median. When you aggregate those \$375 contributions, you very quickly get up to real money, as they say.

Ms Calahasen: Mr. Chair, if I may. If you have \$375.01, I believe it is – right?

Mr. Hogan: Yeah.

Ms Calahasen: If you look all across the country, as you indicated, there is less money, and then there are some that are a little bit more. Do you support the idea that there's got to be more paperwork that has to be done for the parties in order for this to be documented?

Mr. Hogan: The Alberta Liberal Party supports more disclosure. If that results in more paperwork, that would be a by-product of a healthier system and more democracy.

Ms Calahasen: Thank you.

The Chair: Thank you.

Next on the list is Mr. MacDonald.

Mr. MacDonald: Yes. Thank you, Mr. Chair. Mr. Hogan, good morning. When a provincial election vote takes place, all campaigns or candidates have two months to get their papers in order and submit them to Elections Alberta. Do you think that is a reasonable time frame for leadership candidates, regardless of which party they may be interested in leading?

10:25

Mr. Hogan: Absolutely. I think if you are big enough to be registered as a political party, a two-month timeline should be absolutely no burden to you. In fact, I could see that being shortened. The only reason I would see to extend that is if the debts continued to exist and they must continue to report beyond the two-month period. But, certainly, reporting should happen no later than two months after.

Mr. MacDonald: Okay. We've had a lot of discussions this morning, Mr. Chairman. My next question to Mr. Hogan would be: do you feel – political parties have their financial statements on a yearly basis and their election campaign statements audited. Should there be a requirement that leadership candidates also have the financial statements that they submit audited?

Mr. Hogan: There's no question that that would be a burden for smaller parties. That said, it would be no difficulty to create a floor whereupon, say, \$5,000 in contributions to a leadership contest must be audited. That, again, creates that transparency and that accountability that we sorely need in this province.

Mr. MacDonald: Thank you.

The Chair: Mr. Allred has another question.

Mr. Allred: Yes. Just with regard to the term "audited." When you speak of audited, do you mean actually audited by a chartered accountant, which is a very expensive process?

Mr. Hogan: Generally, yes, following general rules of accounting.

Mr. Allred: Why do you feel that is necessary as opposed to something basically authenticated by perhaps even independent

people? I think we found in a lot of nonprofit organizations that this is just an unreasonable burden, to expect an audit. In fact, I think the auditors have even changed the term, where it's not really an audit. I can't remember what the term is.

Mr. Hogan: Very true but, with due respect, we're not usual nonprofits. We're placed with the trust of Albertans, and I think we have to show that we've earned that trust and hold ourselves to that standard that Albertans expect.

Mr. Allred: Thank you.

Ms Calahasen: On this point, then, you're saying that it's not the individuals that have to have the audited statement, but it's the party?

Mr. Hogan: No. The parties already do.

Ms Calahasen: No. I'm talking about a leadership race. Should everybody be able to run, and some small individual, who may not have the kind of money that others have, who wants to run, doesn't have the ability to be able to do audited statements, what happens in that case? Does, then, the party take over and do the audited statements?

Mr. Hogan: Well, as I suggested, there would be a floor where if not enough money was raised or spent, that would be reasonable not to request an audited statement in those cases.

Ms Calahasen: But what is a reasonable amount?

Mr. Hogan: I would say \$5,000.

Ms Calahasen: Five thousand dollars, and it'll cost you \$10,000 for an audit? That doesn't make sense to me.

Mr. Hogan: It doesn't cost you \$10,000 for an audit on \$5,000 of expenses.

Ms Calahasen: Well, if you're talking about an audited statement, I don't know. I'm not an accountant, but I certainly have a lot of nonprofits who have to do audited statements, and it costs them \$15,000 to \$20,000, and they don't make that much money. They may make \$10,000.

Mr. Hogan: Well, certainly it depends . . .

Ms Calahasen: And then we ask them to do that.

Mr. Hogan: It depends on the inputs, the outputs, how much the auditors have to go through. If you have a campaign of that size, I don't expect that the audit would run anywhere near \$10,000. Again, if the committee finds that not to be the case, we're not wed to the \$5,000 number, but we believe it would be a reasonable starting point.

Ms Calahasen: Thank you.

The Chair: Thank you. At this point I have no other speakers on the list unless there is somebody on the phone that would like to ask a question.

Mr. Cao: Well, I don't have any questions. I listened, but I already got the information, so I don't have any questions. Thank you.

The Chair: Okay. Thank you.

Well, with that, Mr. Hogan, I'd like to thank you for presenting this morning. Thank you very much.

We'll move on to our next presenter. If it's all right with the committee and the next presenter, I know we're a half an hour early, but if he's here and ready to go, I think we can just move right into it. Thank you.

Good morning, Mr. Marciano, I assume.

Mr. Marciano: Yes. My name is Vitor Marciano. I'm the executive director of the Wildrose Alliance Party. I want to thank the committee for the invitation and particularly thank the clerk for her persistence in making sure we attended today.

The Chair: Just before you begin, I've got a couple of housekeeping rules that I have to go over. I think you've probably heard it all before. You do not need to operate the microphone – it's done remotely – that presentations are part of a public record, that our meeting proceedings are recorded and transcribed by *Alberta Hansard*, and that a live audiostream is broadcast on the Internet. You have 10 minutes for a presentation and 20 minutes for questions. With that, I'll give you the floor. Thank you for coming.

Wildrose Alliance Party

Mr. Marciano: Thank you, Mr. Chair and members of the committee. I hope you'll appreciate that I'm not going to keep you very much longer on this lovely day. I'm glad I arrived early and can proceed through this at a relatively quick pace. My presentation is extremely brief.

The Wildrose Alliance position on this issue is that we have no position. We have always followed the applicable laws in our leadership races, and we will do so in the future. We leave it to this committee to make a recommendation and to the Legislature to do as it sees fit. It's really that straightforward. Our members have not given us a position on this, and we have no position that we're bringing to the committee.

The Chair: That's the end of your presentation?

Mr. Marciano: That's the end of my presentation.

The Chair: Thank you very much.

With that, I'll open the floor to questions, and I'll start with Mr. Rogers.

Mr. Rogers: Well, thank you, Mr. Chairman. In light of this beautiful day and the brevity and the speed with which we've been conducting this meeting, I think that in light of Mr. Marciano's statements it's only fair that we would have no questions for no position.

Mr. Cao: May I ask some?

The Chair: I'll put you on the list, Mr. Cao.

Next we have Ms Calahasen.

Ms Calahasen: I was just going to say: Marciano, is that Italian?

Mr. Marciano: It's actually Portuguese.

Ms Calahasen: Portuguese. The question I was going to have was with FIFA, but I guess I won't.

The question I do have: I know you don't have a position on any of this, so whatever decision we make here with the committee and the recommendations that we're bringing forward through this committee, that's what you'd live by?

Mr. Marciano: The party has no position on it. Our individual caucus members will discuss as they see fit when they see a recommendation from the committee and the legislation that gets brought forward. We may take a position at that time, but we're certainly prepared to follow the law. That's what we've done in the past, and that's what we intend to do in the future.

Ms Calahasen: Okay. Thank you.

The Chair: Thank you.

Next we have Mr. MacDonald, followed by Mr. Cao.

Mr. MacDonald: Yes. Good morning, sir. I hope you're not in a parking site that's . . .

Mr. Marciano: I am in no rush.

Mr. MacDonald: Okay. In this case we have no law governing disclosure for leadership candidates of any party in this province. Your current leader has indicated publicly on a number of occasions that there is this threat of intimidation or this fear that people who do donate to your party or to the leadership races as they occur are reluctant to have any form of disclosure because there may be reprisals. There's this fear and intimidation factor. This certainly would be alleviated if we had full disclosure of all donations regardless of which leadership race we would be talking about. It's an important issue. Other parties have certainly made an effort this morning to give this committee direction. Am I of the understanding that the Wildrose Alliance Party doesn't consider this a serious issue?

Mr. Marciano: Two things. I'm not sure I accept your premise. I think that if there was full disclosure, some folks might choose not to donate rather than to be disclosed. That's one comment on it.

In terms of this being a serious issue, it has the potential to be a serious issue in some circumstances. Ultimately the leader of a third party or, frankly, any opposition party has no regulatory or fiscal authority. It's not like they can, you know, build you an overpass or put a highway spur next to your business or something like that, so the actual consequences of this to decision-making or to access to things or to the influence of power on leadership races in opposition parties is very, very minimal.

10:35

Mr. MacDonald: Are you suggesting, too, that it's only the PC Party that should have to have full disclosure because they're the government?

Mr. Marciano: I'm saying that we have no position on this issue and that the area in which the issue is important is not equally relevant or equally important across all political parties.

Mr. MacDonald: Thank you.

Mr. Boutilier: Mr. Chairman?

The Chair: Yes, Mr. Boutilier. You have a question?

Mr. Boutilier: Yes. Thank you, Mr. Chair.

The Chair: I'll put you on the list. Sorry. Mr. Cao is ahead of you, and I'll put you on the list following him if that's okay.

Mr. Boutilier: Thank you very much.

The Chair: Okay. Mr. Cao, go ahead.

Mr. Cao: Thank you, Mr. Chair. Thank you for coming to do the presentation even though you have no position. It's very short. Probably for my own understanding – the Wildrose Alliance just, you know, recently had a leadership race – can you tell us how it's done, this kind of contribution and disclosure or whatever, how those things work among the competitors? I'm just kind of curious about the experience there.

Mr. Marciano: We followed the existing law, which is that there is no requirement for disclosure. In effect, then, the only law that governs is protection of privacy legislation. That's how we conducted our leadership race.

Mr. Cao: So there's no record of who contributed how much, even within the party, showing that?

Mr. Marciano: The party has no records showing the contributions to the individual leadership campaign candidates, no. That was done within their own campaigns. They were not obliged to disclose it to the party and not required to disclose it to the party. They have not disclosed it to the party.

Mr. Cao: Okay. So each candidate has their own record, their own pot of money, and the party has no say or no review in that, right?

Mr. Marciano: That is correct.

Mr. Cao: Okay. Well, thank you very much.

The Chair: Okay. Thank you, Mr. Cao.
Next we have Mr. Boutilier.

Mr. Boutilier: Thank you very much. Mr. Marciano, on the issue of openness and transparency, which has been referenced this morning, I'm trying to determine for all political parties and the leaderships that have been carried out: open and transparent means not selective openness and transparency. It means you're either all in or you're not all in. Have some members in the past indicated to the Wildrose Party that they would prefer not to be identified as contributors? In light of the fact that there are no rules right now, similar to the Progressive Conservative Party or other parties the rules are that you simply follow Alberta law, and the law of every political party, I assume, will follow that law.

Mr. Marciano: Right now in terms of donations to the party there certainly are individuals who have been very careful to stay under the \$375 threshold. In terms of donations to the individual leadership campaigns, I do not know. I wasn't involved in any of the three leadership campaigns. I do not know whether there were any donors who asked to remain anonymous or not. There was no legal requirement for disclosure. To the best of my knowledge all three of the leadership campaigns have met all of the laws. I certainly have no indication that anything different has happened.

From the perspective of the party, while we have a comprehensive policy book published regularly, annually, and commented on by our members, this is not one of the issues that the members have specifically commented on.

Mr. Boutilier: Thank you very much.

The Chair: I have another question, from Ms Calahasen, please.

Ms Calahasen: I do, after listening to some of the questions. You were talking that you don't have a position on anything to do with kind of what we're trying to do in terms of bringing rules and regulations in to be able to deal with financial disclosure on leadership races. On that note, does not your party believe in accountability? I thought the whole reason Wildrose Alliance came together was to be able to talk about accountability and transparency. I'm just wondering where that thin line is and where that thin ice may be that you don't want to skate on.

Mr. Marciano: There's no skating here. We have no position on this issue at this time for this committee. We will live with the recommendation of the committee. Our caucus will deal with whatever recommendation flows forward from the committee to the Legislature, and we will deal with the legislation as it comes up. We're not attempting to influence the committee. Individual members of our caucus may have opinions. Frankly, I think that if we were to publicly propose or oppose a position, it might actually reduce the likelihood of it carrying. So it's just fine for us not to have an opinion on these issues.

Ms Calahasen: As an example, in our leadership race as well there might have been individuals who gave a lot of money. To be able to look at leadership races and to support a leadership candidate, that kind of a situation wouldn't be open to scrutiny is what at the moment your position is.

Mr. Marciano: No. Our party position is that at this time for this committee we are not making a recommendation or having a position. I will however point out that while there has been sort of a focus on money, I think, actually, history has shown in several of the more important leadership races that the top spender doesn't always win, as a matter of fact more often than not does not win. Money is important in politics. You probably have to have enough money to be a serious player, but money can't carry you across the finish line.

Ms Calahasen: Okay. So it doesn't matter. Whatever we decide, you'll live with.

Thank you.

Mr. Marciano: We'll respond to.

Ms Calahasen: This is your opportunity, actually, to respond.

Mr. Marciano: No. This is our opportunity to attempt to set the agenda, and we choose not to do so.

The Chair: Thank you, Ms Calahasen.

Next on the list is Mr. Rogers, followed by Mr. Johnson.

Mr. Rogers: Actually, Mr. Chairman, I'll defer to Mr. Johnson. I've spoken earlier in the meeting, so I'll defer to Mr. Johnson.

The Chair: Okay. Mr. Johnson.

Mr. Johnson: Thank you, Mr. Chair. I've been quiet here, but I have to comment and ask a question. On the comments that you don't want to attempt to influence the committee and that you have

no opinion on this, I'm sure that you will have an opinion if legislation is tabled. It's unfortunate. This is time for input; this is time to help potentially build legislation. I'm wondering. I know your party just had a major convention right at the time when you had received the invitation as a party to participate and give input on this very important topic. Is this something that as a party you chose not to take to your membership during that convention? Does it just not warrant that kind of discussion or deliberation at this point in time?

Mr. Marciano: When you're involved in a political party where you actually consult your members on policy and write down the results, these things require certain amounts of timeline and lead-up. Certainly, we couldn't change the policy discussion at our AGM with two or three weeks' notice. Ultimately, when this committee makes a recommendation, should legislation go forward, it's possible that the Wildrose caucus will have a unified position. It's also possible, given the structure and nature of our party, that there will be multiple positions taken across our caucus. This is not an issue that our members have set out a policy item on. We have no recommendation or position to bring to the committee at this time.

Mr. Johnson: You have no consensus in your party on this issue.

Mr. Marciano: We have no recommendation to make at this time. Certainly, no one has canvassed the members for a consensus, and I am not aware of whether or not there is a consensus in caucus.

Mrs. Forsyth: Mr. Chair, if I may, I'd like to make a comment. If you could put me on the speakers list, I'd appreciate that.

Mr. Johnson: Thank you, Mr. Chair.

The Chair: I think Mr. Johnson is done.

Mr. Johnson: I'm fine. Thank you.

The Chair: Thank you.
Go ahead, Mrs. Forsyth.

Mrs. Forsyth: Well, thank you, Mr. Chair. I've been listening very intently to all of the recommendations or all of the ideas put forward by the Progressive Conservative Party, the NDP, the Alberta Party, the Alberta Liberal Party, and the Wildrose. I just have to say that, you know, we're getting some questions on the policy development of the Wildrose. I will say that the resolutions that came forward from the party were based on grassroots, our members, and what was important to them was a discussion of health and education and many other recommendations. This particular item in regard to leadership was not even a topic of discussion for the last two or three days. I, personally, have been travelling the province, meeting with many Albertans in my new role as a Wildrose Alliance member, and I can tell you that the Albertans that I have spoken to have not even mentioned the leadership. What they are mentioning are their concerns on many, many issues that are important to Albertans, and that's health care, education, and a litany of other things.

10:45

Vitor has articulated the message. We're here to listen. We're here to hear what other parties have to say in regard to what they think is important, the rules and the legislation that will be brought forward. We are accountable. We are transparent. Our role right now is to listen and then bring what we're hearing from the parties back to our membership.

The Chair: Is that it, Mrs. Forsyth?

Mrs. Forsyth: Yes. Thank you. Sorry.

The Chair: No. Thank you very much for your comments.

I have no other questions on the list. With that, I guess, Mr. Marciano, thank you very much for your presentation this morning, and thanks for coming.

Mr. Marciano: Thank you.

The Chair: We'll move to 4(b) on the agenda. Is there any additional research required to complete the review? I'm asking the committee. I think there probably should be a summary done by the Legislative Assembly research staff to compile a summary of the presentations, but I'm open to the floor for suggestions.

Ms Calahasen: Mr. Chair, is it possible that we can get a column document that identifies each party and what their position is relative to the questions that have been asked by the Minister of Justice? That'll give us an idea as to whose position is what in each area. In that way we can have a better sense as to what we can do in the recommendation that we can come forward with. Is that okay?

Dr. Massolin: Mr. Chair, yes, certainly. If that's what the committee wants, we could certainly put together a document like that.

Ms Calahasen: That would be great, Mr. Chair.

The Chair: Mr. Allred.

Mr. Allred: It might be important to add any issues that were not in the list of questions. I believe the Liberal Party suggested lowering the \$375. There were probably some others that I can't think of offhand.

Dr. Massolin: Yes. Certainly.

The Chair: Yeah. I think research will do a summary on the presentations which will include that. Does anybody else have anything else they want the research to look at? Mr. MacDonald.

Mr. MacDonald: Yes. Dr. Massolin, do other jurisdictions require a role for an auditor?

Dr. Massolin: We can certainly look into that as well.

The Chair: Yeah, and the cost to audit.

Mr. MacDonald: The time frame as well, the reporting time frames in each jurisdiction if you don't mind.

Dr. Massolin: Time frame and cost, yes.

The Chair: And how many other jurisdictions are doing it and stuff. Good point.

Is there anything else the committee would like Dr. Massolin to research?

If not, are you clear, Dr. Massolin, on what you need to do?

Dr. Massolin: Yes, Mr. Chair, very clear. Thank you.

The Chair: Do we need a motion for that?

Mr. Rogers: No.

If I may, Mr. Chairman, I'm just looking ahead. Once we've got that information compiled with everything that we've heard, then I'm assuming that we would look at probably meeting in September to agree on a final draft that we would then submit back. Our role is to submit something back to the House, which will then go to the minister. Is that what you are thinking?

The Chair: Yes, I think that's right. We need to have it back to the House this fall, so I think we should probably meet in September. I'm sure research can have that research done by September. I'll get the committee clerk to poll the members, and we'll set a meeting sometime in September unless somebody has anything else on that.

Mr. Allred: Mr. Chair, just a question on process: in view of the fact that this item was submitted by the Minister of Justice, does it go back to the Minister of Justice or back to the House?

The Chair: We report back to the Assembly. The minister asked us to do a report to the Assembly.

Mr. Allred: Okay. For the Assembly. Thank you.

Mr. MacDonald: Just for clarification, the election finance and disclosures act and the Election Act are under the Ministry of Justice, right?

The Chair: Yes.

Mr. MacDonald: Yeah. Okay.

The Chair: Did I say something different?

Mr. MacDonald: No. I just wanted clarify that, please. Yeah.

The Chair: Yeah. Okay. Good.

I think everybody is clear on the process now. We'll get some research. We'll come back in September and deliberate on that, and we'll decide then how we'll do our final report.

Is there any other business?

Ms Calahasen: Just a comment on that report. Remember the election officer's position? Other provinces, the three other provinces that have done it: are they under that jurisdiction? Can you find out for us? Are they?

Dr. Massolin: Sorry. Under which jurisdiction?

Ms Calahasen: Under the – what do you call it?

The Chair: Elections officers.

Ms Calahasen: Elections officer.

Dr. Massolin: Oh, I see. Yes. We'll find out. Sure.

Ms Calahasen: Yeah. I just wondered about that. If you could do that, that would be great.

Dr. Massolin: Yes. Definitely.

Ms Calahasen: Sorry. Thanks, Mr. Chair.

The Chair: Thank you.

Is there any other business the committee wants to discuss?

We've already said that the next meeting we'll call in September. We'll poll the committee members when.

With that, I guess I need a motion to adjourn. Mr. Sandhu, thank you. All in favour? Opposed? Carried.

Thank you.

[The committee adjourned at 10:51 a.m.]

