

Third Party Report

A Comparative Look at Third Party
Information from the 2011, 2015 and
2019 Federal General Elections

March 2022

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Introduction

Third parties have been subject to federal election law since 1974. Their activities during elections are regulated differently from those of other political entities such as candidates and political parties. With varied internal structures and electoral aims, third parties as a group can be difficult to understand. Their regulation has also changed: new legislation in 2019 covered more types of third party activities over a longer period. The continued goal of the legislation is to balance electoral fairness, on the one hand, with electoral participation and free speech, on the other.

This report gives an overview of third parties at this interesting time in their evolution: who they are, how they are funded, how much they spend, and what kinds of activities they are spending on. The information presented comes from data collected from the 41st to 43rd Canadian federal general elections, which took place in 2011, 2015 and 2019.

Data sources and limitations

Data presented in this report have limitations that stem from various factors. The data should be used with caution and only as a way to observe general trends.

The primary source of data is [third party electoral campaign returns](#), which are published on the Elections Canada website. Third parties must send Elections Canada an electoral campaign return no later than four months after election day. The return details contributions received and expenses incurred for regulated activities. Above a certain spending threshold, the return must be accompanied by an auditor's report.

Some non-financial data were taken from the searchable [Third Party Database](#) on Elections Canada's website. The database provides basic information on all registered third parties by electoral event.

In total, 55 returns were submitted for the 2011 election, 115 for the 2015 election, and 142 for the 2019 election. Some third parties did not submit their campaign returns, and their financial data are not included in this report. At the time of writing, nine third parties had not filed their return for the 2019 election.

This report uses data as submitted to Elections Canada by third parties. Internal reviews for omissions, data entry errors or misclassified expenses are ongoing for 2019 and are not reflected here. Some data elements were adjusted to more accurately and consistently present the data before they were included in the dataset.

1. Background

Although this report covers only three general elections, the regulation of third parties has a long history in Canadian electoral law. This chapter explains how the regime evolved to be what it is today.

1966 – Committee on Election Expenses – The Barbeau Committee

The modern Canadian election spending limits can be traced to the Committee on Election Expenses (the Barbeau Committee) and its 1966 publication *Report of the Committee on Election Expenses*. The Committee proposed limits on election spending to ensure overall fairness in the electoral process. If third parties were allowed to spend unlimited amounts on campaigns, it would create an unfair advantage for those parties and candidates who are supported by wealthy third parties and benefit those third parties looking for political favours as the result of their large spending.

1974 – *Election Expenses Act*

The *Election Expenses Act*, which came into force on August 1, 1974, limited incurred candidate and party expenses. It also prohibited third parties from incurring expenses used to directly promote parties or candidates during an election period. There was an exception for “good faith” expenses (those incurred to gain electoral support for a policy issue or for advancing the aims of a non-partisan organization). The “good faith” defence for third party expenditures was removed from the law in 1983.

1984 – Court of Queen’s Bench of Alberta decision

In 1984, the Alberta Court of Queen’s Bench struck down the *Election Expenses Act* as unconstitutional. To make sure the application of the law across Canada was consistent, no limits on third party spending were imposed at the 1984 and 1988 general elections.

The 1988 Canadian general election was dominated by the issue of the Canada–United States Free Trade Agreement (CUSFTA). The governing party supported the CUSFTA while the two opposition parties represented in the House of Commons opposed it. In the last days of the campaign, third parties advertised extensively. Although they did not directly support or oppose a political party, they showed support or opposition to an issue associated with one party, i.e. free trade between Canada and the United States. This highlighted a deficiency in the Canadian electoral process: the benefits of spending limits could be nullified by third party advertisements, whether or not they mentioned a specific party or candidate.

1991 – Royal Commission on Electoral Reform and Party Financing

The Royal Commission on Electoral Reform and Party Financing (the Lortie Commission) made a number of recommendations on this subject in its final 1991 report. Among other things, it declared that spending limits on individuals and groups were essential to mitigate the risk of election outcomes being unduly influenced by independent advertising campaigns.

1993 – Canada Elections Act amendment

In 1993, Parliament passed new restrictions on third party spending. Third parties were limited to incurring \$1,000 in advertising expenses that directly promoted parties or candidates during a portion of the election period. In 1996, the Alberta Court of Appeal struck down this law as unconstitutional.

The following year, the Supreme Court of Canada considered third party spending limits for the first time in the context of restrictions in the Quebec referendum law. In that case, the Supreme Court quoted extensively from the report of the Lortie Commission and endorsed the constitutionality of third party spending limits. The Court stated:

The system set up by the legislature to ensure a certain equality of resources between the options submitted to a referendum and thereby enhance democratic expression would become ineffective if independent individuals and groups were allowed unlimited spending or spending with a ceiling similar to that of the national committees....

... The evidence also shows that unless independent spending is controlled, any system for limiting the spending of the national committees would become futile....

1999 – Canada Elections Act amendment

In the context of the Supreme Court decision, Parliament reintroduced third party restrictions to the *Canada Elections Act* in 1999. The restrictions set spending limits and reporting requirements on third parties that spent at least \$500 on election advertising, which was defined as:

The transmission to the public by any means during an election period of an advertising message that promotes or opposes a registered party or the election of a candidate, including by taking a position on an issue with which a registered party or candidate is associated.

2004 – Harper v. Canada case

The constitutionality of the federal law was considered by the Supreme Court in the case *Harper v. Canada* 2004 SCC 33. The case was heard on appeal of earlier rulings from the Alberta Court of Queen's Bench (2001) and Alberta Court of Appeal (2002). Those courts had struck down the spending limits and related provisions partly due to insufficient evidence that the objective of electoral fairness in this area was pressing and substantial.

However, the Supreme Court upheld the constitutionality of the provisions, stating that:

By increasing the transparency and accountability of the electoral process, [the provisions] discourage circumvention of the third party limits and enhance the confidence Canadians have in their electoral system.

The third party restrictions were in place in the 2008, 2011 and 2015 elections. Following the 2015 general election, concerns were raised that third parties, especially foreign-funded third parties, exercised an inappropriate influence on the election despite the restrictions in place. In 2018, as Parliament was considering changes to the *Canada Elections Act*, it was noted that the third party regime only regulated election advertising. It did not capture many of the more common modern campaigning methods such as websites and text messages.

2018 – *Elections Modernization Act*

By passing the *Elections Modernization Act* in late 2018, Parliament introduced a *pre-election period* during which certain activities are regulated. The pre-election period starts on June 30 in the year of a fixed-date general election and ends the day before the election is called. There is no pre-election period for non-fixed-date general elections or by-elections. The first pre-election period took place before the 43rd general election, starting on June 30 and ending on September 10, 2019, the day before the writs were issued for that general election.

The same legislation also broadened the scope of regulated third party activities. The definition of *election advertising*, which was established in 1999, was maintained in the new regime and the regulation of partisan advertising, partisan activities and election surveys was introduced. These four activities, collectively referred to as *regulated activities*, will be discussed in greater detail in Chapter 2, [Understanding Third Parties](#).

Finally, the Act included a number of provisions about third party reporting obligations. Notably, it added interim reporting requirements during both the pre-election period and election period, when certain thresholds are met.

2. Understanding Third Parties

Third parties are individuals and organizations that promote or oppose political parties or candidates during an election campaign but do not seek election themselves. They are subject to spending limits and funding restrictions that are different from those of political parties and candidates.

In the law, during a pre-election period, a third party is defined as a person or group other than an eligible or registered party, a registered electoral district association, a potential candidate or a nomination contestant. During an election period, a third party is a person or group other than a registered party, a registered or unregistered electoral district association, or a candidate.

A third party must register when it conducts regulated activities with combined expenses totalling \$500 or more. The following individuals and groups can become a registered third party:

- an individual who is a Canadian citizen or permanent resident or who lives in Canada
- a corporation carrying on business in and incorporated in Canada
- a corporation carrying on business in Canada but incorporated outside Canada¹
- a group, if a person responsible for the group is a Canadian citizen or permanent resident or lives in Canada

2.1. Number and geographical location of third parties

Looking at the number of registered third parties at general elections from 2011 to 2019, there is a trend toward more third parties registering over time. As well, as more third parties registered, more regions of Canada were represented.

In the 2011 election, 93% of the 55 registered third parties were based in Ontario or British Columbia. Quebec and Saskatchewan were the only other two provinces or territories where third parties were registered.

The 2015 election saw the number of third parties more than double overall, reaching 115. The number increased by three quarters in Ontario, more than doubled in British Columbia and more than tripled in Quebec. Other registered third parties were in Alberta, Nova Scotia and Saskatchewan.

¹ The third party can register as long as its primary purpose in Canada is not to influence electors to vote or refrain from voting, either in general or for a particular registered party or candidate.

In the 2019 election, the overall number of third parties rose again, increasing by nearly a third to 151. Most continued to be in Ontario (57%). Several new provinces were represented in this election: Manitoba, New Brunswick, Prince Edward Island and Newfoundland and Labrador. The territories were not represented in all three general elections.

While third parties register in one province or territory as their headquarters, they can operate across the country. The fact that many national organizations are based in Ottawa and Toronto may explain Ontario's predominance in the list below.

Table 1 – Number of third parties by province and territory at the 2011, 2015 and 2019 general elections*

Province/Territory	2011	2015	2019	Total
Ontario	30	52	85	167
British Columbia	21	44	23	88
Quebec	3	10	16	29
Alberta	0	4	11	15
Saskatchewan	1	2	4	7
Newfoundland and Labrador	0	0	4	4
Nova Scotia	0	3	1	4
New Brunswick	0	0	3	3
Prince Edward Island	0	0	2	2
Manitoba	0	0	1	1
Other	0	0	1	1
Northwest Territories	0	0	0	0
Nunavut	0	0	0	0
Yukon	0	0	0	0
Total	55	115	151	321

*In the handful of cases where no third party address was reported on the registration form, the financial agent's address was used as the location. "Other" refers to a third party that was located abroad.

2.2. Third party types

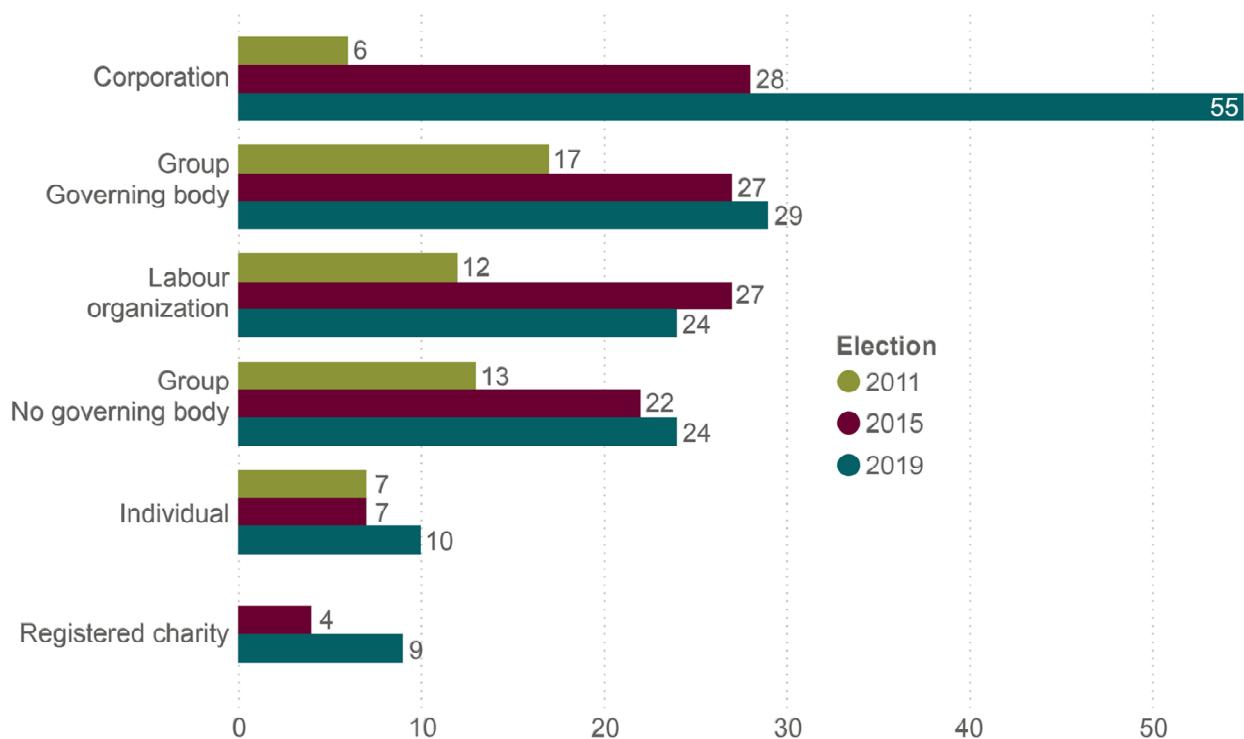
A third party registers with Elections Canada as an individual, a corporation, a group without a governing body, or a trade union or group with a governing body. These types are distinguished in the law. However, to better describe who is participating, this report presents third party data under the following types:

- individuals
- groups without a governing body (mainly composed of local advocacy groups, small groups of individuals)
- corporations (mainly composed of professional associations, industry or commodity associations, larger advocacy groups, incorporated bodies with partisan aims, businesses; excludes labour organizations and registered charities)

- groups with a governing body (mainly composed of larger advocacy groups, industry or commodity associations, non-profit organizations; excludes labour organizations and registered charities)
- labour organizations (composed of trade unions and labour congresses)
- registered charities (composed of registered Canadian charities)²

Overall, corporations were the most common type of registered third party. They were also the type whose number grew most significantly from 2011 to 2019, increasing by over 800%. Corporations also accounted for most of the growth in the number of third parties between the 2015 and 2019 elections. Registered charities had the lowest number of registrants among the third party types at each election.

Figure 1 – Number of third parties by type at the 2011, 2015 and 2019 general elections



² Data on third party types are reported as declared by the third parties, except in the case of labour organizations and registered charities, which were identified using federal data ([Labour organizations in Canada](#) and [List of Charities](#)) and individual websites.

2.3. Regulated activities

In 2011 and 2015, a third party's only regulated activity under the *Canada Elections Act* was election advertising. Beginning in 2019, the scope of regulated activities was expanded to include election advertising, partisan activities, election surveys and partisan advertising. These activities are defined below.

Election advertising is the transmission to the public by a third party by any means during the election period of an advertising message that promotes or opposes a registered party or candidate. It includes promoting or opposing a party or candidate only by taking a position on an issue with which a registered party or candidate is clearly associated without identifying the party or candidate.

Partisan activities are activities carried out by a third party that promote or oppose a political party, nomination contestant, potential candidate, candidate or party leader, other than by taking a position on an issue with which the political party or person is associated. Any activity may qualify such as making telephone calls, sending text messages, creating organic social media content or a campaign website, canvassing door to door and holding get-out-the-vote activities. This includes activities directed at a third party's own members, employees or shareholders.

Election surveys are surveys about voting, or about an issue with which a registered party or candidate is associated, that a third party conducts or causes to be conducted during the election period. The survey results are used in deciding whether or not to organize and carry out regulated activities, or in organizing and carrying out regulated activities.

Partisan advertising is the transmission to the public by any means during a pre-election period of an advertising message that promotes or opposes a political party, nomination contestant, candidate or party leader, other than by taking a position on an issue with which the party or person is associated.

This report goes into more detail about how a third party funds its regulated activities in Chapter 3, [Financial Administration – Funding](#) and about expenses incurred for regulated activities in Chapter 4, [Financial Administration – Expenses](#).

2.4. Key findings from this chapter

- The number of registered third parties increased at each general election from 2011 to 2019. As their number increased, so did their geographical representation, but Ontario predominated.
- Corporations were overall the most common type of registered third party. This type includes more than just businesses, however, since it reflects an organization's structure rather than its purpose.

3. Financial Administration – Funding

A third party funds its expenses for regulated activities from various sources: contributions, its own resources and loans. This chapter uses data provided by third parties in their electoral campaign returns for the 2011 to 2019 general elections to understand the main sources of funding, who made and received contributions, and the extent to which third parties relied on their own resources to carry out activities.

3.1. Comparison of funding sources

In comparing sources of funding used by third parties at the 2011, 2015 and 2019 general elections, contributions emerge as the main source, followed by third parties' own resources, then loans.

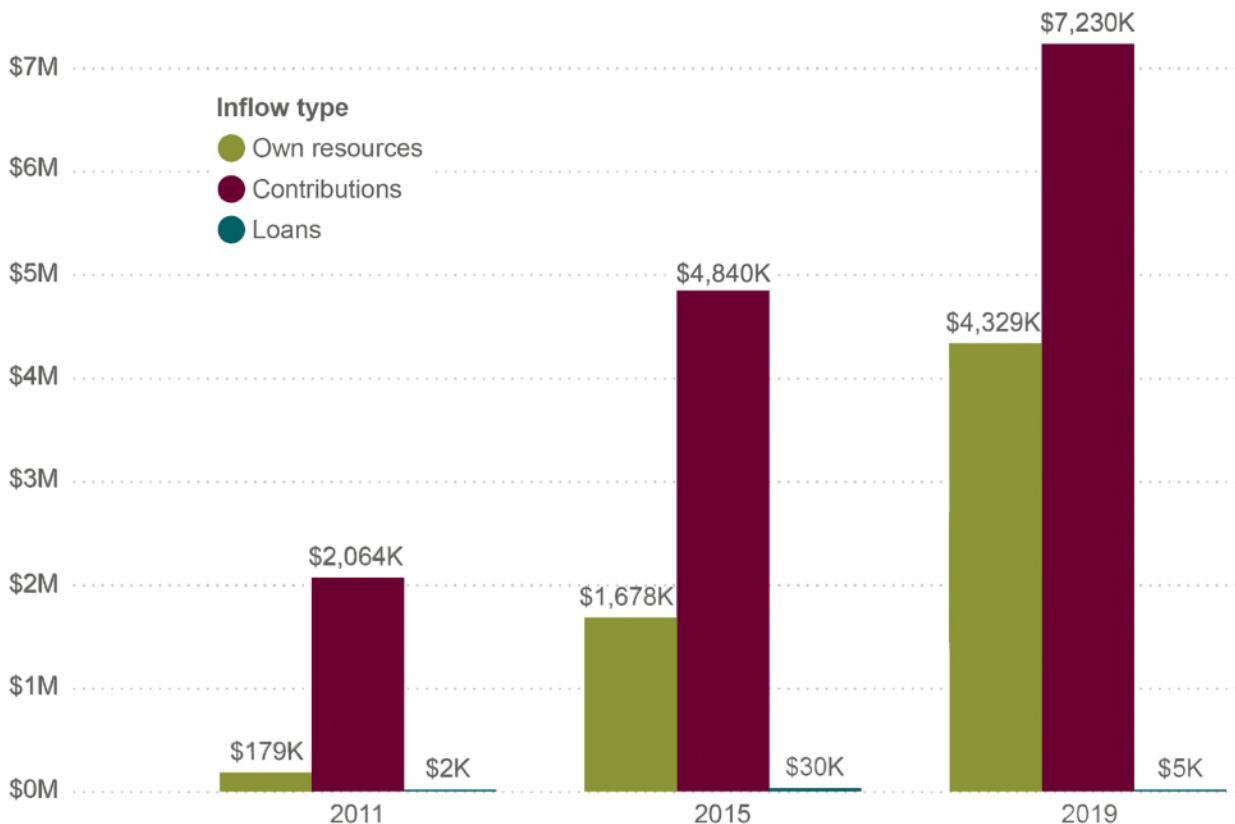
The total amount of contributions received for the 2011 election was just over \$2.0 million. This climbed to over \$4.8 million for the 2015 election and reached \$7.2 million for the 2019 election. While the dollar value of contributions continually increased, contributions as a share of total funding decreased over time, from 92% of total funding in 2011 to 74% in 2015 and 63% in 2019.

Third parties used roughly \$180,000 of their own resources for the 2011 election, about \$1.7 million for the 2015 election and about \$4.3 million for the 2019 election. A third party's own resources were the fastest-growing source of funding, with their share of total funding increasing from 8% in 2011 to 26% in 2015 and 37% in 2019.

Loans were a comparatively minor source of funding at each election. Third parties obtained loans amounting to about \$2,000 for the 2011 election, \$30,000 for the 2015 election and \$5,000 for the 2019 election to fund their regulated activities.

The remainder of this chapter looks in detail at contributions and a third party's own resources as sources of funding.

Figure 2 – Distribution of funding between contributions, third parties' own resources, and loans at the 2011, 2015 and 2019 general elections



3.2. Contributions

Third parties can accept contributions from a variety of sources. Unlike registered political parties and their affiliated entities that can accept limited contributions only from Canadian citizens or permanent residents, third parties can accept unlimited contributions from those individuals and from businesses and organizations that operate in Canada. A third party cannot use funds from a foreign entity to pay for regulated activities.

Contributions received for regulated activities must be reported in the third party's financial returns. Before 2019, third parties had to report contributions received only as far back as six months before the election was called. Starting in 2019, the reporting period extended back to the previous general election.

The level of detail to report varies by contribution amount. When total contributions from a single contributor are more than \$200, the contributor's name and address are disclosed in the financial returns. Contributions of \$200 or less are aggregated and reported by contributor type, along with the number of contributors. There is no location data available for contributions of \$200 or less.

If a third party has received some contributions for regulated activities and some for other purposes but is not able to tell them apart, it must report the name and address of every contributor who made contributions totalling more than \$200 for any purpose. As a result, some contributions are included in this report, although they may not in fact have been made or used for the third party's regulated activities.

3.2.1. Total contributions and contributors

Total contributions reported by third parties steadily increased for each general election from 2011 to 2019. They went from \$2.0 million for the 2011 election to \$4.8 million for the 2015 election (an increase of 134%) and \$7.2 million for the 2019 election (a further increase of 49%). The same trend can be observed when looking at the average contribution. It was \$74 for 2011, \$150 for 2015 (an increase of 103%) and \$212 for 2019 (a further increase of 42%). Median contributions increased more slowly. Among contributors who gave more than \$200, the median contribution was \$290 for 2011, \$328 for 2015 (an increase of 13%) and \$400 for 2019 (a further increase of 22%).

The total number of third party contributors also increased slowly over time. There were approximately 28,000 contributors for the 2011 election, 32,000 for the 2015 election and 34,000 for the 2019 election.

Table 2 – Total contributions and contributors at the 2011, 2015 and 2019 general elections

Election	Total contributions	Total contributors	Average contribution
2011	\$2,064,206	28,082	\$74
2015	\$4,839,553	32,359	\$150
2019	\$7,229,509	34,063	\$212

3.2.2. Contributions by contributor type

Third parties are required to report the contributions they receive for regulated activities by contributor type, as set out in the law. The contributor types are:

- individuals
- businesses
- governments
- trade unions
- corporations (without share capital)
- unincorporated associations

Individuals made up the vast majority of third party contributors from 2011 to 2019, making about 93,900 of 94,500 contributions. At each election, there was an increase in the number of contributors among most contributor types. The exceptions were trade unions, whose number of contributors was highest in 2015, and governments, from whom no contributions were reported at any election.

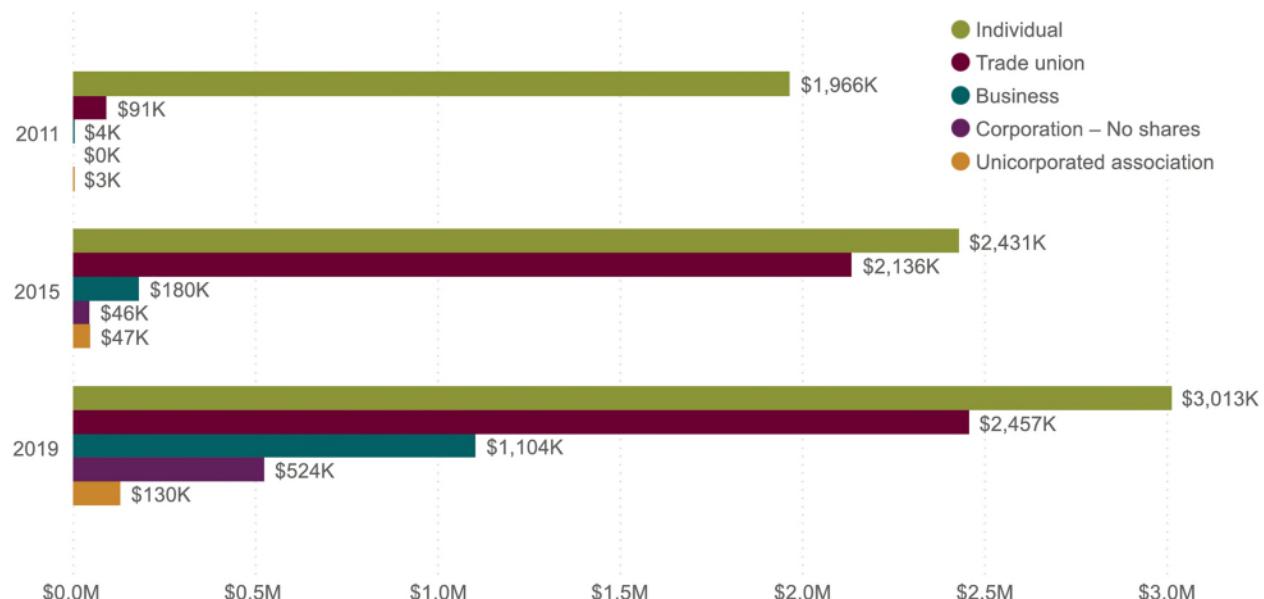
Table 3 – Number of contributors by contributor type at the 2011, 2015 and 2019 general elections

Election	Individual	Trade union	Business	Unincorporated association	Corporation - no shares	Total contributors
2011	28,048	12	6	16	0	28,082
2015	32,204	67	48	21	19	32,359
2019	33,613	47	341	30	32	34,063
Total	93,865	126	395	67	51	94,504

In dollar amounts, total contributions from individuals surpassed those of other contributor types, rising from \$2.0 million for the 2011 election to \$3.0 million for the 2019 election. Trade unions were the second-biggest donors. In 2015, their total contributions of \$2.1 million came close to the \$2.4 million in contributions from individuals. However, the gap widened again in 2019, even though contributions from trade unions continued to increase.

Other contributor types played a comparatively small role in financing third parties—except for businesses and corporations without share capital in the 2019 election, whose total contributions reached over \$1.1 million and \$500,000, respectively.

Figure 3 – Total contributions by contributor type at the 2011, 2015 and 2019 general elections



As Table 2 shows, the average contribution in each election was below or around \$200. Third parties report contributions of \$200 or less in the aggregate by contributor type. Contributions in this category remained relatively stable from the 2011 to 2019 elections, around \$1.4 million. Across the three elections, 95% of all contributors gave contributions of \$200 or less. The highest total contributions of \$200 or less came from individuals. Among the other contributor types, only businesses gave more than \$1,000 in aggregate contributions for any election.

Table 4 – Contributions of \$200 or less by contributor type at the 2011, 2015 and 2019 general elections

Election	Number of contributors	Individual	Business	Government	Trade union	Corporation – no shares	Unincorporated association	Total
2011	27,167	\$1,444,725	\$169	\$0	\$0	\$0	\$752	\$1,445,646
2015	30,736	\$1,528,258	\$531	\$0	\$250	\$0	\$985	\$1,530,024
2019	31,754	\$1,354,256	\$10,076	\$0	\$55	\$494	\$600	\$1,365,481

3.2.3. Contributions by top contributors

At the other end of the spectrum, the highest contributions to third parties ranged in the ten thousands for the 2011 election to the hundreds of thousands for the 2015 and 2019 elections. For 2011, many of the highest contributions were from individuals to an advocacy group in Alberta. Other top contributions were from trade unions to an advocacy group in Quebec that was partnered with labour organizations.³ The highest contribution for this election was \$10,500.

For the 2015 election, the top contributions were all from trade unions. All but one went from a particular trade union's locals to a not-for-profit entity that the parent trade union created for the election.⁴ The remaining top contribution went from a parent trade union to one of its locals.⁵ The highest contributions for 2015 were nearly 20 times higher than those for 2011, in the \$200,000 range.

For the 2019 election, the top contribution was over \$700,000 from an individual to their own policy institute. Several top contributors were once again trade unions donating to entities that they or their parent unions created for the election.⁶ In one case, the contribution went to a non-profit organization supported by unions.⁷ In another case covered by the media, an Alberta-based corporation collected donations from

³ Les Sans-Chemise. (n.d.) *Partenaires*. <https://sanschemise.org/index.php/partenaires/>

⁴ International Union of Operating Engineers. Local 793. (2015). *Locals stepping up political action*. <https://iuoelocal793.org/locals-stepping-up-political-action/>

⁵ Canadian Media Guild. (n.d.) *About the Canadian Media Guild*. <https://www.cmg.ca/en/about-us/>

⁶ See the relationship between the Canadian Labour Congress and Fairness Works at <http://fairnessworks.ca>. See the relationship between Let's Build Canada and Canada's Building Trade Unions in Let's Build Canada, n.d., *About* at <https://www.letsbuildcanada.ca/about>.

⁷ Working Ontario Women. (n.d.) *About WOW*. <https://actwow.ca/about/>

contributors and distributed them to five loosely affiliated third parties.⁸ The three highest contributions for 2019 increased again to \$500,000 and over.

Table 5 – Top contributors and recipients at the 2011, 2015 and 2019 general elections*

Election	Contributor name	Contributor type	Total contribution	Contributed to which third party
2011	Robert Colborne	Individual	\$10,500	National Citizens Coalition
2011	Fédération des travailleurs du Québec	Trade union	\$10,000	Les Sans-Chemise
2011	Confédération des syndicats nationaux	Trade union	\$10,000	Les Sans-Chemise
2011	John Elliot	Individual	\$10,000	National Citizens Coalition
2011	Darey Rector	Individual	\$10,000	National Citizens Coalition
2015	International Union of Operating Engineers Local 955	Trade union	\$271,000	Canadians United for Change
2015	International Union of Operating Engineers Local 793	Trade union	\$250,000	Canadians United for Change
2015	International Union of Operating Engineers Local 115	Trade union	\$225,000	Canadians United for Change
2015	Communications Workers of America Canada	Trade union	\$188,718	Canadian Media Guild (CMG)
2019	Walter Schroeder	Individual	\$704,000	2713350 Ontario Inc. (Schroeder Policy Group Inc.)
2019	Canadian Labour Congress	Trade union	\$616,035	Fairness Works
2019	Service Employees International Union Local 1	Trade union	\$500,000	Working Ontario Women
2019	International Brotherhood of Electrical Workers	Trade union	\$330,000	Let's Build Canada
2019	Manning Centre for Building Democracy	Corporation – no shares	\$312,450	Canada Strong and Proud; Québec Fier; Proudly New Brunswick; NS Proud; NL Strong
2019	United Association of Journeymen and Apprentices	Trade union	\$300,000	Let's Build Canada

*The highest reported contributions for 2011 and 2015 were in fact \$55,567 and \$255,872 from a trade union to itself. However, these were omitted from the table since they should have been reported as the trade union's use of its own resources.

⁸ Keller, James, and Kelly Cryderman. "Manning Centre won't disclose source of donations to third parties for attack ads on Liberals." *The Globe and Mail*. 16 October 2019.

<https://www.theglobeandmail.com/canada/article-manning-centre-wont-disclose-source-of-donations-to-third-parties-for/>

3.2.4. Contributions by geographical location

As explained earlier, only total contributions over \$200 from a single contributor are reported with location data. The number of contributors making such contributions steadily increased from the 2011 to 2019 general elections, from 990 to more than double that amount at 2,306. Generally, as more contributors gave to third parties, more regions of the country were represented.

Ontario, British Columbia and Alberta topped the list of contributor locations for each election. In other parts of the country, there were sometimes significant fluctuations in numbers from one election to the next. For example, the number of contributors in Quebec, Manitoba and all Atlantic provinces, except New Brunswick, was higher in 2015 than in the elections before and after it. In 2019, the significant jump in contributors in Saskatchewan was due to a provincial political party having to register and report thousands of contributors (with close to 400 giving over \$200), as the party could not identify who had contributed for the purpose of its third party activities.

Table 6 – Number of contributors by province and territory for the 2011, 2015 and 2019 general elections

Province/Territory	2011	2015	2019
Ontario	489	628	898
British Columbia	217	427	403
Alberta	127	192	295
Quebec	56	112	82
Saskatchewan	34	47	514
Manitoba	30	40	26
Nova Scotia	16	29	23
New Brunswick	13	14	34
Northwest Territories	3	1	6
Prince Edward Island	3	5	2
Newfoundland and Labrador	1	14	11
Yukon	1	6	12
Nunavut	0	0	0
Total	990	1,515	2,306

In dollar amounts, the highest total contributions were consistently recorded in Ontario, British Columbia, Alberta and Quebec. Amounts in these four provinces represented between 92% and 94% of contributions with a known location for the 2011 to 2019 elections. Ontario's tally remained well above the others in each election.

In some provinces such as British Columbia and Newfoundland and Labrador the decrease in total contributions from 2015 to 2019 was markedly disproportionate to the decrease in contributors. As there is no limit on contributions to third parties, a small number of gained or lost contributions between elections can make a large difference to the total amount in any region. As explained above, the significant increase in Saskatchewan in 2019 is partly attributed to a provincial political party. It reported \$192,000 in contributions over \$200, though only \$2,000 in expenses.

Notably, close to \$1.5 million in contributions in each election were not associated with a province or territory. This amount is largely composed of contributions of \$200 or less, for which no location data is reported. It also includes a small number of contributions made by eligible contributors with international addresses or for which data is missing (amounting to 5% of contribution dollars in 2011, 2% in 2015 and 1% in 2019). Data on contributions of \$200 or less are provided in Table 4.

Table 7 – Total contribution amounts by province and territory for the 2011, 2015 and 2019 general elections*

Province/Territory	2011	2015	2019	Total
Ontario	\$214,138	\$1,307,598	\$3,454,966	\$4,976,702
No location*	\$1,547,290	\$1,644,035	\$1,466,695	\$4,658,020
Alberta	\$66,700	\$543,139	\$1,280,211	\$1,890,050
British Columbia	\$160,201	\$850,596	\$283,061	\$1,293,858
Quebec	\$40,628	\$304,524	\$265,472	\$610,624
Saskatchewan	\$14,335	\$19,943	\$414,981	\$449,259
Newfoundland and Labrador	\$205	\$67,007	\$8,284	\$75,496
Manitoba	\$11,031	\$55,265	\$9,096	\$75,392
Nova Scotia	\$4,639	\$20,041	\$32,256	\$56,936
New Brunswick	\$3,925	\$12,973	\$11,044	\$27,942
Prince Edward Island	\$0	\$10,461	\$1,862	\$12,323
Yukon	\$500	\$3,620	\$1,030	\$5,150
Northwest Territories	\$615	\$350	\$550	\$1,515
Nunavut	\$0	\$0	\$0	\$0
Total	\$2,064,207	\$4,839,552	\$7,229,508	\$14,133,267

*“No location” includes contributions of \$200 or less, contributions from an international address or contributions for which data is missing. See the preceding paragraph for details.

3.2.5. Contributions by contribution type

Third parties report the contributions they receive as either monetary or non-monetary. Monetary contributions include cash, cheques, card payments and e-transfers.

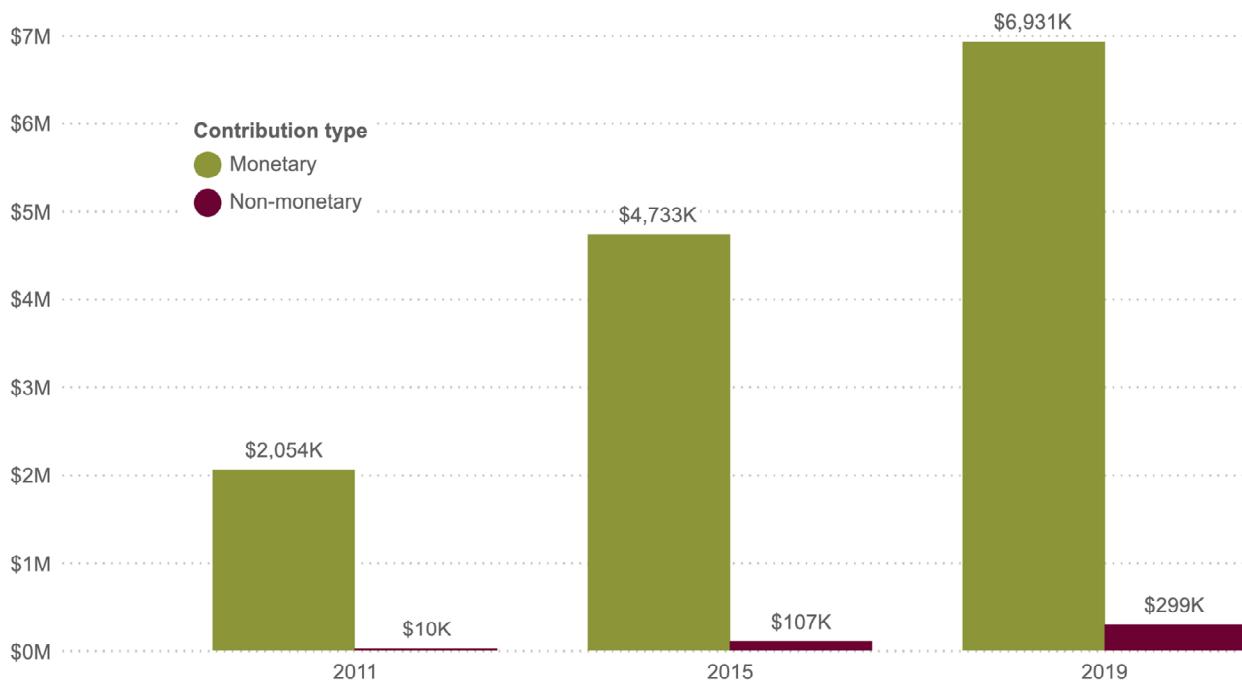
Non-monetary contributions are a service or property, or the use of property or money, provided without charge or at less than commercial value.⁹ This includes forgone interest on loans; it excludes volunteer labour.

Monetary contributions were by far the most common and highest valued contribution type for the 2011 to 2019 elections, increasing from \$2.1 million in 2011 to \$6.9 million in 2019. This represents 97% of all contributions across the three elections.

Nevertheless, non-monetary contributions also increased in value at each event, from almost \$10,000 in 2011 to almost \$300,000 in 2019.

⁹ *Commercial value*, in relation to property or a service, is the lowest amount charged at the time that it was provided for the same kind and quantity of property or service, or for the same use of property or money, by the person who provided the property or service (if the person who provided it is in that business), or by another person who provides that property or service on a commercial basis in the area (if the person who provided the property or service is not in that business).

Figure 4 – Total monetary versus non-monetary contributions at the 2011, 2015 and 2019 general elections



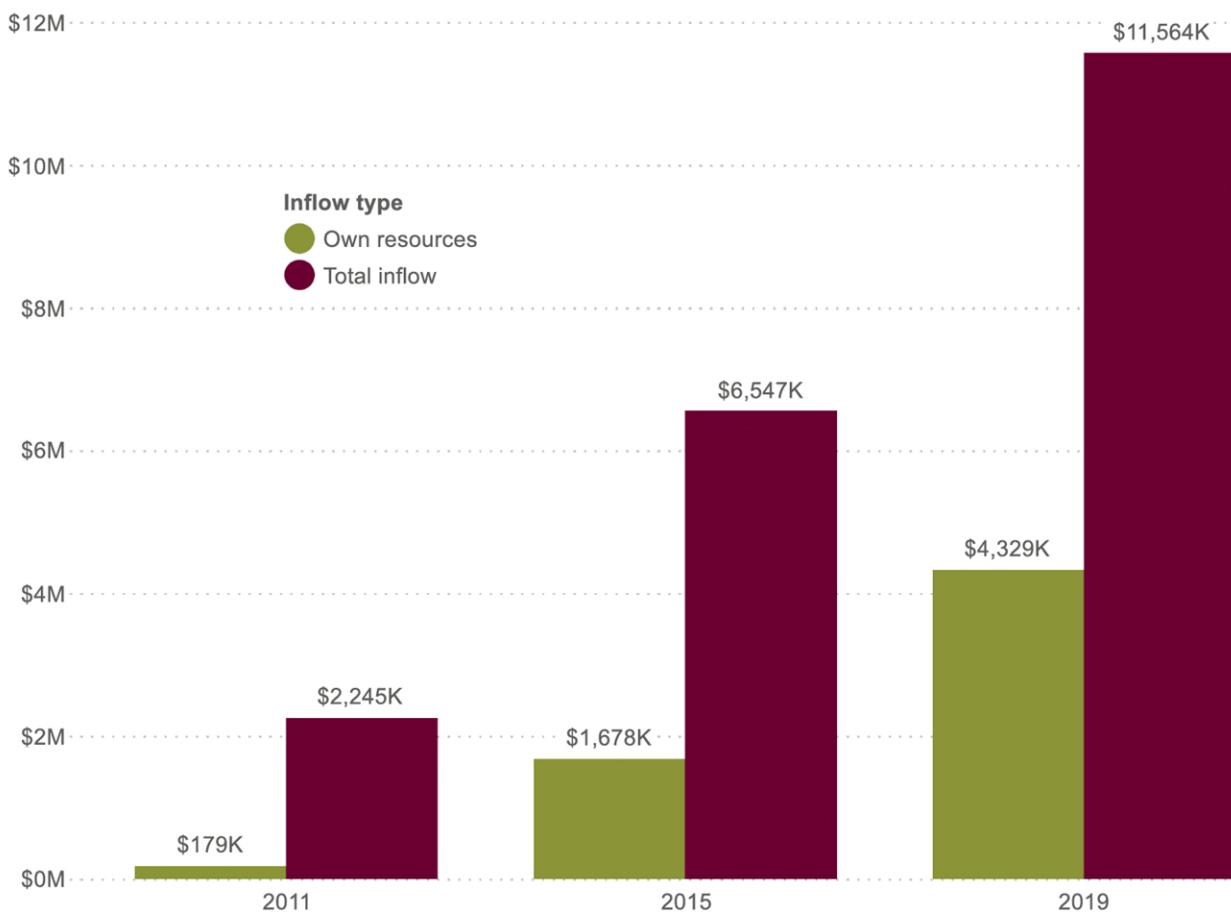
3.3. Own resources

A third party that exists outside an election such as a corporation or trade union can use its own resources at election time to carry out regulated activities. It can transfer any amount of its own funds from its general bank account to its campaign bank account. However, a third party must not use funds from a foreign entity¹⁰ to pay for regulated activities. If the third party has revenues from a mix of foreign and domestic sources, it must transfer an amount no greater than its domestic funding to its campaign account.

Overall, third parties used increasing amounts of their own resources for regulated activities from the 2011 to 2019 general elections. The total jumped from \$179,000 to \$1.7 million (an increase of 836%) from 2011 to 2015, and to \$4.3 million (a further increase of 158%) from 2015 to 2019. The use of third parties' own resources also rose as a proportion of their total inflows (that is own resources used plus loans and contributions received). The proportion was 8% of total inflows in 2011, climbed to 26% in 2015 and reached 37% in 2019.

¹⁰ A foreign entity includes the following: an individual who is not a Canadian citizen or permanent resident; a corporation or entity organized outside Canada that does not carry on business in Canada; a corporation or entity organized outside Canada whose only activity in Canada is to influence electors to vote or refrain from voting, either in general or for a particular candidate or registered party in the election; a trade union that does not hold bargaining rights for employees in Canada; a foreign political party; or a foreign government or an agent of a foreign government.

Figure 5 – Amount of own resources used as a percentage of total inflows (own resources, contributions, loans) for the 2011, 2015 and 2019 general elections



Looking at the data by third party type, there are a few trends in the use of own resources from 2011 to 2019. Labour organizations consistently used their own resources as a significant source of funding for regulated activities, starting at 49% of their funding in 2011 and climbing to 92% in 2019. Registered charities used a high proportion of their own resources in 2015 (81%), but this dropped in 2019 (28%).

In dollar amounts, the use of own resources by individuals was lowest overall, staying under \$4,000 at each election. Such use was highest among labour organizations (\$3.7 million across the three elections) and groups with a governing body (\$1.5 million across the three elections).

Table 8 – Amount of own resources used by type of third party as a percentage of total inflows (own resources, contributions, loans) for the 2011, 2015 and 2019 general elections

Election Third party type	2011		2015		2019	
	Total inflow	Own resources (% of inflow)	Total inflow	Own resources (% of inflow)	Total inflow	Own resources (% of inflow)
Corporation	\$278,742	7%	\$2,706,936	2%	\$5,110,349	14%
Group – governing body	\$1,771,952	6%	\$1,216,514	8%	\$2,835,799	46%
Group – no governing body	\$62,069	5%	\$315,638	12%	\$1,041,154	4%
Individual	\$18,248	18%	\$14,348	26%	\$17,546	7%
Labour organization	\$114,410	49%	\$2,182,769	64%	\$2,448,461	92%
Registered charity	\$0	0%	\$111,196	81%	\$110,868	28%

3.4. Key findings from this chapter

- The main source of third party funding from 2011 to 2019 was contributions from individuals.
- Although contributions to third parties are unlimited, the median contribution in each election was well within the \$1,200 to \$1,600 limits that are set for other political entities.
- Top contributions were most often made by trade unions to affiliated unions or to entities created by affiliated unions for the election.
- Ontario, British Columbia, Alberta and Quebec were the source of 93% to 95% of contribution dollars from a known location for the 2011 to 2019 elections.
- Third parties used an increasing amount of their own resources from 2011 to 2019 to fund their regulated activities, reaching 37% of their funding in 2019.
- Labour organizations were the only third party type to consistently use their own resources as a large part of their funding (49% or more) in each election.

4. Financial Administration – Expenses

Third parties carry out various types of activities to promote or oppose political parties or candidates, from canvassing to posting on websites to advertising. The *Canada Elections Act* sets limits on expenses that a third party can incur to carry out regulated activities. This chapter looks at the extent of third party spending and the categories of expenses they reported for the 2011, 2015 and 2019 general elections.

4.1. Expenses and limits

When a third party conducts a regulated activity during a pre-election period or an election period, the expense for that activity must be reported and is subject to a spending limit. This is true even if the third party paid the expense before the period started.

There is an overall limit on total expenses and a local limit in electoral districts. Expenses for a regulated activity always count against the overall limit. They also count against the local limit in a given electoral district, if the activity promotes or opposes one or more specific candidates in that district. An activity does not have to take place within the electoral district to count locally.

The third party limits for general elections from 2011 to 2019 varied considerably because of the legislation in place at the time. The limit was lowest in 2011 when only a third party's election advertising was regulated and the election period was 38 days. In 2015, election advertising was still the only regulated activity, but the limit rose significantly because it was prorated for the longer election period of 78 days. In 2019, although new legislation removed prorated limits, the base limit was raised in the law because more types of third party activities became regulated. This was also the first year with a pre-election period for a fixed-date election.

Table 9 – Local and overall spending limits at the 2011, 2015 and 2019 general elections

Election	Where the limit applies	Pre-election period (fixed-date election)	Election period
2011	Local	n/a	\$3,765
2011	Overall	n/a	\$188,250
2015	Local	n/a	\$8,788
2015	Overall	n/a	\$439,411
2019	Local	\$10,234	\$4,386
2019	Overall	\$1,023,400	\$511,700

4.1.1. Total expenses by general election

As mentioned in previous chapters, the context for spending at the 2011 and 2015 elections was different from that of the 2019 election. Election advertising was the only regulated activity in 2011 and 2015. Third parties may have been spending on campaign activities other than election advertising in those years, but they were not regulated or reported.

Third parties spent over \$1.2 million on election advertising at the 2011 election, for an average of \$22,550 per third party and \$32,639 per day. They spent almost \$6.0 million at the 2015 election (an increase of 381% from 2011), for an average of \$51,828 per third party (an increase of 130%) and \$76,414 per day (an increase of 134%). The increase in total spending is partly attributed to a longer election period and a higher number of registered third parties. But the similar increases in average and daily spending suggest that third parties generally chose to spend more on election advertising in 2015.

In 2019, not only were more activities regulated, but the election period was preceded by the first federally regulated pre-election period, running for 73 days before the election period began. Third parties that registered could choose to be active in one or both periods.

Third parties spent almost \$11.7 million on regulated activities at the 2019 general election, including in the pre-election period, for an average of \$77,440 per third party. They spent just over \$6.4 million on election advertising (an increase of 7% from 2015), for an average of \$42,430 (a decrease of 18% from 2015). Trends are not drawn from 2011 and 2015 to 2019 because of the difference in regulated activities.

Table 10 – Total regulated spending at the 2011, 2015 and 2019 general elections

Election	Total expenses	Average per third party
2011	\$1,240,270	\$22,550
2015	\$5,960,255	\$51,828
2019	\$11,693,429	\$77,440

4.1.2. Proportion of expenses limit reached by type of third party

Most third parties stayed well below the spending limit of \$188,250 at the 2011 election. Some 84% of registered third parties spent 25% or less of the limit, with 16% registering but not spending at all. Groups with no governing body and individuals all spent 25% or less. In the highest tiers, 7% of third parties spent more than 50% of the limit, with 4% of third parties spending more than 75%.

Table 11 – Number and type of third party by percentage of limit reached at the 2011 general election

% of expense limit used	Corporation	Group – governing body	Group – no governing body	Individual	Labour organization	Total
Nil	0	2	3	2	2	9
>0% to 25%	4	12	10	5	6	37
>25% to 50%	0	3	0	0	2	5
>50% to 75%	1	0	0	0	1	2
>75% to 100%	1	0	0	0	1	2
Total	6	17	13	7	12	55

In 2015, a similar pattern emerged, although there was a higher spending limit of \$439,411. Some 84% of registered third parties spent 25% or less of the limit (no change from 2011), with 10% registering but not spending at all (a decrease of 6 percentage points from 2011). Groups without a governing body, individuals and registered charities all spent 25% or less. In the highest tiers, 5% of third parties spent more than 50% of the limit, with 4% of third parties spending more than 75%.

Table 12 – Number and type of third party by percentage of limit reached at the 2015 general election

% of expense limit used	Corpora-tion	Group – governin-g body	Group – no governing body	Individua-l	Labou-r organiza-tion	Registere-d charity	Total
Nil	2	2	3	0	4	0	11
>0% to 25%	22	24	19	7	10	4	86
>25% to 50%	2	0	0	0	7	0	9
>50% to 75%	0	0	0	0	4	0	4
>75% to 100%	2	1	0	0	2	0	5
Total	28	27	22	7	27	4	115

In 2019, in the pre-election period, most third parties were far from reaching the overall limit of just over \$1.0 million. Some 98% of registered third parties spent 25% or less of the expenses limit, with 63% of third parties not spending at all during this period. One individual spent more than 25% of the limit, one labour organization spent more than 50%, and one labour organization spent more than 75%.

In the election period, more third parties spent closer to the limit of \$511,700, but the majority still spent well below it. Some 86% of registered third parties spent 25% or less of the limit, with 26% not spending at all during this period. Again, groups without a governing body, registered charities and individuals all spent 25% or less of the expenses limit. In the highest tiers, 9% of third parties spent more than 50% of the limit, with 4% of third parties spending more than 75%.

Table 13 – Number and type of third party by percentage of limit reached at the 2019 general election (pre-election period)

% of expense limit used	Corporation	Group – governing body	Group – no governing body	Individual	Labour organization	Registered charity	Total
Nil	33	19	19	5	12	7	95
>0% to 25%	22	9	5	5	10	2	53
>25% to 50%	0	1	0	0	0	0	1
>50% to 75%	0	0	0	0	1	0	1
>75% to 100%	0	0	0	0	1	0	1
Total	55	29	24	10	24	9	151

Table 14 – Number and type of third party by percentage of limit reached at the 2019 general election (election period)

% of expense limit used	Corporation	Group – governing body	Group – no governing body	Individual	Labour organization	Registered charity	Total
Nil	12	4	6	8	6	4	40
>0% to 25%	34	19	18	2	12	5	90
>25% to 50%	4	2	0	0	2	0	8
>50% to 75%	3	3	0	0	1	0	7
>75% to 100%	2	1	0	0	3	0	6
Total	55	29	24	10	24	9	151

4.1.3. Total expenses by top spenders

As shown above, a minority of third parties reached a high proportion of the overall expenses limit in elections from 2011 to 2019. This section takes a closer look at the top spenders.

In the 2011 election, four third parties spent more than \$100,000: two labour organizations and two corporations. In 2015, 10 third parties spent more than \$200,000: seven labour organizations, two corporations and one group with a governing body (which was created by a labour organization¹¹). In 2019, 13 third parties spent more than \$300,000: four labour organizations, five corporations and four groups with a governing body (of which one corporation and one group were created by labour organizations¹²).

While the same third party types, namely, labour organizations and corporations, topped the spending list at each election, the entities were not always the same. The Public Service Alliance of Canada was the only third party to reach the top spender list at all three elections. Four labour organizations or their entities appeared on the 2015 and 2019 lists: Canadian Labour Congress (including its entity Fairness Works), Let's Build Canada (a coalition of construction and trade unions), Unifor and United Steelworkers (USW). One group with a governing body, Friends of Canadian Broadcasting, appeared on the 2015 and 2019 lists.

Table 15 – Top spenders and amounts spent at the 2011, 2015 and 2019 general elections

Election	Third party name	Third party type	Total expenses
2011	The Professional Institute of the Public Service of Canada	Labour organization	\$166,165
2011	AVAAZ	Corporation	\$152,089
2011	Public Service Alliance of Canada	Labour organization	\$133,512
2011	CMI - ICM Canadian Migration Institute	Corporation	\$105,260

¹¹ International Union of Operating Engineers. Local 793. (2015). *Locals stepping up political action*. <https://iuoelocal793.org/locals-stepping-up-political-action/>

¹² See the relationship between the Canadian Labour Congress and Fairness Works at <http://fairnessworks.ca>. See the relationship between Let's Build Canada and Canada's Building Trade Unions in Let's Build Canada, n.d., *About* at <https://www.letsbuildcanada.ca/about>.

Election	Third party name	Third party type	Total expenses
2015	United Steelworkers	Labour organization	\$431,640
2015	Let's Build Canada	Corporation	\$428,975
2015	Canadians United for Change	Group - governing body	\$425,462
2015	Public Service Alliance of Canada	Labour organization	\$390,237
2015	Friends of Canadian Broadcasting	Corporation	\$332,687
2015	Canadian Labour Congress	Labour organization	\$306,488
2015	Unifor	Labour organization	\$297,955
2015	British Columbia Nurses' Union	Labour organization	\$256,872
2015	Canadian Media Guild (CMG)	Labour organization	\$237,033
2015	Canadian Union of Postal Workers "CUPW"	Labour organization	\$208,569
2019	Unifor	Labour organization	\$1,405,399
2019	USW	Labour organization	\$1,133,246
2019	Friends of Canadian Broadcasting	Group - governing body	\$708,226
2019	Fairness Works	Group - governing body	\$572,499
2019	Let's Build Canada	Corporation	\$459,577
2019	Canadian Federation of Nurses Union	Labour organization	\$442,253
2019	Canadian Medical Association	Corporation	\$430,638
2019	Canadians United for Change	Group - governing body	\$400,060
2019	2713350 Ontario Inc. (Schroeder Policy Group Inc.)	Corporation	\$384,247
2019	Canada Proud	Corporation	\$359,421
2019	Public Service Alliance of Canada	Labour organization	\$345,004
2019	Canadian Association of Petroleum Producers	Group - governing body	\$311,698
2019	Canada: Powered By Women Inc.	Corporation	\$311,259

4.2. Expense categories

This section looks at expenses by category of regulated activity—partisan advertising, election advertising, partisan activities and election surveys—in the 2019 election to understand how third parties allocated their resources. Three of the main categories (all but election surveys) are umbrellas for many activities, each involving a broad range of expenses. This section also looks at subcategories to identify types of activities and resources that go into carrying them out.

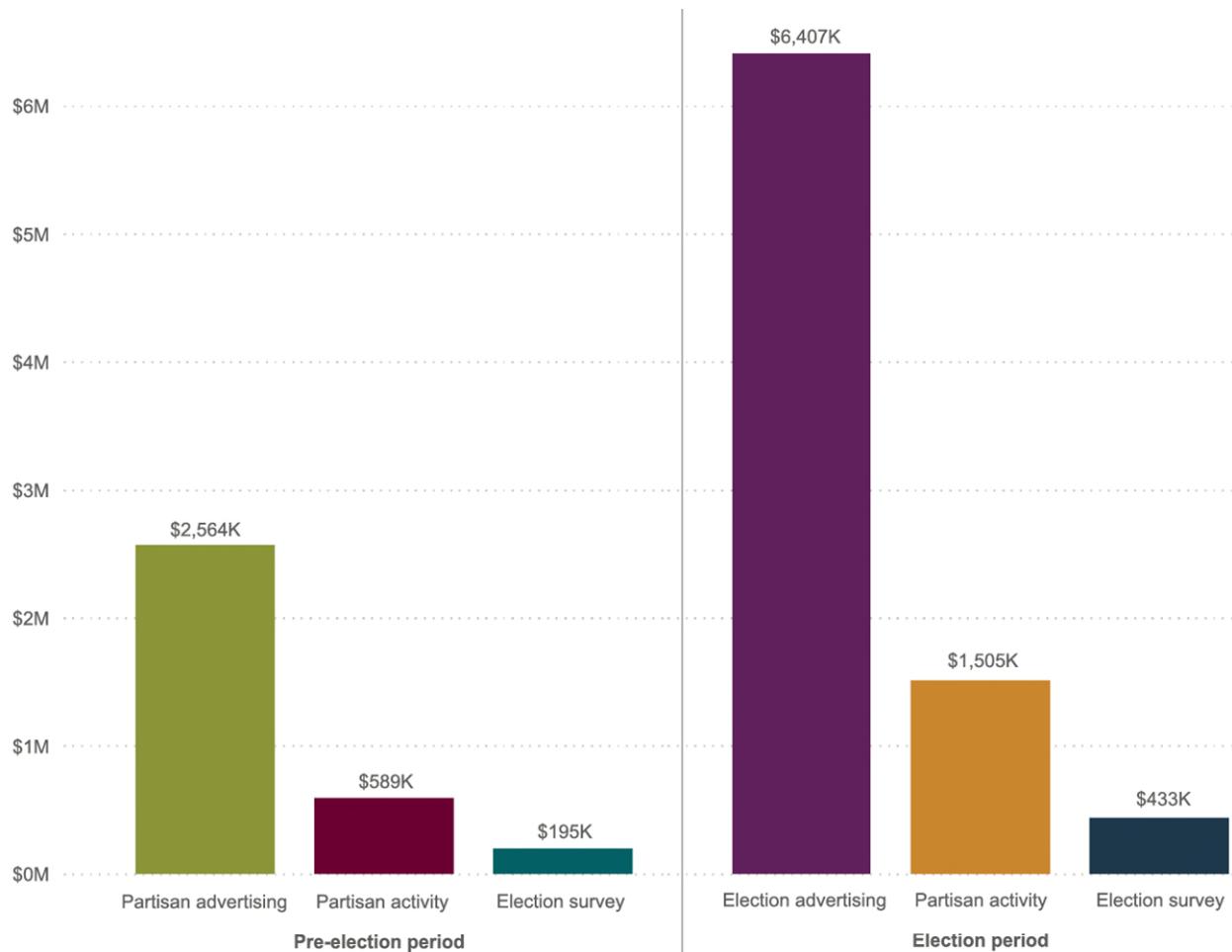
This section does not look at expenses for 2011 and 2015 because only election advertising was regulated and subcategories were not reported.

4.2.1. Expenses by category: all regulated activities

At the 2019 general election, third parties spent close to \$11.7 million in total on regulated activities. Of this total, they spent over \$3.3 million (29%) on activities in the pre-election period and over \$8.3 million (71%) in the election period. This split is disproportionate to the number of days in each period. On average, third parties spent \$45,865 per day in the 73-day pre-election period compared with \$225,549 per day in the 37-day election period.

Looking at the four regulated activities, they spent just over \$6.4 million on election advertising in the election period (55% of all regulated expenses) and over \$2.5 million on partisan advertising in the pre-election period (22%). They spent almost \$2.1 million on partisan activities (18%) and close to \$630,000 on election surveys (5%) in the two periods.

Figure 6 – Expenses by regulated activity at the 2019 general election (pre-election and election periods)



4.2.2. Expenses by subcategory: partisan and election advertising

As noted above, partisan advertising and election advertising made up 77% of total third party spending in 2019. Third parties were instructed to report partisan advertising and election advertising expenses, using the following subcategories:

- design and development
- production costs for videos
- placement costs¹³
- content boosting
- social media
- television
- radio
- mailouts
- print media
- signs
- other

A review of the data suggests inconsistencies in reporting among third parties. Some expenses could fit into multiple subcategories, leaving third parties a choice of how to categorize them. At the same time, some subcategories appear to have been interpreted differently among the third parties. This makes it difficult to draw findings about the advertising subcategories.

The highest advertising expenditure reported in the pre-election period was conclusively for television (39% of partisan advertising expenses). Social media advertising was likely 12% or more of spending; it was calculated by combining the social media and content boosting subcategories. This was followed by radio at 12% and mailouts at 9%.

In the election period, the highest expenditure was for placement costs (25% of election advertising expenses). While this subcategory was meant to capture placement costs for media not captured by another subcategory, some third parties used it to report ads in print media and social media and general payments to advertising agencies. Notably, social media advertising rose from at least 12% to at least 20% of spending. Television expenses dropped from 39% to 8% of advertising expenses in the election period. This may indicate a shift away from television ads closer to election day; but it may also indicate that television ad space was categorized as a placement cost. All other media made up 3% to 5% of advertising expenses in the election period.

¹³ A placement cost is a fee that a publisher or other provider charges for advertising space. It excludes design or production costs. It also excludes a third party's own website costs.

Figure 7 – Partisan advertising expenses by subcategory at the 2019 general election

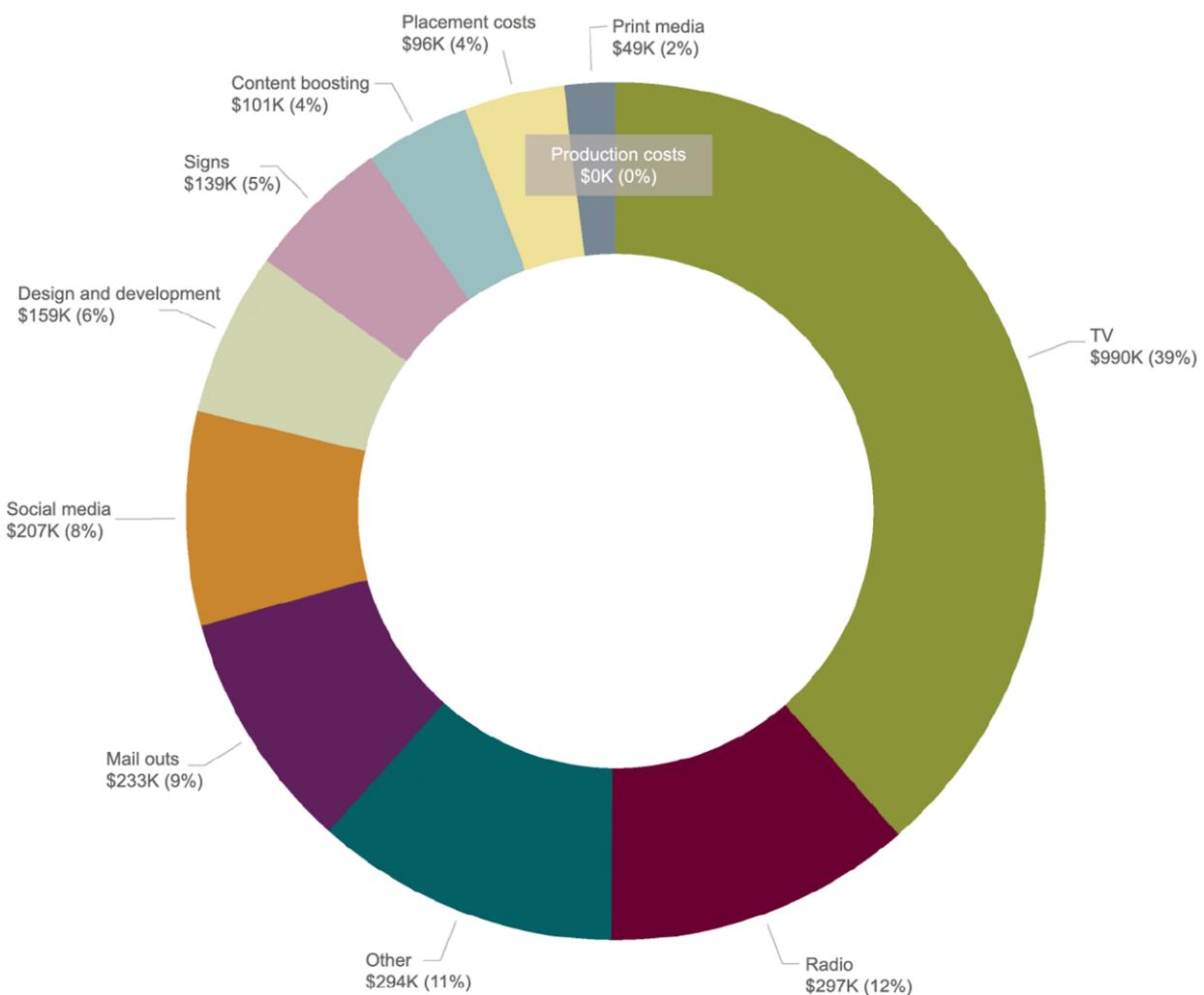
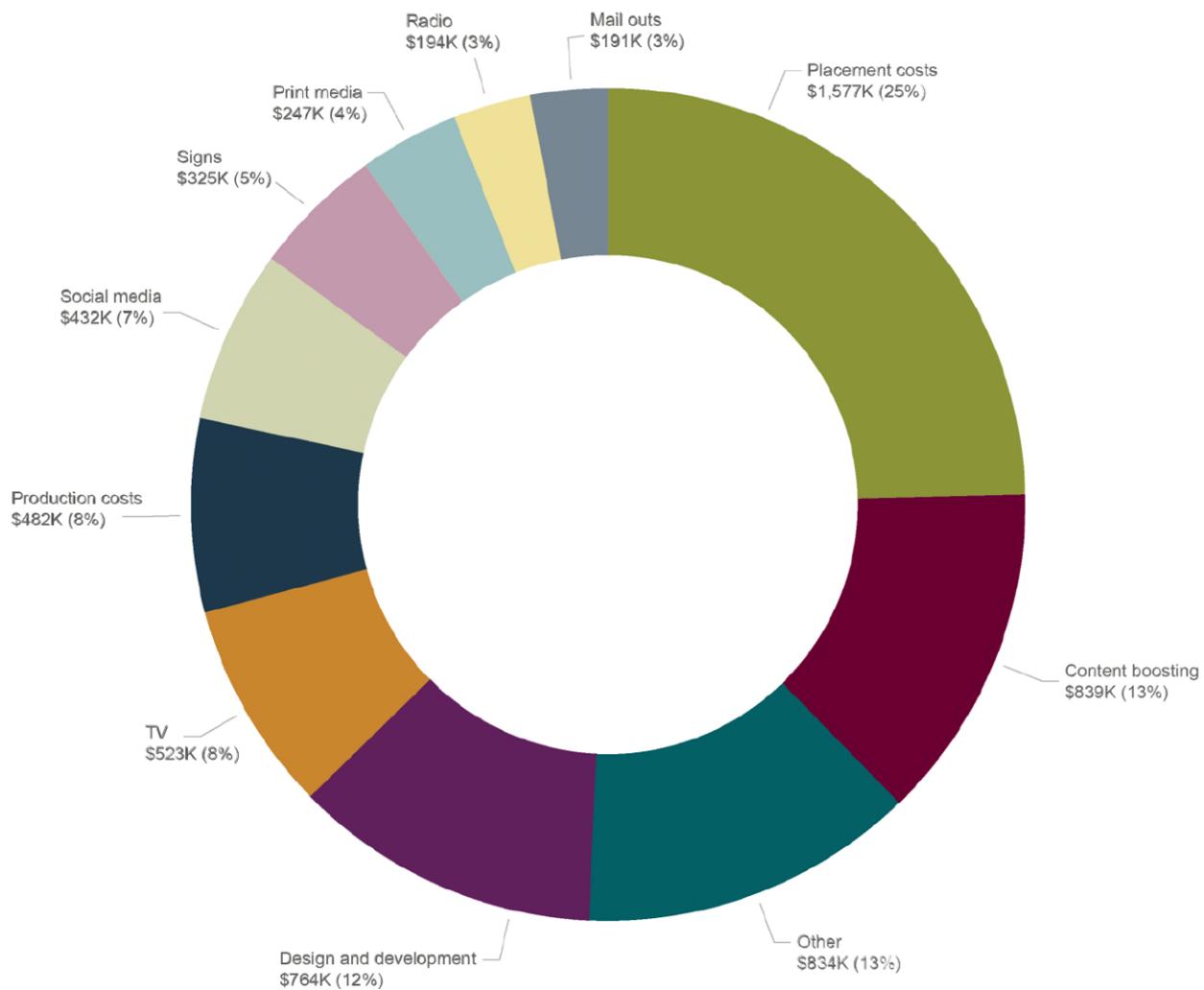


Figure 8 – Election advertising expenses by subcategory at the 2019 general election



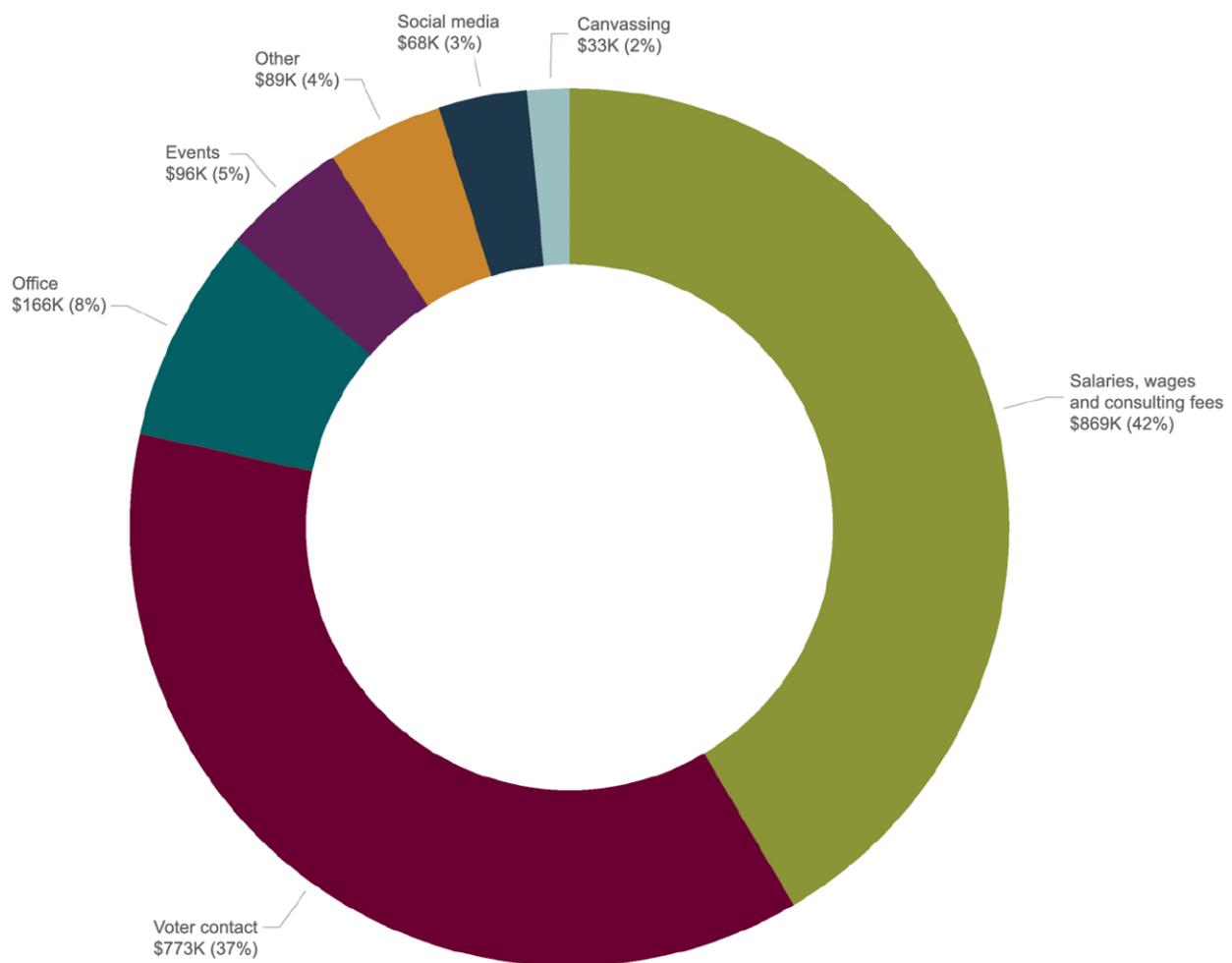
4.2.3. Expenses by subcategory: partisan activities

As noted above, partisan activities in the pre-election and election periods made up 18% of total third party spending in 2019. Third parties were instructed to report expenses for partisan activities in the following subcategories:

- salaries, wages and consulting fees
- voter contact (calling services, text messaging, database updates, etc.)
- social media (design and maintenance)
- office (furniture, software, supplies, rent, utilities, website, etc.)
- events (non-ticketed fundraising events, kick-off meetings, rallies, etc.)
- canvassing (remuneration, transportation, etc.)
- other expenses (bank fees, interest, transaction fees, meals, entertainment, etc.)

The highest partisan activity expenditure was for salaries, wages and consulting fees (42% of partisan activity expenses). Voter contact was a close second at 37%. Other activities drew lower spending. Office expenses were 8%, in-person campaigning (a combination of canvassing and events) was 6% and social media (other than advertising) was 3% of spending on partisan activities.

Figure 9 – Partisan activity expenses by subcategory at the 2019 general election



4.3. Key findings from this chapter

- Total spending and average spending per third party increased in every general election from 2011 to 2019. However, a clear trend cannot be established because of varied election period lengths and regulated activities.
- In election periods from 2011 to 2019, the majority of third parties (84% to 86%) consistently spent 25% or less of the spending limit, while a small minority (4%) spent 75% or more. Only labour organizations, corporations and groups with a governing body reached the top spending tier.
- In the 2019 pre-election period, generally, third parties spent well below the limit. Only 2% of third parties spent more than 25% of the limit.
- Some 71% of third party spending in 2019 went toward regulated activities in the election period, despite the pre-election period being twice as long.
- Partisan advertising and election advertising made up the bulk of third party expenses in 2019, accounting for 77% of all spending. Television and social media claimed the highest shares of advertising expenses.

Conclusion

This report reviewed third party registration and financial data over three general elections to understand who third parties are, how they are funded, how much they spend, and what kinds of activities they are spending on. While key findings were listed in various chapters, the most important for understanding the current state and evolution of third parties are reproduced below.

Understanding third parties

- The number of registered third parties increased at each general election from 2011 to 2019. As their number increased, so did their geographical representation, but Ontario predominated.
- Corporations were overall the most common type of registered third party. This type includes more than just businesses, however, since it reflects an organization's structure rather than its purpose.

Financial administration – funding

- The main source of third party funding from 2011 to 2019 was contributions from individuals.
- Top contributions were most often made by trade unions to affiliated unions or to entities created by affiliated unions for the election.
- Third parties used an increasing amount of their own resources from 2011 to 2019 to fund their regulated activities, reaching 37% of their funding in 2019.

Financial administration – expenses

- In election periods from 2011 to 2019, the majority of third parties (84% to 86%) consistently spent 25% or less of the spending limit, while a small minority (4%) spent 75% or more. Only labour organizations, corporations and groups with a governing body reached the top spending tier.
- Partisan advertising and election advertising made up the bulk of third party expenses in 2019, accounting for 77% of all spending. Television and social media claimed the highest shares of advertising expenses.