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By E-mail: consultation-policy-politique@cra-arc.gc.ca

Mr. Toni Manconi
Director General
Charities Directorate
Canada Revenue Agency
320 Queen Street
Ottawa, Ontario
K1A 0L5

Re: Canada Revenue Agency (CRA) Consultation on Political Activities by Registered Charities

Dear Mr. Manconi,

I am writing to you today on behalf of the Government Relations Institute of Canada (GRIC) and the Public Affairs Association of Canada (PAAC) that jointly wish to submit comments in support of the CRA's consultation on *Political Activities by Registered Charities*.

Since 1994, the GRIC has been the national, not-for-profit association representing government relations and public affairs professionals. GRIC is widely recognized by governments and other stakeholders as an authoritative voice for the government relations and public affairs community in Canada and is dedicated to advancing the interests of our profession while ensuring it strives to meet the highest ethical standards.

PAAC is a national, not-for-profit organization founded in 1984. Its principal objective is to help public affairs professionals succeed in their work by providing them with forums for professional development, the exchange of new ideas and networking.

Our memberships include professionals operating at the national, federal, provincial, territorial and municipal levels of government, representing a wide-range of sectors. Our membership spans Canada's leading corporations, trade associations, and consulting and legal firms, as well as a range of charities, NGOs and universities, among others.

One of the *Lobbying Act's* four key principles clearly states that “lobbying public office holders is a legitimate activity”. Canadian-registered charities, like many other organizations, are permitted to lobby. When lobbying, however, charities must respect certain restrictions and registration requirements. Not only must they abide by political activity restrictions set forth under the *Income Tax Act*, a charity may also be required to register and report its lobbying activities.

Canadian charities and nonprofits have and continue to help shape and define our nation through significant, positive contributions to the development of public policy. Efforts to create smoke-free workplaces, increase penalties for impaired driving, preserve the environment and protect children are but a few examples. Charitable organizations have vital front-line expertise and often speak for those who cannot speak for themselves. It is important that these organizations continue to have a strong voice in policy discussions and that government support and encourage this ability to participate and contribute.

GRIC and PAAC appreciate that there is merit in examining existing CRA guidance and administrative practices that registered charities must abide by in the course of their operations. While this process is worthwhile, we strongly support this being used as a stepping stone towards a comprehensive review of the *Income Tax Act*. That review should have a goal of restoring an emphasis on charitable purposes, rather than regulating how charities achieve those purposes. There is recognition among GRIC and PAAC members employed by or performing services for registered charities that sometimes the most effective method of fulfilling a charity's goal may be to devote a significant amount of resources to advocacy and engaging in the public policy dialogue.

The outdated provisions under the *Income Tax Act* that govern charities' activities restrict what these groups can say to influence public policy that impacts the lives of Canadians. Modernizing these rules will enhance the role of charities in the development of new laws and policies. The work of CRA's Charities Directorate should emphasize what charities are allowed to do, and stress the value and legitimacy of charities' involvement in the public policy process, rather than place emphasis on the restrictions that exist and ultimately discourage many charities from getting involved.

Good public policy and government decision-making can only occur when all viewpoints are considered in a dispassionate and respectful manner. On behalf of all charities and the individuals engaging government on their behalf, GRIC and PAAC encourage the Government of Canada to end restrictions on the activities that charities can take part in when pursuing their public policy goals.

Full participation by charitable organizations in the public policy development process is crucial to a working democracy. Around the world, countries such as the United Kingdom, Australia and New Zealand continue to review and modernize their laws in order to protect free speech and open dialogue. This enables healthy discussion and debate on the policies that impact citizens' lives. GRIC and PAAC suggest that it's time for Canada to do the same, by first considering these issues in the context of a review of the *Income Tax Act*.

My colleagues and I would be glad to discuss this further with you.

Sincerely,

[Original Signed]

Patrick Kennedy
President
Government Relations Institute of Canada

[Original Signed]

John Capobianco
President
Public Affairs Association of Canada