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• (1100)

[English]

The Chair (Chris Bittle (St. Catharines, Lib.)): I call this meeting to order.

Welcome to meeting number 32 of the House of Commons Standing Committee on Procedure and House Affairs.

Pursuant to Standing Order 108(3), the committee is meeting for the first time on the study of Bill C-25, an act to amend the Canada Elections Act and to enact an act to change the names of certain electoral districts, 2026. We should probably come up with a better name than that, but I will leave that to everyone in the room.

Today's meeting is taking place in public in a hybrid format, pursuant to the Standing Orders. I would ask all in-person participants to consult the guidelines written on the cards on the table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, especially our interpreters.

I'll make a few comments for the benefit of members. All comments should be addressed through the chair. For members in the room, raise your hand if you'd like to speak. I don't think anyone's on Zoom today.

Before we get to our witnesses, there is a draft budget to approve.

Some hon. members: Agreed.

The Chair: It's approved.

I'd like to welcome our first panel, who will also be here for our second panel.

We have Cathy Hawara, assistant secretary to cabinet, machinery of government and democratic institutions; and Rachel Pereira, director, democratic institutions.

I understand you'll be making a brief opening statement, and then we'll go to questions from members.

Please go ahead.

[Translation]

Cathy Hawara (Assistant Secretary to Cabinet, Machinery of Government and Democratic Institutions, Privy Council Office): Thank you, Mr. Chair.

Thank you for inviting us to appear before this committee today to speak to Bill C-25, which focuses on strong and free elections.

[English]

My name is Cathy Hawara. I'm the assistant secretary to cabinet responsible for the machinery of government and democratic institutions, and I'm pleased to be here today with Rachel Pereira, who is a director in the Privy Council Office's democratic institutions secretariat.

As the chair mentioned, the minister will be joining us at 12 this afternoon to speak to Bill C-25. Until then, we are very pleased to answer any questions that the members of the committee might have on the bill in advance of his appearance.

Mr. Chair, we're happy to take any questions.

The Chair: Thank you so much.

We'll turn to Mr. Cooper, right off the bat, for six minutes, please.

Michael Cooper (St. Albert—Sturgeon River, CPC): I am going to ask some questions regarding third party financing. The bill seeks to close what are significant loopholes that allow for foreign funds to be used by third parties for regulated pre-election and election activities by requiring third parties to set up separate bank accounts for those activities and only use contributions from individual Canadians and permanent residents.

However, the bill provides an exception to this requirement. That exception is that if contributions received by the third party during the previous year are equal to or less than 10% of its revenue for that year, the third party may use its own funds. On what basis was this 10% threshold arrived at? Why 10%?

Cathy Hawara: I think it's important to start by noting that we do have an extremely rigorous political financing regime in place in Canada, and this is an attempt to ensure that it continues to be as robust as it can be. We took note of the recommendations that were made by the Chief Electoral Officer, which did point to the need for some ability for third parties to use their own funds under limited circumstances. We did not want to prevent third parties from using their own funds—

• (1105)

Michael Cooper: I understand that, but I wanted to know how the 10% figure was arrived at. I take it from your answer that it was based upon a recommendation of the Chief Electoral Officer.

Cathy Hawara: We did take that into consideration, yes.

Michael Cooper: The exception in the bill bases the 10% threshold on the third party's revenue from the previous year, that being the calendar year that precedes the calendar year of the pre-election period, or the fiscal year that precedes the pre-election period, whichever the third party chooses. Given that, how would contributions transferred to a third party in any year prior to the previous year be treated?

For example, if in the year prior to the previous year, the third party received 90% of its revenue from contributions, would those contributions be treated as part of the third party's own funds, which could then be used for regulated pre-election and election activities?

Rachel Pereira (Director, Democratic Institutions, Privy Council Office): Thank you for the question.

We can return to you with the details of that, but under Bill C-25 requirements, third parties will need to identify contributions made by Canadians and permanent residents, knowing that once the bill has passed, they will need to record the name, address, date and amount of those contributions that were received in order to use them for regulated activities.

Michael Cooper: That is the case if the exception doesn't apply. I want to know whether, in the year prior to the previous year, funds are melded, because if those funds are melded, if the third party can use those monies as part of its own funds, then what would remain is a loophole that would allow for, among other things, foreign funds.

Rachel Pereira: Yes, that is the challenge currently. There is a transparency gap, as you point out, where third parties can receive funding from other sources, and it will look as though it is part of their general revenue. This measure aims to address that going forward.

Michael Cooper: Will you undertake to specifically answer that question?

Rachel Pereira: Yes, I will confirm that for monies that were collected previous to the year before the election.

Michael Cooper: The previous year...

Rachel Pereira: Yes.

Michael Cooper: You may not have an answer, so if you don't have an answer to the next question, then I'd ask you to undertake the same.

Under the exception, if 10% or less of a third party's revenue came from contributions in the previous year, hence the threshold applying, would those contributions be treated as melded and, therefore, could be used by the third party for regulated activities?

Just to be clear, the threshold would apply and contributions were made in the previous year, but the amount of those contributions is 10% or less.

Rachel Pereira: Concerning the threshold for using own funds, own funds are monies excluding contributions, so they are the revenues generated by the third party. They could use their own funds for regulated activities. If they meet that threshold of 10% or less received in contributions, they would then be able to calculate the use of their own funds minus the contributions received.

Michael Cooper: Money is fungible. How would that work exactly?

Rachel Pereira: I'll walk you through for the threshold.

Third parties under the bill will only be able to use contributions from Canadians and permanent residents for regulated activities. They will need to report on those, of course. They will be able to use their own funds—those are funds not received from Canadians or permanent residents, for example, selling merchandise, their other business lines, etc.—if all those contributions do not exceed 10% of their overall revenues in the previous year, as you've noted.

If I meet that limit, if I'm a third party and I have, let's say, \$1,000 in contributions and the overall funds that I have are \$9,000 of my own revenue, for donations at 10% of my overall income, which was the \$9,000, that \$1,000 is 10%, so then I would be able to use my own funds because I meet that threshold.

• (1110)

The Chair: Thank you so much.

We'll now go to Mr. Louis for six minutes, please.

Tim Louis (Kitchener—Conestoga, Lib.): Thank you, Chair.

I want to thank Ms. Hawara and Ms. Pereira for being here and sharing your time and your expertise.

Bill C-25, the strong and free elections act, reflects a simple but essential principle that democracy must be both open and secure. Canada's electoral system is among the most trusted in the world, but trust is not static. It must be actively protected as threats evolve, so this bill, I believe, responds directly to recommendations from the public inquiry into foreign interference, the Chief Electoral Officer and the commissioner of Canada elections, who we'll be hearing from subsequently. It addresses real and emerging risks, foreign interference, disinformation, deepfakes, dark money, cyber-threats and physical intimidation without compromising freedom of expression, political participation or legitimate debate.

We're here in committee to discuss the scope of the bill, that it be targeted and proportional but, at the same time, preserve openness and accessibility to serious candidates, parties and voters.

Can either of you share with me some of the safeguards that the bill has that would ensure it captures only intentional, harmful conduct and not possibly a good-faith disagreement or error.

Cathy Hawara: Thank you for the question.

There are a number of examples in the bill that highlight the kind of balance we're trying to strike between closing gaps to address threats that we know are present and need to be responded to and, at the same time, ensuring that honest mistakes are not unduly addressed.

One example is the new provision in relation to false information. We are trying to be very targeted in this measure, ensuring that we are responding to the most critical and real potential threats, such as false information about who can vote, how voting is conducted and so on, which could potentially harm the integrity of our system. The measure, however, is quite targeted. It needs to be clear about the intention that the individual has, and it's very clear that they need to know that the information is misleading.

At the same time, if we look at some of the measures we're proposing from an enforcement perspective, we're expanding the number of contraventions that can be dealt with as violations of the act under the administrative monetary penalty regime. This provides the commissioner with greater flexibility to determine whether a violation of the act that is unintentional can be dealt with through the AMP regime, through administrative investigations and through tools like compliance agreements, letters of education, etc., so that we can again better target the compliance and enforcement activities of the commissioner.

You find this throughout the act where we are trying to strike that balance between closing the gaps and addressing the threats that are real, at the same time as we ensure that the commissioner and Chief Electoral Officer are taking a proportionate approach to the administration of the act.

Tim Louis: Thank you. I think people want to know that there's a high "intent threshold" set, and that seems to be what you're explaining.

In the Elections Canada public inquiry into foreign interference, gaps were identified. Some of them had to do with election interference and computer-system tampering. Are there measures in there that will address some of the issues that were brought up by Elections Canada's public inquiry into foreign interference?

Cathy Hawara: Yes, the most urgent recommendations from the public inquiry on foreign interference have been addressed, either wholly or in part. It's the same thing with regard to the recommendations made by the Chief Electoral Officer and the commissioner of Canada elections in their 2022 report.

Regarding the example that was given with respect to unauthorized use of a computer, we are expanding that particular protection so that it's not just about unauthorized use of a computer to attempt to influence the results of an election but also for attempts to disrupt the conduct of elections. That's an example with respect to that.

A number of participants also noted that some of these protections that are in place today only apply during the conduct of an election, and the recommendation was that they should apply at all times. The bill expands a number of the key safeguards so that they apply not just during the conduct of an election but at all times. This includes, for example, a ban on foreign influence of voters, and there is an application of these protections to actions that take place outside of Canada as well.

These were among the critical recommendations that were made, I would say, which were the basis of the measures you see in the bill today.

• (1115)

Tim Louis: Thank you for taking those recommendations and helping us shape this legislation. I appreciate it.

That's my time, Chair.

The Chair: Thank you so much, Mr. Louis—with five seconds left to spare.

Madame Normandin, you have six minutes, please.

[Translation]

Christine Normandin (Saint-Jean, BQ): Thank you very much.

Thank you to the witnesses for being here.

Ms. Pereira, I'd like to start by asking questions about the clause of the bill that concerns the publication of reports.

Could you just summarize the changes that Bill C-25 would make?

Until now, what has been the rule regarding the publication of reports, both the report published five days before an event and the one published after an event?

What exactly does Bill C-25 change in terms of producing the contact information of a person hosting an event, the names of attendees and so on?

Rachel Pereira: Thank you for your question.

[English]

Regarding changes to the regulated fundraising event regime, currently the regime requires advance notice of five days before the event, with some of the details of the event, including the location and venue of the event. That five-day advance notice will be removed. It will be repealed.

The rest of the regulated fundraising event regime is in place. That means that 30 days after the event, there's a report that will be issued with all of the details that were included before—the names of all attendees aged 18 and over, the name of venue, the names of prominent attendees and the amount that was contributed to attend. All of those details will be in that report. The only difference is that the location will be limited to the municipality and province. The level of detail of the venue will change.

[Translation]

Christine Normandin: As I understand it, there's no longer any information at all to produce five days before the event. For example, it isn't about producing information and limiting its distribution to the municipality. It's simply no longer necessary to give advance notice that an activity is being held.

Have I understood that correctly?

[English]

Rachel Pereira: That is correct. There is no requirement, under the law, for parties to provide an advance notice. They can if they wish to, but it's not required.

[Translation]

Christine Normandin: Thank you very much.

My second question is about clause 5 of Bill C-25. As I understand it, parties can obtain amendments to the preliminary lists. To get the preliminary lists, a party needs to have run candidates in at least two-thirds of the ridings.

Ms. Hawara, I'd like to hear your comments on the impact this may have on the Bloc Québécois, which runs candidates only in Quebec.

Cathy Hawara: Thank you for the question.

Three criteria were set out in the act. It isn't necessarily just that one that has to be met.

To clarify, I would say that what we're trying to do is make sure that we protect the integrity of the information in that list, in particular. At the moment, it's accessible to eligible parties that haven't necessarily yet nominated candidates who will run in the riding in question.

If the party is represented in the House of Commons before the election, or if it has nominated a candidate endorsed in that riding in at least one of the last two elections, or, indeed, if it has nominated candidates in two-thirds of the ridings in the country, it will have access to the list.

Based on our analysis, all the parties currently represented in the House would continue to have access to that list.

• (1120)

Christine Normandin: Great.

That means the various criteria shouldn't be considered to be cumulative.

Is that correct?

Cathy Hawara: Exactly.

Christine Normandin: Thank you very much.

My other question may carry over into the second round of questions. It's about data protection.

I'm referring to a situation that occurred in Alberta a few days ago. Parties that have obtained lists can, intentionally or unintentionally, end up leaving them in the hands of others, who can then publish them.

Was this taken into considered when Bill C-25 was being drafted?

What measures already exist to protect against this?

Are any additional measures being planned? If not, should we be making recommendations, changes or amendments?

You have one minute left, but at worst, we can continue the discussion in the second round.

Cathy Hawara: I'll try to be brief.

What happened in Alberta is still under investigation, so I won't comment on that.

What I can say to the committee is that, under the current act, there are strict limits as to who can obtain the list and how it can be used. Only registered and eligible parties, candidates and parlia-

mentarians can obtain the list. Plus, it can only be used to communicate with voters.

Essentially, anyone who knowingly uses personal information from a voter list for any other purpose is in violation of the act and can be fined up to \$10,000 or face one year in prison. Of course, the commissioner can, on their own initiative, or in response to a complaint from a member of the public, investigate any potential violation or failure to comply with the act.

Right now, the act covers this kind of situation. Even if the measures found in the bill don't apply specifically to this issue, they still strengthen the protection of personal information.

[English]

The Chair: Thank you so much.

We'll now go back to Mr. Cooper for five minutes, please.

Michael Cooper: Thank you very much.

Ms. Pereira, just following up on your hypothetical, in the case of the 10% exception whereby if 10% or less of a third party's revenue came from contributions in the year prior to the pre-writ election year, as I understood you say, if during that period the third party received \$1,000 in contributions and \$9,000 in general revenue, the amount of money they could spend for regulated activities would be \$9,000. Do I have that right?

Rachel Pereira: They would be able to use their \$1,000 in contributions, but because they meet that threshold, they could additionally use some of their own revenue. If they have \$9,000, presumably they wouldn't use all of their revenue, but they could have access additionally to using those funds for regulated activities, in which case they would then need to provide financial statements to Elections Canada as part of their reporting requirements to demonstrate the source of funds.

Michael Cooper: They could use those contributions, and those contributions would be treated as their own funds.

Rachel Pereira: Contributions would be contributions from Canadians and permanent residents, and those would have the name, address and so on and so forth that are required for the reporting. Those are contributions from Canadians as required. However, some subset of third parties have their own funds. For example, unions mostly use their own funds, as membership dues are their own funds. They may not receive a lot of contributions, so they would use their own funds, which are not from contributions.

• (1125)

Michael Cooper: Taking another hypothetical, suppose that a foreign source decided, in the previous year, to buy a whole lot of—I don't know—overpriced merchandise from a third party entity, thereby inflating the revenue of the third party, what provisions in the act—if any—would counter that effort to work around the intent of the act, which is to stop the use of foreign money from influencing our elections via third parties?

Rachel Pereira: First, that third party, if they were to participate—or they wished to participate—in the election and in regulated activities, would first have to use contributions from Canadians and permanent residents.

Michael Cooper: However, it's not necessarily so, because I'm citing an example where a foreign entity was purchasing merchandise, goods or items for the intent of circumventing the act. I know there are certain provisions for when there is evidence that it was wilfully circumvented, but these things are very difficult to establish and very difficult to prosecute. It seems to me—but I'm open to hearing you—that this is another way to get around the intent, which is to stop the flow of foreign money into third parties.

Rachel Pereira: Thank you for that point.

Third parties are not necessarily exclusively political actors. They operate over time—

Michael Cooper: I understand that third parties can be any number of entities with any number of objectives, but the issue at hand is that foreign money and foreign sources ought not to be influencing our elections, including through third parties. There are loopholes that allow that to happen. This bill goes a long way, I believe, in trying to close those loopholes, but it seems that this 10% exception keeps loopholes in place or opens the door to new loopholes. That's what I want to get to the bottom of.

Rachel Pereira: That's understood.

The Chair: Please give a very brief answer.

Rachel Pereira: Third parties can sell their products wherever they wish to, so it could be legitimate sales and sources. They do have revenue streams for that.

However, when it comes to regulated activities, they would not be permitted to use those funds. They would need to provide some financial statements to demonstrate where that money comes from. It's not necessarily nefarious if a foreign entity were to purchase something that the third party produces. It may be a genuine, legitimate transaction.

However, there could be a bit of a challenge if it's their general revenue but it is to be used for regulated activities. They would need to report on that and provide their financial statements in terms of demonstrating the source. If 90% of the purchases are coming from some other country, that may raise a question or a flag on the part of Elections Canada.

The Chair: I'll have to cut in.

We'll turn to Ms. Fancy for five minutes, please.

Jessica Fancy (South Shore—St. Margarets, Lib.): Thank you very much.

I'd like to comment that for once I think I'm agreeing with my colleague from across the way there, Mr. Cooper, in terms of his line of reasoning.

For today, though, I'd like to talk a bit about mis- and disinformation and how we can help some of our vulnerable populations in our country. I'm a former educator. I really worry about young girls that I've taught and about my own daughter, who is growing up in an environment where what she sees online might not be trustworthy. Having seen first-hand some of the mis- and disinformation

throughout the election—this was my first election—I'm increasingly concerned about how quickly these technologies are evolving.

This bill does a really good job in addressing AI-generated impersonation and deepfakes. In areas with limited access to local media—where I'm from in Nova Scotia is quite rural—where residents might rely more heavily on social media, I'm asking if you feel that these provisions will be sufficient to protect voters from increasingly sophisticated digital misinformation.

• (1130)

Cathy Hawara: Thank you for the question.

I think there are a number of measures in this package that will address the concerns that have been raised.

Perhaps I'll start by reminding the committee that we are also thinking about Canada's plan to protect democracy when we are thinking about this particular piece of legislation. Of course, one of the pillars of that plan is a more informed and prepared citizenry. I think that is important. Indeed, the bill proposes to expand the current prohibitions against impersonation to include impersonations through AI and deepfakes. We recognize that this is a threat, and it's a growing threat. This is something that the bill will make extremely clear: that those kinds of impersonations are unauthorized.

I think the measure that I referred to earlier around false information is also relevant in this context. It is certainly meant to address an emerging threat and a real potential harm to the integrity of the electoral system. This will address situations where an individual intends to affect the outcome of the election—the results of the election—and the conduct of the election itself. If they know that the statement they are making is false or misleading, and it is a statement about the core elements of the electoral system—who can vote, how they can vote, how to register to vote, the process for counting votes and ultimately the eventual results of the election—these are enhanced protections for our electoral system that the commissioner of Canada elections will be able to administer.

Jessica Fancy: Thank you very much for the answer to that question. I do believe that this bill seeks to strengthen confidence in the electoral system.

As well, in talking with some of the residents in my riding, they've talked about changes to riding names and some of the concerns they might have there. Changes to riding names have raised concerns, including among seniors, some of the different heritage partners within my riding and indigenous communities. I wonder how important that is to the electoral district names and how that reflects local history or local identity.

Should there be some stronger safeguards or consultation requirements to ensure those perspectives are properly considered?

Rachel Pereira: Thank you for the question.

The names of electoral districts are determined by the independent electoral commissions at each decennial exercise. During that process, members can propose names and put forward objections, but ultimately those decisions are made by the independent commissions.

However, members of Parliament can, between those decennial exercises, propose name changes to the ridings for Parliament's approval. In previous decennial exercises, that has been the case, whether through government bills or private members' bills. In 2014 and, before that, in 2004, there have been bills that have changed the names of ridings. That is within the purview of members of Parliament to propose and for Parliament to approve.

The Chair: Thank you so much.

We will now turn to Madame Normandin for two and a half minutes.

[*Translation*]

Christine Normandin: Thank you very much.

I'd like to get back to the question I asked earlier about the publication or use of confidential data.

What we've unfortunately learned from Alberta is that there have been cases where women who are victims of violence from partners found guilty of that violence have had to move to protect the confidentiality of their address.

Does the act already contain provisions to ensure the confidentiality of addresses?

If not, can we make amendments to allow requests for exclusion from the electoral roll on grounds that would justify such exclusion?

Under the current act, could a woman with a spouse known to be abusive, for example, request that her name not be passed on to candidates—who would legitimately be entitled to this information—to prevent it from falling into the wrong hands?

• (1135)

[*English*]

Rachel Pereira: I don't believe it's through this bill, but there is an existing requirement in the Canada Elections Act.

Should an elector wish to be removed from the list, they can, in writing, request it of the Chief Electoral Officer for a period of time. They will still receive the voter information card. It doesn't prevent them from voting, but they can make that request.

[*Translation*]

Christine Normandin: Thank you very much.

I'm going to move on to a completely different matter. In the House, during questions and comments at second reading of the bill, the minister told me that there was some willingness to review public funding for political parties.

Are you aware of the annual amounts granted as tax credits to individuals who make donations, and the breakdown of these amounts by political party?

Does that information exist?

Cathy Hawara: I'm not sure. I can get back to you on that. I suspect that it doesn't exist or isn't broken down that way, but we will check.

Christine Normandin: If the information exists, I'd like you to commit to sending it to us, please.

Thank you very much.

[*English*]

The Chair: Thank you so much.

We'll now go to Mr. Jackson for five minutes.

Grant Jackson (Brandon—Souris, CPC): Thank you, Chair.

Thank you to both witnesses. I appreciate their being here today.

I have a hypothetical question that's a bit different from Mr. Cooper's. If I were a foreign entity that purchased one million dollars' worth of consulting services from a third party in Canada, how would this act ensure that this money is not used towards influencing a Canadian election?

Rachel Pereira: There are requirements for third parties. They need to register if they wish to spend \$500 or more in the election. Then they're subject to a variety of reporting requirements.

I can look up the maximum threshold if you'll give me a moment.

Grant Jackson: Sure.

Rachel Pereira: There are also, as you know, pre-election and election-period spending limits for third parties.

What this bill would do—I'll repeat—is this: Third parties wishing to participate under the act as a registered political party could, during the election period, use funds from Canadians and permanent residents. If those funds are 10% or less of their overall revenues, they would be able to use those revenues, with reporting requirements providing transparency to Elections Canada so it knows what the source of those funds are.

For a very large third party that generates a lot of business, that would be part of their financial statements, and that might raise some questions at Elections Canada in terms of where those funds are coming from. They could be legitimate sources of funding.

I don't know if that answers your question.

Grant Jackson: It sort of does.

What I'm curious about is this: I'm sure the consulting services, in my hypothetical scenario, would be legitimate, but if they're being purchased before the pre-writ period, before the year required.... If we're in a four-year election cycle—so an election is in year four—if they're purchased in year two of that cycle, do they fall under the 10% cap as it's set out in this bill?

Rachel Pereira: Third parties can participate outside of election periods. That wouldn't be regulated. It's regulated during the pre-election and election periods.

• (1140)

Grant Jackson: Then, currently, it would not fall under the provision of the act if it was in year two.

Rachel Pereira: If that money came in the year before, if it's the fiscal or calendar year that they use, that would be part of the calculation. The year before the election, if that money was coming in and was part of their revenue stream—

Grant Jackson: That's right.

Rachel Pereira: —that would be captured as part of that threshold.

Grant Jackson: However, it wouldn't be if it was two years before an election.

Rachel Pereira: I will return to this committee with a confirmation of that response to your question—

Grant Jackson: Okay. I would appreciate that very much.

I think these entities or foreign actors are planning well in advance. They know, especially now that we're in a majority, when the election theoretically would be. Planning out a time plan is not hard for them to do if they're going to make a contribution to try to influence a Canadian election.

In terms of the reporting requirements for entities, you commented on how, if contributions are coming through, books of a third party would have to be categorized separately. Is that a new requirement? What does that look like in terms of the accounting practices for third parties and the change it will require for them if this bill becomes law?

Rachel Pereira: They will need to demonstrate that the revenues are their own. Not all third parties might have the same infrastructure or the same type of accounting and financial statements that other third parties might. There's a bit of flexibility in terms of.... In the act, it would be a statement in line with common accounting principles. They would need to provide that in order to demonstrate the source of those funds. Yes, it is a new requirement because the threshold is a new requirement.

I would just add, in terms of why the requirement is here, why the 10% threshold.... As was noted earlier, the Chief Electoral Officer acknowledged, in his 2022 recommendations report, a couple of approaches to get at the transparency gap that we're talking about. One of them was to have a more restrictive regime where third parties could only use contributions from Canadians and permanent residents. He noted the potentially significant charter risks with that, given that third parties also generate legitimate funds in Canada, Canadian funds. It would have raised some charter questions, which is why he proposed the approach that is reflected in the bill.

The Chair: Thank you so much.

Ms. Kayabaga, you have five minutes, please.

Hon. Arielle Kayabaga (London West, Lib.): Thank you, Mr. Chair.

Welcome, officials, to the committee today. Thank you for the work that you've done on this bill. This is a bill that has had a lot of consultation. You did provide an opportunity for all members to ask questions in the technical briefing. I really appreciate that.

I want to ask some questions around some of the current gaps in our Canada Elections Act that you think Bill C-25 is going to close and around what risk you view would remain if we don't act.

As well, based on your experience, have the recent incidents, including the Alberta case, exposed vulnerabilities in our act in how elector information is accessed or shared?

Cathy Hawara: One of the gaps that we and others had noted was the fact that most of the protections, which are very strong protections for our electoral system, were really only in place for the duration of an election. This is one of the recommendations that was made in the context of the public inquiry on foreign interference. It was that this kind of protection against, for example, foreign influence of voters or misleading publications, etc., really needed to be in place at all times. This is one of the gaps that we're closing with the measures that are in this bill. We know that, as was mentioned, threats to our electoral system don't just happen during the electoral period, so this is quite important.

In terms of the privacy of information and, in particular, voter lists, we did take note of the Chief Electoral Officer's recommendation that there was a vulnerability with respect to the preliminary list of electors, so the bill targets a measure there as well, which we've already discussed, with respect to ensuring that the list in particular does not fall into the hands of an entity that does not intend to endorse a candidate but is looking for access to personal information. Those are some of the examples of the gaps that the bill proposes to close.

• (1145)

Hon. Arielle Kayabaga: I have a question around the enforcement that the bill provides. In practical terms, how would enforcement work when a violation occurs, for example? I want to also touch on the scenario where the new administrative monetary penalties would change behaviour. How does that change behaviour compared to current regimes?

If we kept the status quo, what would that look like versus the new steps that we're taking?

Cathy Hawara: There are a number of important measures that are included in the bill to strengthen enforcement of compliance on the part of the commissioner of Canada elections, and this is also a response to the recommendations that she herself made in 2022.

There are a couple of examples I can point to at the moment. If she is conducting an administrative investigation, she cannot compel an individual to co-operate with her investigators by attending an interview, providing information or producing documents. If they don't co-operate, she must go to court, which, of course, is more onerous and is an inefficient way of dealing, as swiftly as possible, with the enforcement of the act. Therefore, we are proposing new authorities for the commissioner that are very much in line with authorities that are available to similarly placed commissioners.

With respect to the administrative monetary penalty, we are proposing to increase it. At the moment, the maximum penalty for individuals is \$1,000, and that would go up to \$25,000 and, for entities, the current maximum is \$5,000, and it would go up to \$100,000. Of course, the objective there is a deterrent effect, and it would be more in line with some of the regimes that we find in some provinces.

The Chair: Thank you so much.

What we'll do next is go through another short round. We'll do three minutes with the Conservatives, three minutes with the Liberals and two minutes with the Bloc. We'll then suspend for a few minutes so we can have the full hour with the minister.

Mr. Jackson, go ahead for three minutes.

Grant Jackson: Thank you, Chair.

Thanks again to the witnesses. We appreciate your taking a couple of those questions away and getting back to us with clarification on how that applies to a four-year election cycle. I think that's important for committee members to understand as we're considering this bill.

As Mr. Cooper said, we're generally supportive of a number of the provisions that came forward in this piece of legislation. I'm just looking for clarity on a couple of those items.

I want to follow up specifically on the monetary penalties. I'm wondering—I apologize if I missed this already—how you arrived at the proposed new \$100,000 monetary penalty for entities in the bill.

Rachel Pereira: Thank you for the question.

We've looked at a couple of different examples, one being comparable provincial and territorial election laws. We also looked at other federal pieces of legislation where there are administrative monetary penalty regimes in place, knowing that the CEO and the CCE have noted that the current maximum amounts of \$1,500 and \$5,000 for individuals and entities are very low and do not help compliance or serve as effective deterrents.

I can give some examples of how this aligns. The new maximums align with the other provinces—

• (1150)

Grant Jackson: Sure. Maybe you could provide those to the committee after the fact. You probably don't have to read them into the record. I would appreciate that.

You mentioned earlier in your testimony that the Chief Electoral Officer provided feedback that going to an allowance of zero foreign contributions would potentially, I think you said, result in a charter challenge.

I'm curious for a little context around that. It surprises me that somehow the charter may come into effect with relation to foreign contributions. Did I understand that wrong? Please clarify that. Thank you.

Rachel Pereira: Thank you. I may not have articulated it clearly.

Just to be clear, the option is to limit third parties in Canada from using their own funds at all in regulated activities. Legitimate

Canadian company-generated funds in Canada could be seen as limiting freedom of expression, and that may be too restrictive. That was the consideration around that approach.

Certainly, a more restrictive regime would limit circumventing other funds from coming into.... In other words, limiting it only to Canadian contributions by Canadian citizens and permanent residents would be quite restrictive, so the consideration was around limiting Canadian third party legitimate funds.

The Chair: Thank you so much.

We'll now go to Ms. Vandenbeld, please, for three minutes.

Anita Vandenbeld (Ottawa West—Nepean, Lib.): Thank you very much, Mr. Chair.

Thank you to the officials for being here and answering our questions. I'd like to pick up on the question that Mr. Jackson asked about the administrative monetary penalties.

I'm back on this committee after a nine-year gap. A decade ago, the Chief Electoral Officer was at this committee asking for additional monetary penalties. In addition to what you just outlined, the reason was that there's a really big gap between a criminal threshold and \$5,000. There were a number of things that, if they were penalties, might have been pursued, but they didn't really warrant going the criminal route.

Is this also a way we can address those issues that wouldn't go before the courts but were bad enough that they should warrant a high fine?

Cathy Hawara: I think that's right.

In fact, what we're also doing is expanding the number of contraventions of the act that can be dealt with through the administrative monetary penalty regime to give the commissioner greater flexibility to deal with things that need to be dealt with—but not through the criminal process.

Anita Vandenbeld: I also noticed that Bill C-25 talks about cryptocurrency and gift cards and making sure these can't be used. I would have assumed that was already the case. We have such a strict regime that it comes as a surprise to most of us that cryptocurrency donations and such would even be allowed.

Is this something new?

Cathy Hawara: It is new. Parliament will be introducing that prohibition in the Canada Elections Act for the first time. It is meant to respond to the fact that these are difficult to trace and can be a conduit for foreign or dark money coming into the system. A robust system will become even more robust.

Anita Vandenbeld: These sound like some very important changes.

Thank you.

[*Translation*]

The Chair: Ms. Normandin, you have the floor for two minutes.

Christine Normandin: Thank you very much.

Several of the changes relate to candidates for party nominations or leadership contests. The definitions often include potential candidates. I imagine that the parties have established procedures for nominations. It may be less clear who is officially a candidate for nomination.

I would like your comments on how we can easily determine, in the future, who is a potential candidate when considering offences. This concept seems rather subjective to me.

Has this issue already been considered?

[*English*]

Rachel Pereira: “Potential candidate” is already defined in the act. I don't have it in front of me—I'm sorry—but on the changes you're referring to, where there are new protections for nomination and leadership contestants or contests, certain measures are not being limited to the election period. The limitation on during the election period would be removed. Consequently, that would include potential candidates and eligible parties. The actors who operate outside of an election also would be captured.

Those consequential amendments to those provisions are to ensure that all the actors who operate, not just during an election, would be captured. They are prohibited at all times.

• (1155)

The Chair: Thank you so much.

We'll suspend for five minutes and come back with the minister.

• (1155)

(Pause)

• (1200)

The Chair: Welcome back.

I'd like to welcome our second panel. I see a couple of familiar faces and a new one.

I'd like welcome the Honourable Steven MacKinnon, Minister of Transport and Leader of the Government in the House of Commons.

For your opening statement, you have five minutes, sir.

[*Translation*]

Hon. Steven MacKinnon (Minister of Transport and Leader of the Government in the House of Commons): Thank you very much, Mr. Chair.

Members of the committee, I'm very pleased to appear before you today to talk about Bill C-25, the strong and free elections act.

As you know, the Canada Elections Act is the cornerstone of our electoral system. It ensures that elections are free, fair, independent and secure. Its strength lies in regular updates and improvements, which take into account new threats, expert recommendations and lessons learned.

[*English*]

Through the strong and free elections act, the government has introduced targeted priority updates to strengthen and protect Canada's federal elections. It draws on recommendations from the Chief Electoral Officer, the commissioner of Canada elections and, in a more timely way, the Public Inquiry into Foreign Interference in Federal Electoral Processes and Democratic Institutions. It is the product of consultations and collaborations with members of Parliament from all parties, because I strongly believe that changes to the regime that governs how elections are conducted should be based on consensus as much as possible.

Moreover, I am pleased to share that all of the legislative recommendations from this committee's study on unduly long ballots have been incorporated into the bill.

[*Translation*]

Bill C-25 comprises two parts.

The first part includes amendments to the Canada Elections Act in five key areas: safeguarding elections as well as nomination processes and leadership contests; strengthening the political financing regime; facilitating the enforcement of the act; the protection of personal information; and combating excessively long ballots.

Part 2 of the bill provides for the renaming of 19 electoral districts, in accordance with proposals from the current members of Parliament for those districts.

I'll try to be relatively brief, but I'd still like to outline the main measures in Part 1.

First, the bill will extend the key prohibitions relating to federal elections—particularly those concerning undue foreign influence, corruption and misleading publications—so that they apply at all times. This is necessary because the threats to elections are not limited to the election period.

For the first time, the bill extends these key protections to nomination and leadership contests, among other things, which, as we all know, are important democratic processes that contribute to elections.

The protections for elections and contests will apply both within and outside Canada, in line with the recommendations of the Foreign Interference Commission.

[*English*]

We also know that deepfake technology and disinformation pose increasing challenges to our democracy. That is why Bill C-25 will prohibit manipulating the voice or image of trusted electoral actors with the intent to mislead voters. It will also ban the intentional spread of false information regarding voting or the voting process with the intent to affect the conduct or results of an election.

Let me be clear: These amendments will not prohibit parody or satire or statements made in good faith. They do not target personal political opinions. Instead, they will capture intentional efforts by malicious actors who spread false information to undermine trust in elections.

To increase transparency over political financing, Bill C-25 will prohibit political entities from accepting untraceable contributions such as cryptocurrencies, gift cards or money orders. This will also apply to third parties for regulated activities. The bill requires third parties to use contributions from Canadian citizens and permanent residents to pay for regulated activities while permitting those who wish to use their own funds to do so if they meet certain conditions.

• (1205)

[Translation]

Furthermore, this bill will enable the commissioner of Canada elections to carry out her enforcement mandate. The commissioner will be able to conduct more effective administrative investigations by using tools similar to those available to other federal commissioners to obtain the necessary information, and will be able to enter into information-sharing agreements, both within Canada and internationally. She will also have the power to impose higher administrative monetary penalties where warranted.

Bill C-25 will also strengthen privacy policy requirements for federal political parties by including new requirements, such as the obligation to implement physical, organizational and technological security measures; the obligation to take appropriate action in the event of a data breach; and a ban on selling personal information.

[English]

Finally, to address the issues caused by unduly long ballots, Bill C-25 will limit voters to signing only one nomination form, require election officials to represent only one candidate per district and prohibit false or misleading information on nomination forms, among other measures, to deter those who do not genuinely seek to represent voters in Parliament.

I would like to sincerely thank this committee for your study of the actions of the longest ballot committee in federal elections, as well as your comprehensive recommendations. I am pleased to share that the seven legislative recommendations you made are included in this bill.

As I said at the outset, I strongly believe that changes to the Canada Elections Act should be based on consensus as much as possible. In that vein, I look forward to answering all the questions this committee may have on these measures to ensure our democracy remains, as it is, one of the strongest in the world.

Thank you very much, Mr. Chair.

The Chair: Thank you very much, Mr. MacKinnon.

Before we go to questions, I'd like to remind members to be careful with the microphones when they're on. The other thing is that I know sometimes these discussions can get contentious and speaking over each other becomes an issue. For the benefit of our interpreters, I'm not saying don't be passionate, but do keep in mind the interpreters when you are talking over each other.

We'll start it off with Mr. Cooper for six minutes.

Michael Cooper: Thank you, Mr. Chair.

Thank you, Minister.

The bill goes some way towards closing what are significant loopholes that currently allow foreign sources of funding to be used by registered third parties for regulated pre-election and election activities. However, the bill provides for an exception whereby third parties can use their own funds if contributions constitute 10% or less of the third party's revenue in the year prior to the pre-election period.

This appears to leave the door open to foreign money being used by third parties for regulated activities. For example, it's unclear how contributions made in the year prior to the pre-election period would be treated and whether they would be treated as melded into part of the third party's own funds and, therefore, funds that could be used for regulated activities.

Given that, why not simply close all loopholes with respect to foreign funding and require third parties, without exception, to set up a bank account with contributions coming exclusively from individual Canadians and permanent residents, just like political parties?

• (1210)

Hon. Steven MacKinnon: Thank you. That's a good question.

We followed, pretty much to the letter, the Chief Electoral Officer's advice on this issue. Let's agree that 10% does leave a crack in the door. Quite frankly, I think the Chief Electoral Officer probably also struggled with this. That is, if you reduce it to zero, you may be unfairly or unduly excluding some quite legitimately and indisputably Canadian organizations from participating.

I think we can agree on the objective: We want to squeeze foreign funds out of this third party regime. We have a third party regime in terms of our elections and financing that I would say is already a model to the rest of the world and already quite stringent.

I want to finish by saying I'm open to this committee's consideration of that very matter, and I look forward to your advice on it.

Michael Cooper: Thank you for that, Minister.

You are right in terms of what the Chief Electoral Officer did recommend in his report on the 2019 and 2021 elections, but what I would put back to him and, I guess, to you is this: What is so prohibitive about requiring a third party such as a corporation or a union, or whatever that third party may be, to simply set up a separate bank account and solicit contributions from individual Canadians and PRs for the very specific purpose of engaging in regulated pre-election and election activities?

Hon. Steven MacKinnon: The answer to that is I don't think that's.... It's a choice. Again, I think we probably agree on the end objective. This, in my view, is a detail on which I would be happy to be guided by this committee's judgment after you consider alternative measures.

I don't detect much difference between all parties on the end objective here, which is to squeeze foreign funding from third parties out of our election scenarios.

Michael Cooper: I take it from your answer that you're open to amendments. Is that correct?

Hon. Steven MacKinnon: I'm open to this committee's consideration of that matter, for sure.

Michael Cooper: Okay. Thank you.

I would just say that I do think these loopholes need to be closed—to the extent that they exist, and I believe they do exist—because elections should be decided by Canadians free from foreign influence, including foreign funds. It has been a real problem. It's not just a hypothetical problem. It is a real problem that has been exploited at present by third parties.

On a different matter, this committee undertook a study on the malicious activities of the so-called longest ballot committee. We produced a unanimous report with recommendations to curtail the longest ballot committee or other malicious actors from weaponizing the ballot and disrupting the democratic process in future elections and by-elections. I'm pleased to see that most of the committee's recommendations are incorporated into Bill C-25.

One recommendation, however, that has not been incorporated into the bill is “That the Canada Elections Act be amended to provide for penalties when signatures are obtained on a nomination paper before a candidate has been identified.” There was evidence that the longest ballot committee may have, in some instances, induced electors to sign nomination forms on which the candidate's name was blank, only to fill in the candidate's name after the fact, upon recruiting one of their fake candidates.

The intent of the act is that a candidate must receive the endorsement of at least 100 electors in a riding to get onto the ballot. Signing a blank nomination form is clearly contrary to the spirit of the act, yet this type of mischief can occur without penalty. In my view, an amendment should be brought to close this loophole. What are your thoughts?

The Chair: Be very brief, Mr. MacKinnon.

Hon. Steven MacKinnon: Clauses 4 and 52 provide an offence if someone knowingly provides false information. Otherwise, that is a violation. I think we could probably circle around and compare notes on this because our view is that it would be addressed by these sections.

• (1215)

Michael Cooper: Perhaps you can tighten it.

The Chair: Thank you so much.

We'll now go to Mr. Jeneroux for six minutes, please.

Matt Jeneroux (Edmonton Riverbend, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for joining us here today. I want to get right into one of the issues I see. Hopefully, you're able to address it.

I understand that the purpose of Bill C-25 is to update and further strengthen our existing elections laws. In that vein, I hope you can talk about the protections that already exist in the Canada Elections Act or that would be added under Bill C-25 that will protect Canadians from the issue that was recently brought to light in Alberta, where it appears a list of electors was shared online.

Hon. Steven MacKinnon: From what I know about that issue, which is based on media reporting, it appears to be an extremely cavalier use of the Elections Act and what would constitute at the federal level under current law an extremely serious breach of the provisions of the Canada Elections Act. Voters lists are pretty sacred. That's why Parliament in its wisdom has decided to govern their management very carefully and provide for serious offences for breaches of those provisions.

In this bill, we significantly tighten up even further the privacy provisions that govern all political parties at the federal level. The Alberta incident is something all members should take extremely seriously. Provincial electoral lists aren't much different from federal electoral lists. It is up to elections authorities in all jurisdictions to make sure that the provisions governing the confidentiality of that information be held extremely tightly and, when they're not held extremely tightly, to deal with it in a very serious way.

Matt Jeneroux: Thank you, Minister.

From what I understand, violating the law can result in a fine up to \$10,000 and potentially one year in prison. Is that correct?

Can you tell us about the increase to the administrative monetary penalty amounts, why they were chosen and how they then compare to other jurisdictions across the country?

Hon. Steven MacKinnon: Offences at the federal level tend to be dealt with much more stringently. You will see the enforcement powers of the commissioner being enhanced in these amendments, including her ability to compel testimony—all, of course, in the spirit of giving her more latitude and ability to deal with these. They are, in some cases, administrative penalties. We want to give her some discretion around that.

Let me give you some examples of administrative monetary penalties.

In Alberta, in the Election Act, it can be up to \$100,000—again, depending on the offence. It's up to \$50,000 in British Columbia, \$20,000 in Manitoba, and \$10,000 for individuals and \$100,000 for entities in Ontario. Those would be maximum administrative monetary penalties.

Under other federal pieces of legislation.... It's up to \$1 million in the anti-spam legislation. In the Financial Consumer Agency of Canada Act, it's up to \$1 million for individuals. In the Competition Act, it's \$750,000. You can see that the quantum is quite different.

Matt Jeneroux: In my last couple of minutes, I want to shift gears a little.

Regarding the five-day advance notice for regulated fundraising events, can you explain why these changes are being proposed and give us examples of the types of problems that led to them?

Hon. Steven MacKinnon: Let's start with the premise, which, of course, applies to all political parties represented here and all others. Full disclosure must be given of a political donation. It must be done in a timely way, done by event and done in the most transparent way that we've witnessed, perhaps, in the world.

To go the additional step—which, I would argue, is a second reporting obligation—of publishing someone's home address on the Internet and leaving it there in perpetuity is inviting harassment. It would dissuade people from participating in the political process in ways that are obviously legitimate and dissuade them in ways we do not want to encourage in Canada. Publishing someone's address, whether it be—as these amendments foresee—that of election officials or people who are quite legitimately participating in the political process in other ways, would be, in this day and age, a risk we should not take.

• (1220)

The Chair: Thank you so much.

We'll now go to Ms. Normandin.

[*Translation*]

Ms. Normandin, you have the floor for six minutes.

Christine Normandin: Minister, thank you for being with us. Thank you also for your participation in the study. Your speech in the House and the fact that you stayed to listen to the speeches of other MPs were very well received.

I'd like to get back to the issue of regulated fundraising activities. The requirement for parties to provide a report five days before an event and after an event was introduced by the Liberal Party in 2018.

I'd like to start from the beginning. You may not have been involved in the decision-making process at the time, but do you know what led to the decision to introduce greater transparency into regulated fundraising activities, both before and after the event?

Hon. Steven MacKinnon: Of course, we are always looking for the purest expression of democracy, but we learn and adjust as we go. This time, we are relying on what came out of the public inquiry. What's more, the last time the act was reviewed was two elections ago, which means two reports and two sets of observations from the commissioner and the Chief Electoral Officer have been issued.

The provisions in question are about transparency. In other words, it's still necessary to report fundraising events. The provisions ensure that the information is publicly available. It's very hard

to report revenues prior to an event. As I just told the member for Edmonton, we felt that the requirement to publish a participant's registered or physical address posed an outright threat to their safety.

Christine Normandin: My questions will be along the same lines as Mr. Jeneroux's.

Regarding the post-event release of information, I understand not wanting to provide a specific address. However, without identifying them, have there been any reports of events that warranted this change, or is it just a preventative measure?

Hon. Steven MacKinnon: I think there have been a few incidents where that was a possibility. An address was reportedly posted online. I'm not sure I can cite a specific event that was a cause for concern, but the possibility exists and, more importantly, so does the threat. The posting and reposting of information, addresses and such is certainly something we've seen online.

Christine Normandin: I understand the safety imperative that prompted the change to release the information after the event. I understand that the requirement is being amended, rather than repealed altogether. However, when it comes to releasing the information prior to the event, the section and requirement pertaining to the five days' notice is being removed altogether.

I'd like to go through the elements one by one and hear your comments on balancing transparency and the safety risk.

Under subsection 384.2(2) of the current Canada Elections Act, the date, time and location of the regulated fundraising event have to be published five days prior to the event.

Do you think publishing only the date and time, without specifying the location, will ensure both safety and transparency?

• (1225)

Hon. Steven MacKinnon: I just want to make sure I understand correctly.

You are asking whether it's possible to keep the requirement to publish the date and time of the event, omitting the location, and then, after the event, publish the contributions and names and such.

I'm open to discussing the idea. I don't know what more that would do from a transparency standpoint, in terms of informing the public about an event. All the relevant information is published after the fact in a timely manner.

It would be great if the committee were to look into what the outcome of that might be.

Christine Normandin: Similarly, providing the name of the entity for whose financial benefit the event is organized or the names of those who will be attending, prior to the event, often with five days' notice in the case of major events, gives some indication as to the list of attendees. The same goes for the total amount of contributions.

Doesn't it?

Hon. Steven MacKinnon: Not always.

Christine Normandin: Not always, but when \$1,500-a-plate fundraisers attended by major donors are held, you generally know the amount beforehand.

Would keeping that information still achieve that balance between safety and transparency, in your view, since it isn't information that could identify anyone?

Hon. Steven MacKinnon: I think we've found the balance with the timely publication of the information after the event. Keep in mind, however, that not that long ago—I'm old enough to remember a number of times when electoral financing was reformed—there were basically no limits on union and corporate contributions under the campaign finance rules.

I think the way in which the Canada Elections Act, as passed, was implemented, specifically to exclude all entities, other than individuals, to reduce the limits and to factor in inflation—that too is being removed at the discretionary level—was the ultimate choice to ensure transparency. Of course, contributions are published and contributors have to comply with the act.

In comparison with other countries, we have the most transparent and stringent political financing system possible. Stephen Harper even did away with the financing of political parties. This resulted in a somewhat purer system, in the sense that, for financing, political entities have to turn to individuals—individuals who can choose what to do with their money—and have to adhere to fairly restrictive limits. If you compare that with anonymous contributions from foreign corporations, which are common in other countries I won't name, I would say Canada is a model on this front.

[English]

The Chair: Thank you so much.

With the next round—looking at the time—rather than having mini-rounds at the end, I'm going to add a minute to everyone's time, which should take us to about one o'clock. We'll see how it goes from there.

We'll turn to Mr. Kram for six minutes, please.

Michael Kram (Regina—Wascana, CPC): Thank you very much, Mr. Chair.

Mr. Minister, thank you for joining us at committee today.

In 2017, the Alberta Court of Queen's Bench struck down the section of the Canada Elections Act that required candidates put up a \$1,000 deposit to run in an election. It was that decision that opened the door to the disruptive activities of the longest ballot committee, because now, if you have a frivolous candidate, that candidate doesn't have to put up \$1,000.

I couldn't help noticing, Minister, that in 2017 your government chose not to appeal that particular decision of the Alberta Court of Queen's Bench to the Supreme Court. With the benefit of hindsight, Mr. Minister, is it fair to say that your government should have appealed that decision all the way to the Supreme Court?

• (1230)

Hon. Steven MacKinnon: It's hard to engage in counterfactuals on decisions that would have been based in law on advice by the Attorney General in a government that I wasn't part of, in the sense

that I was not a minister at that time. However, I do think that the measures we have taken here, the measures that you and other members of the committee participated in sending the government in terms of dealing with this abuse—that is what it is and we must call it that—of the electoral process, will prove to be very effective in dealing with the issue.

Michael Kram: All right.

Minister, I am perhaps a bit more pessimistic than you are in terms of the activities of the longest ballot committee. In last month's by-election in Terrebonne, it's worth noting that all of the longest ballot committee candidates did have a unique official agent, so they are already complying with one of the changes in this bill. I believe that there were 47 candidates on the ballot in that by-election, and Elections Canada did have to go with the write-in ballot process.

If the longest ballot committee continues to cause these problems, do you think your government may revisit the idea of a deposit of perhaps a smaller amount that would not violate charter rights in section 3 of the charter?

Hon. Steven MacKinnon: Inasmuch as there are now two notable recommendations—among I believe the seven you made—that they will have to be compliant with, I do think that time will tell. We believe, nonetheless, that it will have a dissuasive effect and, taken together, all seven, hopefully, even more so.

I really don't want to be in the position of second-guessing a decision that would have been made on a factual and a legal assessment led by the Attorney General of the day, but I do think, to be perhaps a bit more precise, that this longest ballot business is incredibly frustrating to voters and has a dissuasive effect on voters. I think all of us should be properly preoccupied with that.

I don't like it when the target is a Conservative or a Bloc MP any more than I like it when the target is a Liberal, and I think we have a common reason to make sure we protect democracy by eliminating this abuse of it.

Michael Kram: Okay. That's very good.

I appreciate that in your opening statement you mentioned the report from this committee to counter some of the disruptive activities of the longest ballot committee. One of the recommendations in that particular report was for the signature forms themselves to explicitly say, at the top of the form, that it is against the law to sign more than one candidate's nomination papers. I did not see that particular change incorporated into the legislation, but I would assume that it could be done by regulation or by administrative matters at Elections Canada.

Hon. Steven MacKinnon: Yes. We believe the Chief Electoral Officer has all the authority he would need to put appropriate language at the top of one of those forms.

Michael Kram: Will you be directing the Chief Electoral Officer to do that?

Hon. Steven MacKinnon: I don't direct the Chief Electoral Officer to do anything, sir.

Michael Kram: Okay.

Do you expect that result will happen in the near future?

Hon. Steven MacKinnon: I expect that you could probably write to him and suggest that it might be something he wants to consider. It would probably be better coming from you than it would be coming from me.

Michael Kram: Perhaps the entire committee could hop on that bandwagon.

Hon. Steven MacKinnon: I know the Chief Electoral Officer has a consultative committee. At least, he did when I was the national director of my party. That would be an interesting thing, I'm sure, for party officials to raise with him at the appropriate time.

Michael Kram: Very good.

I have 30 seconds left. I will touch briefly on the idea of the name changes in the act.

As we know, every 10 years, there's a boundaries commission that changes the boundaries and possibly changes the names. It's not lost on me that if it weren't for the longest ballot committee and foreign interference, we would need a stand-alone act going through Parliament just to change the names of these ridings.

Can you opine on a more efficient way to deal with riding name changes than an act of Parliament?

• (1235)

Hon. Steven MacKinnon: We thought we were adopting an efficient mechanism here to do that, which was harvesting all of the suggestions from individual members of Parliament and not questioning them. We assume those members of Parliament have done the appropriate consultations in their ridings. If not, woe betide them for making a suggestion that is contrary to their constituents' wishes.

We took all of those names textually and created a separate section, as you know, to deal with them. It's certainly more efficient than dealing with 17 private members' bills.

The Chair: Thank you so much.

[*Translation*]

Mrs. Brière, you may go ahead for six minutes.

Hon. Élisabeth Brière (Sherbrooke, Lib.): Thank you, Mr. Chair.

Thank you, Minister, for being here, along with your officials. Thank you as well for your work on this important bill.

We know that the world in 2026 is a very different place from what it was even just a few years, if not months, ago. As parliamentarians, we see the importance of ensuring that our democratic system is effective and protected, on one hand, and keeping up with the times, on the other. The Canada Elections Act is globally recognized for its robust procedures, strong political financing system and strict spending limits. Nevertheless, Canada is not immune to the growing threats facing the system or, above all, the erosion of public trust.

I'd like you to talk about how Bill C-25 deals with interference, particularly how it adds an extraterritorial application to certain of-

fences, making it possible to investigate threat actors operating outside Canada.

Hon. Steven MacKinnon: It's a battle that is very current, so your question is quite relevant.

The areas or issues exposed by the Foreign Interference Commission were the motivation for the legislative and administrative changes we made to rectify the situation. I know that Elections Canada provides oversight. I want to highlight two other measures we announced when the bill was introduced, to monitor foreign interference, misinformation and disinformation.

The Government of Canada now has enhanced capacity in that area. We have the cabinet directive on election monitoring and the publication of incident reports. That has worked quite well. The updated system seems to have been very effective during the last election campaign.

This is about addressing misinformation, deepfakes and the malicious spreading of false information in relation to an election, among other things. Obviously, in no way did we want to capture parody, satire or comments made in good faith, meaning for the purposes of expressing an opinion by voting. However, people or entities who share or spread information they know to be false will be dealt with harshly under the provisions of this bill.

Earlier, we talked about the provisions pertaining to third-party contributions. While that funding is strictly regulated in Canada, these provisions will eliminate, or nearly eliminate, the potential for foreign funding to enter our electoral processes. They will prevent political parties from using cryptocurrency, gift cards, prepaid cards and more.

There are numerous measures, all recommended by either Elections Canada or election authorities, or the Foreign Interference Commission. I think we've put together a suite of measures that address all of those recommendations in a timely and comprehensive way. At least, that's my hope.

• (1240)

Hon. Élisabeth Brière: Thank you very much.

How does the extraterritorial application work? How will we be able to go after actors operating outside Canada?

Hon. Steven MacKinnon: We're going to work with international law enforcement authorities. We are expanding the scope of certain provisions, while giving the commissioner broader powers when it comes to international information sharing. She will be able to request or provide information in order to obtain the information she needs for the purposes of an investigation into an offence or suspicious activity. She will have the same powers or tools as a police agency has for criminal investigations.

Hon. Élisabeth Brière: I don't think I'm mistaken in saying that it was important to you to have consensus on the bill.

Can you tell us why it was so important to you?

Are you satisfied with the consensus that was reached?

Hon. Steven MacKinnon: Thank you for your question.

I take protecting our institutions very seriously. Especially today, I think it is in all of our interests to agree on the ground rules at least. We see the debates, decisions and court rulings undermining democratic participation in other democracies. I think the fact that Canada is always looking for the purest expression of democracy by passing corresponding legislation is something we should be proud of.

Everyone at this meeting and in the House of Commons should also be very proud that we are able to agree on the ground rules and to show our constituents that. To me, Mrs. Brière, there is no better example we can set for citizens or the world than coming together as political parties to agree on the rules and the legitimacy of our democratic processes.

The Chair: Thank you very much.

We now go to Ms. Normandin for three and a half minutes.

Christine Normandin: Thank you.

Minister, you broached the issue of party financing when you mentioned that Stephen Harper had done away with public funding for political parties. I'd like to hear your thoughts on the relationship between the use of public money and the expression of democratic voting.

Since the funding is based on the number of votes received, we know there is a direct correlation between public money and number of voters. However, under the current system, which uses tax credits, I would argue that the distribution of public funds is actually based on how deep the pockets of political party donors are.

Here's a hypothetical scenario. If I give the Bloc Québécois \$400, I get a tax credit of \$300. Indirectly, then, I'm forcing the government to give the Bloc Québécois \$300. The connection to public funds is more dependent on voters' ability to donate.

Do you see the situation the same way?

Hon. Steven MacKinnon: I've taken part in many iterations of this debate, and I think there are good arguments on both sides. Some countries, of course, have a system of public funding for political parties. Federally, in Canada, Parliament decided to take away political parties' access to that funding and to limit their funding to contributions from individual Canadians.

I'm intrigued, but not convinced, by the arguments in favour of public funding for political parties. Nevertheless, I think it's a valid argument. I believe you or your colleague brought that up in the House during second reading debate, and I think it's a fair point.

Obviously, Canadian taxpayers contribute to the funding of all parties through tax refunds, which means political parties do receive public funding, but through our income tax system, not directly. That is the choice that was made in the past, and we decided not to revisit it in this review of the Canada Elections Act. It's a never-ending debate, as far as I'm concerned.

• (1245)

Christine Normandin: Thank you.

I'd like to turn to nomination papers and the one-signature-per-electoral requirement. Do you agree with me that the only effect we can hope the measure will have is deterrence, not punishment?

The Chief Electoral Officer told us that it would be impossible to cross-check signatures and that a candidate's nomination couldn't be rejected on the grounds that a person had signed multiple nomination papers.

Hon. Steven MacKinnon: Yes. Clearly, Parliament passes all kinds of legislation it hopes will serve as deterrence, even though there is no reasonable way to ensure compliance at all times. In this case, however, if Parliament passes these new provisions, it will make known its discomfort with the activity. I think Elections Canada's oversight should come into play in the minds of those wanting to sign multiple nomination papers. I think it will have a fairly strong deterrent, if not coercive, effect.

The Chair: Thank you.

[English]

Mr. Jackson and Mr. Calkins will be splitting their time. I think it is Mr. Jackson first, but I will leave it to you.

You have six minutes.

Grant Jackson: Thank you, Chair.

Thank you, Minister.

Minister, I want to begin by saying that I appreciate your collaborative nature on this piece of legislation. As a new member of Parliament, this is the first government bill I've had the opportunity to scrutinize at committee, and it's very good to see.

I wonder if you would agree that the purpose of the bill is to collaborate and put forward improvements that will hopefully reassure Canadians of the soundness of our electoral system and the way we elect a government in the country. Would that be a fair assessment to you?

Hon. Steven MacKinnon: Yes. The only thing I'd add to that is that it is informed by expert opinion and analysis as offered by the Chief Electoral Officer, the commissioner and the foreign interference inquiry.

Grant Jackson: Sure.

Do you think this committee plays an important role in reassuring Canadians of that purpose as part of the legislative process?

Hon. Steven MacKinnon: I think this sends an incredibly strong message. When we look around the world, when parties are.... We don't agree on much, Mr. Jackson, but when we can agree on the rules of the game, I think that sends an incredibly strong, unmistakable message to Canadians, to your constituents and mine, and around the world, that in this day and age parties are able to come together and agree on the rules and always find a more perfect expression of our democracy. That's pretty potent.

Grant Jackson: I appreciate that, Minister. I do think the committee forum is the best place for those types of agreements to come.

After your government obtained the majority last week, you shut down a number of committees. I wonder if you think that is counter to the purpose of what Bill C-25 is trying to do. Are you sending conflicting messages?

Hon. Steven MacKinnon: I don't think that's any different. We're always looking for the purest expression of democracy. I think the government has a large—probably the largest—role to play in ensuring that the work of this committee, as it is currently, be done in public and done in a transparent way. I believe fervently in the role of Commons' committees to study legislation, approve spending, examine government policies and priorities, and make a report on those.

Unfortunately, it sometimes falls down in the execution, but I accept that the government has the largest role in making sure that this is the case, mostly if not always.

Grant Jackson: In terms of moving forward then, we can expect less of the behaviour of last week—not more.

Hon. Steven MacKinnon: I can tell you what you can expect if you tell me what I can expect.

Grant Jackson: That's fair enough, Minister.

Go ahead, Mr. Calkins.

Blaine Calkins (Ponoka—Didsbury, CPC): Thank you, Minister.

One of the gaps that we have, from the foreign interference investigation, was the nomination process. I appreciate the efforts on the actual delivery of an election, but I think we've seen and heard enough testimony to understand that nomination contests, which are very party-oriented.... I think there's a reluctance, for some, to let Elections Canada enter into the nomination process too much, yet here we are, dealing with this potential problem. We knew about 11 people who might have been influenced. All political parties were involved in this problem. It was particularly from the United Front.

You've added some penalties for this. What about the prescriptive nature of nominations? Is that going to change in the legislation, or is that something you're going to allow the electoral officer to design and implement?

• (1250)

Hon. Steven MacKinnon: Are you talking about the actual holding of nominations and rules governing nominations?

Blaine Calkins: That's correct.

Hon. Steven MacKinnon: Mr. Calkins, you and I share a bit of history around this place. You will know that in 2003, I believe, the Elections Act began to regulate party processes, especially the financing of party processes.

We have, over the years, tweaked and tried to continue to perfect that system. The line that we have never gone over, and one that I do not believe we should traverse, is that political parties should be able to govern their own democracies. That is not to say there are

not things like financing that should have public and legal scrutiny. Parliament has, in its wisdom, decided to do that, and I think that's a good thing.

Parties are also public goods. They are imperfect. They are made up of volunteers. Anyone who has served on a volunteer board, whether it's inside a political party, in a charity or in any other kind of organization, knows that volunteer organizations are sprawling and hard to govern, and it's hard to enforce rigorous standards.

However, I think that the Conservative Party, the Bloc Québécois, the New Democrats, the Greens and the Liberal Party of Canada, for sure, should be the default choices for governing how their candidates are chosen, as in who is eligible and how the processes of electing candidates or leaders, for that matter, are set out. The financing, as is appropriate, is a public matter and therefore should be regulated by our public institutions, like Elections Canada.

The actual rules governing nominations and democracy in political parties—

Blaine Calkins: You're—

The Chair: I'm going to have to cut you off there. You're over.

Hon. Steven MacKinnon: I think it's important to stay in their hands.

The Chair: You're also over.

I admonished the minister.

Hon. Steven MacKinnon: I'm sure you agree.

The Chair: We'll turn to Mr. Louis for six minutes, please.

Tim Louis: Thank you, Chair.

Thank you for being here, Minister. I appreciate this.

In your opening remarks—and we've had this discussion before—you emphasized consensus. Mr. Jackson used the word “collaboration” in developing this legislation. I know that recommendations came from the public inquiry into foreign interference, the Chief Electoral Officer, the commissioner of Canada elections and, indeed, this committee's studies.

Why is this broad support particularly important right now and that Canadians see these as non-partisan electoral measures that we're taking?

Hon. Steven MacKinnon: I find, in a happy way, the contrast between having this debate and this discussion where you, members of the committee, are seeking to shape the provisions and details of this bill, and the fact that no one in our society seriously challenges the essence of the Canada Elections Act or its validity. No one questions that. No one throws the results of elections into doubt.

I would add that no one has found a more perfect system than the paper ballot—the pencil and the blind behind which people get to vote. Canada's democracy is an incredibly strong one. That is not to say it's perfect, which is why we need to make these adjustments from time to time.

I find that debating further improvements to a pretty good system to be a striking contrast with debates that go on elsewhere and seek to, in some cases, deny the franchise or at least impede the ability of people to participate in the election system and to alter boundaries in ways that political actors find appealing for themselves. That is a much different debate than the one we're having here today. I think all of us should be very proud of that.

• (1255)

Tim Louis: Is it fair to say, then, that the collaboration you referred to lets us focus on more targeted measures rather than broader, sweeping changes?

Are there translation issues?

The Chair: He can't hear. Can you maybe speak a little louder, Mr. Louis?

Tim Louis: I can do that. I'll lean into it.

I wanted to know if that level of collaboration would let us focus in on—

The Chair: Hang on, Mr. Louis. We're going to do a check. We'll pause your time. Can you talk into the mic?

Tim Louis: Check one, two, three.

Is there nothing yet?

The Chair: We're not getting anything. We're going to suspend for a minute.

• (1255)

(Pause)

• (1300)

The Chair: This committee stands adjourned.

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