

December 1, 2021

Mr. Nathan Neudorf, MLA
Chair
Standing Committee on Alberta's Economic Future
c/o Committee Clerk, 3rd Floor, 9820 - 107 Street
Edmonton, Alberta, T5K 1E7
Sent via: AEFCommittee.Admin@assembly.ab.ca

Re: Lobbyists Act Review

Dear Mr. Neudorf:

The Calgary Chamber of Voluntary Organizations (CCVO) and the Edmonton Chamber of Voluntary Organizations (ECVO) are pleased to provide this joint submission to the Standing Committee on Alberta's Economic Future, relating to the mandatory five-year review of the Alberta Lobbyists Act.

When the Lobbyists Act Legislation was proposed in 2007, Alberta's nonprofit sector raised significant concerns about how it would be negatively affected, which led to the current exemption for public benefit nonprofits. That exemption has been upheld through subsequent reviews of the Act in 2011 & 2017. We now request that it once again be maintained in this review.

The fundamental points outlined below for the exemption of public benefit nonprofits remain as true now as they did in 2007, 2011, and 2017. Additionally, any change to the exemption for public benefit nonprofits would have a negative impact on the government's current commitment to remove red tape adding significant red tape for Service Alberta and potentially thousands of nonprofit organizations.

1. The current test applied to the exemption of whether an organization exists for public or private benefit remains appropriate.

The distinction between private and public benefit was at the heart of the decision to exempt public benefit nonprofit organizations from the Lobbyists Act when it was first introduced. What citizens are most concerned about is where individuals receive private benefit as a result of influencing government officials. There is a fundamental difference between lobbying government for a policy change that is aimed at reducing teen suicide rates (public benefit), and lobbying around a commercial interest (private benefit). If we accept the principle underpinning this distinction, then it is not necessary to remove the exemption for public benefit nonprofits. It serves as a simple, effective, and elegant policy solution.



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2. The exemption for public benefit nonprofits reduces governmental red tape.

Removing this exemption could increase the government's red tape count in the 10s of thousands. There are currently more than 26,000 nonprofits in Alberta, many of which are exempt in this Act, and requiring each one to register will increase the overall red tape count in huge proportions for the registration process alone. Factoring in the additional tracking and reporting requirements, you are easily looking at an increase in governmental red tape in the 10s of thousands to manage the registration of thousands of nonprofits and then to provide oversight on each tracking and reporting requirement.

3. The exemption reduces administrative burden that diverts human resources in community-based organizations from the delivery of essential programs and services.

Nonprofit public benefit organizations deliver crucial services to Albertans every single day, using all of their time and resources to meet the needs of individuals and communities. They may expend valuable time and resources in assessing the registration requirements, as well as tracking and reporting activities. These organizations are stretched thin already, owing particularly to the state of Alberta's economy and the additional burdens of decreased funding and increased service demand during the pandemic. Many remain under-resourced and lack the capacity to take on a greater administrative burden.

4. The exemption allows the government to benefit from the valuable and considered public policy input from public benefit nonprofits.

Removing the exemption could well create a situation that is confusing, burdensome, and alters the working relationship with government. It could contribute toward an advocacy chill, wherein boards of directors, concerned about violating the rules, will choose not to support advocacy efforts. This will deprive public policy makers of the expertise and ground-level perspective that resides with nonprofits and charities.

A survey of 81 Alberta nonprofits, conducted over 5 days in November 2021 by CCVO and ECVO, reinforces the importance of the exemption for nonprofits. **93 percent responded that CCVO, ECVO, and their partner organizations should ask that the government maintain the current exemption.** 83 percent of respondents chose to answer the open-ended question: "If the current exemption for public benefit nonprofits was lifted, what impact would this have on your organization?" Respondents wrote that lifting the exemption would increase the administrative burden on organizations and draw on valuable resources, including programming.

"We're already feeling immense pressure to our capacity. Any additional bureaucracy will only add more pressure to our staff and leadership and will surely impact our programming."

– Survey respondent

"We would have to spend dollars previously spent on building the capacity of the nonprofit sector on ensuring we could meet the requirements of administration levied by this act on our organization."

– Survey respondent



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More specifically, those with more limited resources, such as smaller organizations and those dealing with the impact of COVID-19, cited concerns over increasing the burden they already face.

“For smaller nonprofits, this work would be very time consuming...The added burden of documentation, administration that would happen if this current exemption was lifted is a lot of new RED TAPE for both the government and the nonprofit...”

– Survey respondent

“It would be significant as our capacity has already been greatly impacted by COVID-19 and this would be an additional burden for our organization.”

– Survey respondent

Respondents indicated that lifting the exemption would create a chill and limit the conversation between government and the nonprofit sector. Nonprofits would feel less confident in what activities they can undertake and whether they can bring forward issues that impact those they serve.

“It could effectively eliminate the power of a nonprofit to reach out the government in regards to initiatives, regulations, laws or any other form of government rules or directives... This initiative could effectively silence a voice that speaks on behalf of the citizens and/or its members. It could also effectively shut the doors to many nonprofits who are just trying to service the community and Alberta's citizens.”

– Survey respondent

“It would limit our ability to have open and honest conversation with our government partners about improvements to our system. It would introduce unnecessary admin burden for both partners.”

– Survey respondent

Respondents that do not see their organization as an advocacy organization feel that lifting this exemption would limit the work of others that are advocating on their behalf, effectively taking away the voice of the sector.

“It might not affect our organization directly, but it would have an impact on organizations that we're members of and rely on to advocate for our work.”

– Survey respondent

Removing the exemption for public benefit nonprofits is a solution to a problem that does not exist, we are unaware of any evidence to suggest Albertans believe a problem exists. In the absence of a strong rationale for lifting the existing exemption, we urge the Government of Alberta not to make changes to the Lobbyists Act that would create both unnecessary red tape for the Government of Alberta and unnecessary work for the Alberta nonprofits working in the public interest and for public benefit.



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Thank you for your consideration. We are available, at your convenience, to respond to any questions you may have regarding this submission. We would also be pleased to appear before committee. You can reach Karen Ball at kball@calgarycvo.org or 403.470.8114 for any further discussion or inquiries.

Sincerely,

A handwritten signature in black ink that reads 'K Ball'.

Karen Ball
CCVO President & CEO

A handwritten signature in black ink that reads 'Gemma Dunn'.

Gemma Dunn
ECVO Executive Director

The Alberta Nonprofit Network (ABNN) and the following Alberta nonprofit organizations endorse this submission:

YMCA of Northern Alberta
YMCA of Lethbridge
YMCA of Medicine Hat
YMCA of Calgary
United Way of Calgary and Area
United Way Alberta Capital Region
Alberta Council of Disability Services
IntegralOrg
PolicyWise for Children & Families
Fuse Social
Volunteer Lethbridge
Volunteer Alberta
Alberta Museums Association