

## Legislative Assembly of Alberta

Title: **Monday, March 1, 2004**

**1:30 p.m.**

Date: 2004/03/01

[The Speaker in the chair]

head: **Prayers**

**The Speaker:** Good afternoon and welcome back. At the conclusion of the prayer we'll have the singing of our national anthem, so please remain standing.

Let us pray. As we begin our deliberations in the Legislature today, we ask to be surrounded with the insight we need to do our best for the benefit of our province and its people and for the benefit of our country. Today we also pray for those who have been taken and those who have suffered as innocent victims of violence. Amen.

Now, hon. members, our national anthem today will be led by Mr. Paul Lorieau, and if you'd participate in the language of your choice, that would be most acceptable.

### Hon. Members:

O Canada, our home and native land!  
True patriot love in all thy sons command.  
With glowing hearts we see thee rise,  
The True North strong and free!  
From far and wide, O Canada,  
We stand on guard for thee.  
God keep our land glorious and free!  
O Canada, we stand on guard for thee.  
O Canada, we stand on guard for thee.

**The Speaker:** Please be seated.

head: **Introduction of Guests**

**The Speaker:** The hon. Deputy Premier.

**Mrs. McClellan:** Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of this Assembly a very accomplished young lady, Miss Danielle Schnurer, who is with us today in your gallery. Danielle is the 2003 4-H Premier's award recipient. This is the highest honour that the Alberta 4-H program bestows upon a member, and it recognizes young Albertans that demonstrate strong project management, leadership, and communication skills plus dedication to their community. Award winners are selected based on their 4-H and community involvement and performance at Alberta 4-H selections. Most importantly, they are selected by their peers as well as representatives from Alberta Agriculture, Food and Rural Development, the 4-H branch, our industry sponsors, the 4-H Council, and the 4-H Foundation.

Mr. Speaker, during Danielle's year as the 4-H Premier's award recipient she serves as a travelling 4-H ambassador, promoting the 4-H program and rural youth through the province. Danielle truly demonstrates the 4-H motto of Learn to Do by Doing, and she is the best commercial we will ever get for the 4-H program. I have had the honour of being present at a number of occasions where Danielle spoke, and she truly has benefited from the 4-H program and the public speaking opportunities.

Mr. Speaker, I think we're all strong supporters of the 4-H program. It's simply part and parcel of community life. But behind every young 4-H member there is a family who contributes time to their success, and today Danielle has a number of her family with her. I would like Danielle's family to rise as I introduce them: her parents, Brian and Daphne Schnurer, her sisters Jamie and Chelsea,

her brother Bryant. Also, we have two of our 4-H reps with us, Vanessa and Mark. I would ask that all members give these very special guests a very warm welcome.

**The Speaker:** The hon. Deputy Speaker.

**Mr. Tannas:** Thank you, Mr. Speaker. As a member of the Alberta government's International Governance Advisory Committee I'm pleased to introduce to you and through you to members of the Assembly a delegation from our sister province in South Africa, Mpumalanga. They are in your gallery, and I'd ask them to rise as I call their names: Mr. Thulani Mdakane, Mr. Richard Mkhathswa, Ms Shirley Sikosana, Mr. Andrew Dlamini, Mr. Tenane Charles Makola, and Ms Thandiswa Nyati. They are accompanied today by Aimee Charest and Aniko Parnell, director of the international governance office. Would you please give them the welcome of the Assembly.

**The Speaker:** The hon. Member for Edmonton-Meadowlark.

**Mr. Maskell:** Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to members of this Assembly 23 grade 6 students from Meadowlark elementary school. These students are in the Mandarin Chinese program at Meadowlark school, one of my favourite schools. I can tell you that these are some of the brightest lights I've seen in a while. Would you please give them the warm traditional welcome of this Assembly.

**The Speaker:** The hon. Minister of Sustainable Resource Development.

**Mr. Cardinal:** Thank you very much, Mr. Speaker. It is my pleasure to introduce to you and through you to the members of the Assembly a close personal friend of mine and a strong supporter of yours, Mr. Ernie Sillito, who is sitting in the members' gallery. I'd like Ernie to rise and receive the traditional warm welcome of the Assembly.

**The Speaker:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thank you, Mr. Speaker. I am rising today to welcome Carol Carbol. Carol is a licensed practical nurse who is here because she is very concerned about the future of public health care in Alberta. She's particularly concerned about the use of P3s to build hospitals and about the impact on patient safety of moving nurses from site to site. She will be watching our proceedings closely. I ask everyone to give her a warm welcome.

Thank you.

**The Speaker:** The hon. Minister of Gaming.

**Mr. Stevens:** Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to other members of the Assembly Mike Gladstone. Mike is a proud product of the University of Calgary, having graduated in political science with a focus on international relations and foreign policy. He's here visiting the Legislature today because he has a very keen interest in politics. Starting in high school and going to university, Mike has participated in all levels of politics – federal, provincial – and among other things has been the youth president of the Alberta PC Association executive. Mike, I would ask that you stand and receive the warm welcome of the Assembly.

head: **Oral Question Period**

**The Speaker:** First Official Opposition main question. The hon. Member for Edmonton-Centre.

### Government Expense Claims

**Ms Blakeman:** Thank you. Mr. Speaker, today the Alberta Liberal opposition sent Premier Klein a letter calling for a detailed explanation of Executive Council expenses and also demanding that Alberta pass rules on expense claims that equal or surpass those of Ontario. My first question is to the Premier. How long before we get answers to these questions, Mr. Premier?

**1:40**

**Mr. Klein:** Mr. Speaker, I received the letter about 15 minutes ago, which is typical of Liberal tactics: first, hold a news conference, release the letter to the media, and then say, "Oh, we'll give the letter to the Premier as well."

The letter contains 23 questions. Here are the questions.

- What are the rules and guidelines governing the approval of expenses for members and staff of Executive Council? Can we have a copy of those rules?
- Who is responsible for approving expenses for the Office of the Premier, including staff expenses and credit card statements?
- What role, if any, does the Premier play in controlling expenses in the Office of the Premier?
- Who is responsible for the Premier's travel plans and for publicly circulating those travel plans?
- What are the rules and guidelines for publicly circulating the Premier's travel plans?
- What are the rules and guidelines for publicly circulating the travel plans of members of cabinet and government MLAs?

We're up to about \$5,000 or \$6,000 right now in staff time to examine this, and we're only at item 6.

**The Speaker:** Perhaps, hon. Premier, the letter could be tabled. We do have other sections called Written Questions, Motions for Returns on the Order Paper as well.

The hon. member.

**Ms Blakeman:** Thank you. I'm happy to table it later.

Again to the Premier: could the Premier narrow that timeline a little bit and perhaps answer whether he could give us answers by the end of the week?

**Mr. Klein:** Mr. Speaker, I would ask the opposition party to do as you have suggested, and that is to put it on the Order Paper as motions for returns or written questions. They are more appropriately put there than they are in this Legislature.

**The Speaker:** The hon. member.

**Ms Blakeman:** Thank you. Again to the Premier: given that Alberta seeks to be better than every other province . . . [some applause] I'm glad you're up to the challenge. Given that Alberta seeks to be better than every other province, why aren't our rules on expenses as stringent as those passed by your Conservative cousins in Ontario way back in July 2003?

**Mr. Klein:** Mr. Speaker, I have no idea what the rules are in Ontario.

**Ms Blakeman:** We gave them to you.

**Mr. Klein:** I still have no idea. Mr. Speaker, I'm going to make this quite clear: I don't pay much attention to what the Liberals give us, because, you know, it is so convoluted sometimes and so misinterpreted as to not be believable.

Relative to this province leading, I would remind the hon. member that we are number one in economic growth, we are number one in employment rates, we are number one in low taxes, we are number one in debt reduction, we are number one in business competitiveness, we are number one in salary growth, we are number one in student achievement, and we're the only province in Canada right now not running a deficit.

**The Speaker:** Second Official Opposition main question. The hon. Member for Edmonton-Centre.

### Auditor General's Powers

**Ms Blakeman:** Thank you. The Premier says that the Auditor General is okay with his expenses, but the Auditor General doesn't even have the authority to review and make public any investigation into Executive Council's spending. My question is to the Premier. Will the government introduce legislation to give Alberta's Auditor General the same powers as the federal Auditor General?

**Mr. Klein:** Mr. Speaker, I think that the Auditor General has tremendous latitude to examine and investigate anything he wants. In addition, there is the Ethics Commissioner, and I've indicated to the Ethics Commissioner to come in and examine our procedures. If he finds anything wrong with those procedures, we'll move to strengthen and to correct any deficiencies in the procedures we may have.

**The Speaker:** The hon. member.

**Ms Blakeman:** Thank you. Again to the Premier: why won't this government bring in legislation authorizing Alberta's Auditor General to investigate any potential abuse of taxpayers' money?

**Mr. Klein:** Mr. Speaker, as far as I know, the Auditor General has every latitude to investigate abuse of taxpayers' dollars including, you know, abuse by any member of government, all government officials, members of the opposition, anyone who handles a taxpayer's dollar.

**The Speaker:** The hon. member.

**Ms Blakeman:** Thank you. He needs to read the legislation.

Again to the Premier: will this government bring in legislation authorizing the Auditor General to publish separate reports on his investigations? Right now he can only do one report. Let's have it all.

**Mr. Klein:** Mr. Speaker, it's my understanding that if the Auditor General is requested to examine a particular issue, he can report on that issue. That, I believe, has been done before, where we have asked the Auditor General – I'm trying to recall the case. It was when Mr. Valentine was the Auditor General, and he was asked specifically to investigate a particular issue and issue a report on that matter. I believe it was an issue involving myself, an issue related to Multi-Corp. He conducted an examination and issued a report on that . . .

**Ms Blakeman:** That was the Ethics Commissioner, not the Auditor General.

**Mr. Klein:** Mr. Speaker, will you tell her to quit chirping and listen to the answer?

Mr. Speaker, if I recall, the Auditor General did a report, a very thorough report, issued his report in this Legislature. So I see no reason to raise the issue of the Auditor General being able to investigate certain and specific matters, because it has been done in the past, and I don't see why it can't be done in the future.

**The Speaker:** Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

### Deregulation

**Mr. MacDonald:** Thank you, Mr. Speaker. Dr. West, the former Minister of Energy, produced and directed a scheme which certainly could be made into a horror film, the disaster of electricity deregulation. Last week the Premier announced that the Eight Billion Dollar Man is back in town. My first question is to the Premier. Given that electricity deregulation has failed and Albertans are tired of this government's false promises of savings, when will the government admit that \$8 billion spent on electricity deregulation is enough and you're simply going to do the right thing, and that's unplug deregulation of electricity?

**Mr. Klein:** Mr. Speaker, I'm glad that the hon. Minister of Energy is here because he can supplement my answer.

It is wrong, false, untrue, inaccurate, a misrepresentation to say that deregulation has failed. His assertion that this is an \$8 billion boondoggle – I don't know where he gets that figure, but it's not a boondoggle at all. It has been a success.

Mr. Speaker, as an example of the misinformation and misrepresentation of the facts, I allude to a situation in Calgary on Thursday where there were brownouts or blackouts imposed by the electric system. The Liberals were immediate to say that this was caused by deregulation and had to withdraw their press release when they found out from the power company that it had nothing to do with deregulation whatsoever. This is a small example of the steps they will go to to misrepresent and not tell the truth about deregulation.

**Mr. MacDonald:** Talk about misrepresentation: the power blackout was on Friday, not Thursday.

### Speaker's Ruling Oral Question Period Practices

**The Speaker:** I'm going to read this again. *Beauchesne* 409 with respect to oral questions: "It must be a question, not an expression of an opinion, representation, argumentation, nor debate." So let's proceed with the question.

1:50

### Deregulation (continued)

**Mr. MacDonald:** Thank you, Mr. Speaker. Again to the Premier: is it now government policy to deregulate public health care with, again, the false promise of savings to Alberta now that the Eight Million Dollar Man is back in town?

**Mr. Klein:** Mr. Speaker, I apologize. If he says that it was Friday, it was Friday, but we still didn't issue a press release saying that it was due to deregulation, like they did. That was real misrepresentation.

He also said that Dr. Steve West is now the Eight Million Dollar Man. He has been devalued from \$8 billion to \$8 million.

Mr. Speaker, the answer to the question, quite simply, is no. This

is a serious issue, much more serious than many, if not most, if not all of the issues the Liberals raise, and that is the issue of health care sustainability and what we need to do as Canadians – because all provinces are faced with this difficulty – to bring health care costs in line and to get them under control and to bring about sustainability. That's what it's all about. It's not about following the model of electricity; it's about Alberta taking the lead. When other provinces talk about it and say, "Simply throw more money at the situation," we are saying, "Let's find new and different and more imaginative and innovative ways of doing things." Nothing wrong with that.

I can see the Liberals thinking there is something wrong with it because it involves thinking outside the box. It involves something more than being narrow-minded or myopic. It involves really imaginative thinking, something that is so strange and so foreign to them that all they can do is get up and criticize.

**The Speaker:** The hon. member.

**Mr. MacDonald:** Thank you, Mr. Speaker. Again to the Premier: is it now government policy to deregulate the Alberta civil service with the false promise of savings to Albertans now that the Eight Billion Dollar Man is back in town?

**Mr. Klein:** Mr. Speaker, he went from Eight Billion Dollar to Eight Million Dollar. Now, he's back to Eight Billion Dollar.

Mr. Speaker, it's the government's policy to deregulate where it makes sense to deregulate. If he's talking about deregulation of the public service, in some areas it has happened already. It has happened relative to liquor stores. Certainly, they were taken out of government control and management and privatized. Does he want us to go back to a government-run system?

It was done relative to the franchising of registries, Mr. Speaker: much cheaper, much more efficient. Instead of going to the motor vehicles branch, taking an afternoon off work, and lining up only to be told that they have the wrong documentation, to come back tomorrow, they can actually walk down the block, go to their local registry office, be called by their first name, be served a cup of coffee, get their driver's licence, get their licence plates. Nothing wrong with that.

The Liberals think it's wrong, of course, because it doesn't involve huge bureaucracy. So if we have an opportunity to break down bureaucracy and to privatize and to deregulate and if it makes a lot of sense, we will do it, Mr. Speaker, if it makes sense. That's something they don't understand.

**The Speaker:** The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

### Meat Packing Industry

**Mr. Mason:** Thank you very much, Mr. Speaker. Approximately \$800 million of Canadian and Alberta taxpayers' dollars have been spent so far on programs to address the BSE crisis. According to a beef industry report that I will be tabling today, while cattle producers are going under, meat packers are making a killing by lowering the price they pay for cattle about the amount of the government subsidy and increasing their margin by selling beef at pre-BSE prices to supermarkets. My questions are to the minister of agriculture and rural development. Will the government hold an independent inquiry into the waste of \$800 million which seems to have ended up in the pockets of U.S. meat packers rather than cattle producers, and if not, why not?

**Mrs. McClellan:** Mr. Speaker, I think I have addressed this issue in the House before, but I will again. One thing that this minister will do rather than flinging around wild accusations is be sure of the facts before I do make statements like this. I think that would be responsible. If the hon. member would be more current with the issue, he would know that about two weeks ago I did ask for a carcass evaluation and asked my staff to prepare that because I really don't appreciate in a time of distress in this industry that we have these types of accusations being flung around.

Some months ago it was the big fat feedlots that were being accused of taking all of the profit. Then in the fall it was that cow-calf were getting very high prices for their calves. Now it's the packer issue. The fact is, Mr. Speaker, that the beef industry, the cattle industry in this province and across Canada is under great duress. What we need are solutions to move us through this, and that's what this government is doing with the industry at the table.

Mr. Speaker, this minister will not make those types of accusations without facts. When I receive those facts, I will be very happy to share them.

**The Speaker:** The hon. member.

**Mr. Mason:** Thank you very much, Mr. Speaker. Well, sweeping it under the carpet is not going to do it, and that's exactly what the minister is doing by refusing to call an inquiry. Why is the government sweeping under the carpet the findings of a beef industry report which concluded that meat packing companies have "simply discounted the price they were prepared to pay for the cattle by the amount of the government support payment"? Why won't she have an inquiry?

**Mrs. McClellan:** Well, Mr. Speaker, I could discount that very quickly, and so could the hon. member if he chose to go back and look at what beef prices were prior to any intervention in the industry. I can assure him that prices for the industry improved greatly. If he understood the packing industry at all, he would understand that they suffered great losses the first weeks of the BSE issue, after May 20, operating at about 27 or 28 per cent efficiency.

Now, I don't expect him to have that broad understanding of the industry, but I do think that at a time when this industry is under siege, is suffering great duress, we all have a responsibility to have the facts in front of us and not to be divisive in this industry. The only way that we will work our way through this very serious issue is if we all work together. Mr. Speaker, that is what this minister is going to do.

I can assure the hon. member that at all of the many, many meetings we've had, every part of this industry from the trucking industry, to packers large and small, to cow-calf producers, to feedlot operators, to the grocery retailers, the Canadian grocers' institute, has been at the same table in the same room and addressed all of these issues, not picked them apart one shot here, one shot there. That is totally irresponsible.

**Mr. Mason:** Mr. Speaker, could the minister please tell the House why, if this program has spent \$400 million of Alberta taxpayers' money and an equal amount of federal dollars, packers' margins have increased by 200 per cent over the same period?

**Mrs. McClellan:** Well, Mr. Speaker, I wish the federal government had contributed equally to this program; the cost to Alberta would have been considerably less. I'm still hopeful in my discussions with the federal minister that they will come to the table and help this industry through. This industry contributes a very great deal to the

economy of this province and, in fact, provinces across Canada.

If the hon. member is suggesting that the investment that this government made of \$400 million has not assisted the industry, then I suggest that he get out of his desk in this office and go out and visit with the industry and find out how it really is working. I would have suggested that he attend that meeting, Mr. Speaker, where this paper was discussed. I was invited to that. I spoke at the meeting. I answered questions. I spent all day with them. I'm not sure whether the hon. member was invited and couldn't come, but you cannot take a piece of paper and solve the complex issues around this.

Again, Mr. Speaker, this is too important an issue to try and pick sides, pit one part of the industry against the other. The only way we will solve this issue is if this industry works together, and that's what we're going to do: work with them.

**The Speaker:** The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Riverview.

2:00

### Community Programs

**Mr. Cao:** Thank you, Mr. Speaker. Given that the government encourages effective community programs and community groups have responded with their grassroots initiatives and reflecting the requests from my senior constituents – as an example, I want to focus on a particular program in my constituency called mow/snow, that has been effective in its purpose to keep seniors aging in place, in their home, and providing a hand-up work experience for Albertans in social need – my question today is to the hon. Minister of Seniors. What is the government doing to preserve community programs such as the mow and snow program to help seniors who are in need?

**The Speaker:** The hon. minister.

**Mr. Woloshyn:** Thank you, Mr. Speaker. I'd like to point out that the Ministry of Seniors does not have a grant program that would be specific to mow and snow as a program. However, our responsibility towards seniors is to ensure that the folks who do need help receive help, and we, in fact, do that. The special-needs assistance program will support seniors who are eligible and who have a requirement for some yard maintenance, as it is in clearing sidewalks or whatever. Also, for other people who have mobility problems, we have things such as the home adaptation program.

I would like to say that I'd like to commend the people, the volunteers in the member's constituency, for such a program and would hopefully like to see it continue. Like I say, we do our level best to look after the seniors who are eligible for our support.

**The Speaker:** The hon. member.

**Mr. Cao:** Thank you, Mr. Speaker. My first supplemental question is to the hon. Minister of Human Resources and Employment. Given that the ACE program provided some seed funding for just such a community program for grass cutting and snow removal for seniors in need, I want to ask you a question. What are you doing to preserve such a cost-effective program?

**Mr. Dunford:** Mr. Speaker, the program that was referred to was developed in 1993, and as we know, there has been substantial change in the Alberta situation since that time. In 1993, to use round numbers, I guess, there were something like 90,000 people that were on our welfare rolls. Ninety thousand. What we've been able to do in the intervening time is cut that by two-thirds. We're under

30,000, but we're not going to, you know, get into the exact numbers.

In any case, I think that, clearly, one could see that the type of skill training that's required in today's terms would be significantly different than what we were required to do 10 years ago. Really, what we've done with our skills investment program is we've removed, actually, the ACE program as one of our key components in our skills training situation. We've informed all of the community organizations that we've worked with in the past that at the end of this March that program will cease to exist.

**The Speaker:** The hon. member.

**Mr. Cao:** Thank you, Mr. Speaker. My second supplemental question is to the Minister of Human Resources and Employment. Given that the mow and snow program for the seniors in my community had 90 clients in the summer of 2003, now that the ACE program has been cancelled, when is the new program to come into place to continue that effective community program to help people?

**Mr. Dunford:** Well, as I've indicated, of course, all of the programs that were in existence have come under review, and many have been revised. In this particular case, ACE, we've eliminated that program.

Now, we still have training-on-the-job programs that are available. So we have department officials that will work with community organizations, I'm sure some of which are in the hon. member's constituency, to work on aspects, then, of a mow and snow kind of program to see what we're able to do with that, because we don't want to eliminate the opportunity for people who are on our rolls but who are looking for self-reliance and independence to move into the workforce.

We're willing to work with these groups and will continue to do so. In many cases some of the tasks that would be involved in a mow and snow program might just fit the kind of framework in which a person might start out in trying to become self-reliant. So we'll look at it.

### Ophthalmology Services in Calgary

**Dr. Taft:** Mr. Speaker, in 2002 the Minister of Health and Wellness designated the Calgary health region as an area with an emergency need for ophthalmology services. This allowed for two ophthalmologists from South America to be brought to Calgary under section 5 of the special register of the College of Physicians and Surgeons. To the Minister of Health and Wellness: what is the minister's justification for approving this designation under section 5?

**Mr. Mar:** Mr. Speaker, there were two physicians involved in the particular situation that the hon. member is referring to. Dr. Maria Castro is a pediatric ophthalmologist. Her husband, Dr. Alberto Castro, is also an ophthalmologist. If a health region is trying to recruit such a physician to their region and they are unable to find such an individual within Canada, then a part 5 designation is signed off by the minister of health, which will allow them to recruit from elsewhere.

Now, pediatric ophthalmology is quite a high-demand specialty, Mr. Speaker, and Dr. Maria Castro indicated that she would be prepared to come from Colombia if we could also find a position for her husband to practise in Calgary. Dr. Alberto Castro practises in the area of vitreo-retinal surgery.

Mr. Speaker, Dr. Maria Castro does practise in the area of pediatric ophthalmology. She's employed by both the University of Calgary and the Calgary health region. Dr. Alberto Castro, her

husband, provides in-patient service at the Rockyview hospital and also outpatient services at the Holy Cross facility.

**The Speaker:** The hon. member.

**Dr. Taft:** Thank you. Can the minister, then, confirm that the request to import these two specialists originated with the chief of ophthalmology for the Calgary health region?

**Mr. Mar:** Mr. Speaker, I don't have a specific recollection. I don't have the files of these individuals before me, but the request does come through the health region. Who may have signed off the request for that is not within my recollection. If the hon. member would like to send me a letter outlining his question for further specificity, I would be happy to respond to him accordingly.

**The Speaker:** The hon. member.

**Dr. Taft:** Thank you, Mr. Speaker. My final question: what action is this minister prepared to take if it's proven that there were specialists already available when he approved the emergency need in Calgary? Will he reverse his decision?

2:10

**Mr. Mar:** Mr. Speaker, there are, as I indicated, reasons why we recruit physicians from other jurisdictions. We look to continue to support the good kinds of services that Albertans have come to expect. I can say that quite a number of part 5 designations have been approved since 1995. On average about 50 such requests a year are made by health regions that I have signed off on during my time as minister of health. Fifty requests a year. I take it at face value that if the regional health authority feels that it needs such physicians to be recruited from elsewhere, they in fact know what their needs are. At a time when Albertans are talking about the importance of access to the health care system, I should think that it would be most appropriate that we continue to recruit specialists that we require in this province from wherever they might be.

I should note, Mr. Speaker, that the College of Physicians and Surgeons is also involved in this process, that they do have an important role in acknowledging the credentials of such physicians to indicate that they, in fact, have the appropriate training to practise within Canada.

**The Speaker:** The hon. Member for Edmonton-Rutherford, followed by the hon. Member for Edmonton-Gold Bar.

### Health Care Services for Out-of-province Patients

**Mr. McClelland:** Thank you, Mr. Speaker. My first question is to the minister of health. Health care delivery and the quality of service available in Alberta are the envy of all provinces despite the financial challenges all provinces face. I understand that this has resulted in out-of-province Canadians accessing health care in Alberta, as Albertans may also access health care in other provinces. My question: what is the service and fiscal effect on our Alberta health care system of out-of-province users?

**Mr. Mar:** Mr. Speaker, one of the principles under the Canada Health Act is portability. Alberta is a recognized leader in health care delivery in Canada, and accordingly Alberta hospitals provided 130,000 services to other Canadians. This makes Alberta the largest provider of services to out-of-province Canadians.

People come here from the provinces of Saskatchewan, British Columbia, the territories, and Manitoba as well for services that

sometimes are available in those provinces but sometimes are specialized here in Alberta. For example, our organ and tissue transplantation programs, our cancer programs, our adult and pediatric cardiac care, bum treatment, diabetes treatments are only a few of the areas where Alberta provides services to non-Alberta residents.

Mr. Speaker, the rates at which we bill back to those other provinces are set through an interprovincial committee. Previous to last July there was a much wider gap between what it actually costs us to provide those services and what we actually billed back. That gap has closed somewhat, but we still subsidize approximately \$20 million a year in services to non-Alberta residents. That's the best estimate that we can come up with. Still, we billed approximately \$90 million worth of services to the health care insurance plans of other provinces. We will continue to provide those services to other Canadians in need of those services because we do support the principle of portability within the Canada Health Act, sir.

**Mr. McClelland:** The minister's response has generated another question. To the minister of health: would it be possible, then, to pick up the \$20 million difference from the federal government to keep our health authorities whole?

**Mr. Mar:** Well, Mr. Speaker, not to discount the importance of \$20 million, let us say this. It is a significant amount of money, to be certain, but to put it into context, \$20 million is what we pay to run our health care system for a single day in this province. So in the whole scheme of things, the total value of budgets of regional health authorities would be something in the magnitude of about \$4.2 billion. To argue with the federal government over an additional \$20 million – it's not really a material amount. I'd rather be fighting over \$20 billion.

**Mr. McClelland:** My final question, Mr. Speaker, is to the Minister of Seniors. Alberta is also benefiting from the in-migration of seniors. Could the minister tell the House what the impact of net in-migration of seniors to Alberta is?

**Mr. Woloshyn:** Mr. Speaker, I don't have dollar figures on that, but the member is correct. We receive more seniors coming in than leaving the province. A couple of things. For seniors to sign on to a program, say the seniors' benefits program, they must be resident in Alberta for at least three months, and we haven't had any indication that there are very many of those people. With respect to other seniors they are very welcome here because when they come, they bring with them their assets. They invest in housing. They invest in a lot of things. Also, equally as important is that in Alberta and in Canada, indeed, the greatest proportion of any population that volunteers is the seniors population. So to measure the actual benefit to the province would be very difficult, but certainly these people are more than welcome here.

**The Speaker:** The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Little Bow.

#### Utilities Consumer Advocate

**Mr. MacDonald:** Thank you, Mr. Speaker. Last Wednesday the Minister of Government Services admitted that the electricity industry through the Balancing Pool is paying for the office of the Utilities Consumer Advocate under section 148 of the Electric Utilities Act. My first question is to the Minister of Energy. How can the Utilities Consumer Advocate be independent, working on

behalf of consumers before regulatory hearings, when the electricity industry is cutting his paycheck?

**Mr. Smith:** Well, Mr. Speaker, once again the member has got it wrong, so we are more than pleased to correct the information for him. The structure of the utilities advocate is such that that individual is paid from the Balancing Pool. That is an arm's-length organization from industry, and it reflects the interests of the folks in the rate base. So for him to intimate that it's actually going to be influenced by the utility providers is nothing more than his usual brand of hogwash.

**The Speaker:** The hon. member.

**Mr. MacDonald:** Thank you, Mr. Speaker. Again to the Minister of Energy: when did the minister make a ministerial order dictating that the gas companies would also fund the office of the Utilities Consumer Advocate?

**Mr. Smith:** Mr. Speaker, that sounds like an interesting question for a written return, but he has also been one that has used the word "utilities" interchangeably with the word "electricity." So, in fact, with the creation of the Utilities Consumer Advocate, the individual who will watch on behalf of all Albertans' consumer interests, that will also include natural gas.

**Mr. MacDonald:** Again, Mr. Speaker, to the Minister of Energy: how much money precisely is being paid by the Balancing Pool to fund the consumer advocate?

**Mr. Smith:** Mr. Speaker, the member who asked the question knows full well that the consumer advocate budgeting falls under the Minister of Government Services. I believe he asked that question last week in the House, and I'm sure that if the minister wants to supplement today, he will.

**Mr. Coutts:** Mr. Speaker, just to make it very, very clear, yes, as we said in this House last week, the Balancing Pool does look after this. The consumer advocate is set up to help consumers in this province have a one-window approach when they have problems with their electricity bills or when they want to get information about electricity and the restructuring of electricity. As well, if they have inquiries about natural gas, they are also calling in to our advocate's office, and we're providing them with the proper information. We inform consumers to help them empower themselves.

One other thing the consumer advocate is looking at doing is making representations in front of the EUB on behalf of all small businesses, residential and farm customers. As a matter of fact, if at the end of this year we don't expend all the dollars that are needed for that, that have come forward, flowing through to us, those dollars will go back to the Balancing Pool, Mr. Speaker.

**The Speaker:** The hon. Member for Little Bow, followed by the hon. Member for Edmonton-Glengarry.

#### 2:20 Agricultural Income Stabilization Program

**Mr. McFarland:** Thanks, Mr. Speaker. My questions today are to the Minister of Agriculture, Food and Rural Development. As you're aware, Madam Minister, many changes have been made to the systems that are in place for the agriculture industry over the first year, and while the Canadian agricultural stabilization program is supposed to be the answer to ad hoc programs, have you got any

assurances that the program is going to be responsive and timely in responding to our producers who are in desperate need?

**Mrs. McClellan:** Well, Mr. Speaker, as the hon. member would know, Alberta has been a full participant in the ag policy framework document, and of course the Canada agricultural income stabilization program is one part of the safety net chapter of that program. When that program was designed, it was designed to look after any small and large changes in income. However, while it was designed to cover small and large losses, it was not designed to cover equity losses such as we have experienced through this current BSE issue.

Because we work so closely with our industry, we realized that there would have to be some changes made to that program, and it isn't just in this program with the extreme low prices in the hog industry, again an issue, and, in fact, in the grain industry, Mr. Speaker. If you were to experience four or five repetitive years of drought, for example, it would not deal with that, so it became very apparent that we had to deal with negative margins. That was done. This program covers 60 per cent of negative margins.

Also, we would have to deal with the caps. The caps were set at \$975,000. It sounded like a reasonable amount for average losses for any production, but when you get into losses such as we've experienced in an industry as large as the beef industry and, in fact, the pork industry – and in fact it could be the grain industry – those caps had to change. So they were renegotiated nation-wide to \$3 million. Three million dollar caps do not answer the needs in Alberta, so in Alberta, in fact, we'll go to \$5 million caps in this program.

**The Speaker:** The hon. member.

**Mr. McFarland:** Thank you, Mr. Speaker. While people are anticipating these changes taking effect, what is the actual holdup that prevents these changes being made in the program and put into effect?

**Mrs. McClellan:** Well, Mr. Speaker, to get an amendment to the original agreement – in December we finally got the signatures to the ag policy framework, but the agreement has to be amended. An agreement to be amended requires the same formula as it does to get a national program; that is, 50 per cent of the production and seven provinces. We have three provinces that have signed on to the program: Prince Edward Island, Ontario, and Alberta. Quebec has taken this through their cabinet, and we understand that they will be adjusting their program. But we still need three provinces to sign the agreement. Our understanding is that they're dealing with it with their cabinets, but for some provinces it is very difficult given their budgets, and they are requesting that the federal government assist them.

**Mr. McFarland:** A final question to the same minister, Mr. Speaker: although these changes may take effect immediately, how can we let the producers know in a timely fashion so they can access any of these changes that the provinces and the federal government, hopefully, sign on to?

**Mrs. McClellan:** Well, one thing, Mr. Speaker, that we did negotiate successfully was an opportunity with a bilateral agreement with the federal government that we could do some advance payments under what would be called an interim case program. That process is occurring.

We had 30 to 40 formal producer regional meetings to describe the case program. We are having more meetings now to discuss the

enhancements, and any member of the Legislature that is getting these types of questions that wants to have a meeting should let us know, because these programs are very complex, and our staff would be happy to go out and sit down with producers and go through the program.

We've tried to keep them informed through media, through newsletters and that type of information, but probably the best communicators are in this building. I would encourage all of our members that serve that population to get the answers because, Mr. Speaker, this is the program that is anticipated to remove the need for ad hoc programs out of agriculture. It's what this government wants, and it is definitely what the industry wants.

### Private/Public Partnerships

**Mr. Bonner:** Mr. Speaker, the government web site lists highway 407 in Ontario as an example of a successful P3 project. Meanwhile, back in Ontario the private operators of the now controversial highway 407 are gouging commuters with toll rate hikes that have exceeded 200 per cent over the last five years. The government of Ontario is now involved in a dispute with the consortium that owns highway 407 over high toll rates and poor customer service. To the Minister of Infrastructure: given that highway 407 is listed as a success story on this government's web site, is this the standard that this government sets for its P3 projects?

**Mr. Lund:** Mr. Speaker, perhaps the Minister of Transportation may know more about the highway that the member is referring to. I don't know the details of that particular project. But I will say that from all the indications that we have of any of the P3s that have been here in Alberta, including what looks like it's going to be a very successful one with the Calgary courthouse, we're very, very hopeful and are sure that we will be able to show that it is a great deal for Albertans.

**Mr. Bonner:** To the same minister, Mr. Speaker: given that this government is looking to a P3 to extend the southeast leg of Anthony Henday Drive, what guarantee can the minister give commuters that the private operators will not implement tolls?

**Mr. Lund:** Well, Mr. Speaker, I thought I explained it to the member once before when he started asking me questions that are not on this department. If he cares, I can do it more slowly. The infrastructure that is horizontal – that means that it's out this way – is in Transportation. The infrastructure that is built vertically is in Infrastructure. So perhaps he could address the highways to the Minister of Transportation because that's where it's properly housed.

**Mr. Bonner:** Well, Mr. Speaker, we will try the Minister of Transportation. Will the minister provide the documentation outlining how it calculated the estimated cost of \$300,000,000 as a public project for Anthony Henday Drive versus the \$220,000,000 it would cost a 30-year P3 project?

**Mr. Stelmach:** Mr. Speaker, I'm not quite sure what numbers the hon. member is using, but what we've essentially done is gone to the request for qualifications. This is trying to find those companies world-wide that are willing to bring business to Alberta and qualify in terms of the background and the necessary expertise to proceed with this project. As I mentioned in the House last week, there were six companies, marriages of various companies that put together six proposals. We are going to boil those down to three, and then the next step is the request for proposal. What will happen then is those

three companies will bring forward their proposals on how they want to build this leg of southeast Anthony Henday Drive and also how they will finance it and manage and maintain it for the next 30 years.

Thank you.

**The Speaker:** Hon. members, 30 seconds from now I'll call upon the first of seven hon. members to participate in Recognitions.

head: 2:30

### Recognitions

**The Speaker:** The hon. Member for Little Bow.

#### Raylee Edwards

**Mr. McFarland:** Thank you, Mr. Speaker. I rise to recognize the accomplishments of an outstanding Alberta cowgirl, Ms Raylee Edwards. Raylee attended her first Canadian Finals Rodeo when she was nine years old, and in this, her first attempt in rodeo, she unfortunately missed winning the Canadian ladies' barrel racing championship when she knocked down her third barrel in the final go-round.

Coming from a winning rodeo family, Raylee could not help but follow the riding trails of her mother, Mary Lynn, the 1980 ladies' barrel racing champion, and her father, Oscar, the 1981 Canadian calfroping champion. Ride after ride, competition after competition she continued to hone her skills to perfection, becoming the best in her sport.

While holding the record for the youngest competitor at the CFR, 16 years after Raylee's first big trip to the Canadian Finals she finally scored the big ride. Raylee Edwards became the 2003 Canadian ladies' barrel racing champion, continuing a winning family tradition, a title of which she and her family can forever and truly be proud.

**The Speaker:** The hon. Member for Edmonton-Glenora.

#### Sarah and Jessica Gregg

**Mr. Hutton:** Thank you very much, Mr. Speaker. It is my pleasure this afternoon to rise and recognize the accomplishments of two very exceptional young athletes from the city of champions. Last month Sarah and Jessica Gregg competed in the North American long-track speed skating championships in Minnesota and brought home a combined total of eight medals from the event. Jessica won two gold, two silver, while her younger sister, Sarah, won the overall championship for her age group and equalled her older sister's medal count.

Winning medals and championships seems to run in the Gregg family, Mr. Speaker. Their father, Dr. Randy Gregg, is a former Oiler defenceman who played with two Canadian Olympic hockey teams while their mother, Kathy Gregg, is a former medal winner in Olympic speed skating. She also coaches her daughters in speed skating. Their daughters' wonderful achievement is not only a testament to hard work and dedication to their sport but to the quality of the Edmonton Speed Skating Association program.

On behalf of this Assembly I would like to congratulate Sarah and Jessica on their superb accomplishment and wish them all the best in their future competitions.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Lac La Biche-St. Paul.

#### Arctic Winter Games

**Mr. Danyluk:** Thank you very much, Mr. Speaker. I rise today as

a northern Albertan to recognize the city of Fort McMurray and the entire regional municipality of Wood Buffalo, who are hosting over 1,500 young athletes from all across the world's circumpolar region for the 2004 Arctic Winter Games. Athletes from northern Alberta, the Northwest Territories, Yukon, Nunavut, Quebec, Alaska, Greenland, Russia, and Scandinavia are competing in the events to celebrate our northern cultures and promote active lifestyles through sport.

About 5,000 local volunteers have combined their time to make these games a success and to help their communities benefit from hosting these prestigious events. Volunteers are part of a province-wide network of people who are absolutely vital to the formula that makes our province the best place to live, work, and visit.

On behalf of our Premier, who officially opened the Arctic Winter Games this past weekend along with several MLA colleagues, I invite all members of this Assembly to join me in congratulating the people of Wood Buffalo for their dedication in hosting these games.

**The Speaker:** The hon. Member for Edmonton-Centre

#### Edmonton Opera Week

**Ms Blakeman:** Thank you, Mr. Speaker. I'm delighted to recognize a first today, or, rather, 40 years of firsts; that is, first-rate opera in Edmonton. The city of Edmonton has declared this week, March 1 to 7, Edmonton Opera Week to recognize and celebrate 40 years of production from Edmonton Opera.

March 2 will see the mayor of Edmonton make the official proclamation at noon at city hall before an audience of current and original cast members of *Madama Butterfly*. *Madama Butterfly* was the first-ever production, opening in October 1963 at the Jubilee Auditorium, playing to a sold-out audience. The anniversary version opens this weekend.

My congratulations to the board; the volunteers; artistic director, Brian Deedrick; general manager, Mary Phillips-Rickey; staff; technicians; and production staff; and, of course, the artists who bring us such joy.

Thank you.

**The Speaker:** The hon. Member for Calgary-West.

#### Elbow Park Elementary School

**Ms Kryczka:** Thank you, Mr. Speaker. I am very pleased in this Assembly to extend hearty congratulations to Elbow Park elementary school. You have accomplished the very rare, a public school taking top spot in this year's provincial school review by the Fraser Institute.

As a grandma I frequently visit this small, inner-city Calgary school and truly enjoy its special environment, one that exemplifies what I call LCC behaviours – leadership, commitment, and caring – by administration and teachers and parents. The students truly benefit, working hard in this caring, supportive, and challenging environment to become the best they can be as individuals and as learners.

Elbow Park, with your approach you have led the way for others. Success is not just about class size or socioeconomics. Students, administration, teachers, and parents, I encourage you to be truly proud of this achievement and the recognition you so well deserve. Congratulations.

Thank you.

**The Speaker:** The hon. Member for Calgary-Fort.



### David Gillies

**Mr. Cao:** Thank you, Mr. Speaker. Today I rise to recognize a special person. For years this person sat long hours in this Chamber, perhaps more attentive than some of us, at the same time studying at university. In the Chamber this person took the only seat that has control on the speaking of all members. It's not the Speaker's seat. It's not the Premier's seat. It's higher than those. Just look up and see. All of us can see up there.

After university study this person decided to join the Clerk's office. Later this person decided to join the government's team to assist the Government House Leader. This person is Mr. David Gillies.

David was born to Mr. Fred Gillies and Mrs. Jean Stock. David has two brothers, Darcy Gillies and Jordy Gillies, and one sister, Lisa Mackowetzky. David is married to Lorraine Chay, and their family includes Dr. Reid Wiest, living in Calgary with his wife, Beth, and their young son, Thane, and John Wiest, living in High River with his wife, Andrea, and their young son, Hunter David.

David Gillies is a hard-working person very dedicated to the democratic system. Through his work this legislative agenda sails smoothly through the parliamentary process.

May I ask all members to join me to recognize and thank David for his dedication and his work to keep our parliamentary democratic system strong to serve the interests of Albertans.

### U of A Pandas Hockey Team

**Dr. Taft:** Mr. Speaker, across Canada and around much of the world interest in women's ice hockey is surging, and the University of Alberta Pandas are helping lead the way. On February 28, 2004, the Pandas once again claimed the Canada West championship.

The accomplishments of the Pandas' ice hockey team are amazing. This weekend was their sixth Canada West championship in the last seven years. They won every one of the 20 games they played in the regular season. Including playoffs, they have now won 32 consecutive games.

In six seasons the Pandas have won three CIS national championships. Not surprisingly, head coach, Howie Draper, has won several coach of the year awards. The Pandas will head to the national championships, hosted by McGill from March 12 to 14, as the number one seed.

I invite all MLAs to join me in wishing the Pandas success at the national championships and congratulating the achievements of this wonderful team.

### Calendar of Special Events

**The Speaker:** Hon. members, since this is the first day of March, let me just draw to the attention of all hon. members that March is the following: Help Fight Liver Disease Month, National Kidney Health Month, National Nutrition Month, National Epilepsy Month, Learning Disabilities Month, Red Cross Month, Kidney Foundation Door-to-door Campaign Month, Canadian Liver Foundation Spring for Daisies Campaign.

February 28 to March 7 is National Engineering Week. March and April together are Hop for Muscular Dystrophy Association of Canada months. March 1 to April 30 is Easter Seal Mail Campaign.

March 1 to March 5 is the National Social Work Week. March 1 to March 7 is Pharmacists Awareness Week. March 1 to March 17 is Give a Buck for Luck Shamrock Campaign for the Muscular Dystrophy Association of Canada. March 3 to March 6 is Canadian Music Week. March 5 is the World Day of Prayer. March 5 to 21 is Les Rendez-vous de la Francophonie. March 7 to 13 is Interna-

tional Women's Week. March 7 to 13 is also National Dental Assistants Recognition Week. March 8 is International Women's Day. March 8 is also the United Nations Day for Women's Rights and International Peace. March 8 is also Commonwealth Day. March 12 to March 19 is Canadian Agricultural Safety Week. March 12 to 29 is also Asthma and Allergies Door-to-Door Campaign. March 14 to March 20 is National Farm Safety Week; March 17, St. Patrick's Day; March 19, St. Joseph's Day; March 20, Journée internationale de la francophonie; March 21, International Day for the Elimination of Racial Discrimination. March 21 is World Poetry Day. March 21 to March 28 is the Week of Solidarity with the Peoples Struggling against Racism and Racial Discrimination. March 21 to March 28 is also Social Work Week. March 22 is the World Day for Water. March 22 to March 27 is Daffodil Days for the Canadian Cancer Society. March 23 is World Meteorological Day. March 24 is World Tuberculosis Day. March 27 is World Theatre Day.

I thought all hon. members would like to be brought up.

head: 2:40

### Introduction of Bills

**The Speaker:** The hon. Member for Calgary-Mountain View.

#### Bill 206

#### Alberta Wheat and Barley Test Market Amendment Act, 2004

**Mr. Hlady:** Thank you, Mr. Speaker. It gives me great pleasure to introduce Bill 206, the Alberta Wheat and Barley Test Market Amendment Act, 2004.

This bill will provide for the automatic establishment of a 10-year Alberta test market for wheat and barley if the governments of Alberta and Canada do not reach an agreement for the establishment of a 10-year test market by a date set by the Lieutenant Governor in Council. This bill will provide all free-enterprising and hard-working Alberta farmers the opportunity to sell their wheat and barley outside the control of the Canada Wheat Board. It will provide them with a ray of economic hope and a level playing field with farmers in Ontario, who already have a choice. Mr. Speaker, it will allow the added-value economy due to wheat and barley to be re-established and encouraged to grow in Alberta.

Thank you, Mr. Speaker.

[Motion carried; Bill 206 read a first time]

head:

### Tabling Returns and Reports

**The Speaker:** The hon. Member for Edmonton-Strathcona.

**Dr. Pannu:** Thank you, Mr. Speaker. I am pleased to rise and table on behalf of my hon. colleague for Edmonton-Highlands one document titled Consolidated Beef Industry Action Plan: Actions for Industry if Borders Remain Closed. This report claims that Alberta packers have seen . . .

**The Speaker:** It's okay, hon. member; we just table it these days.

The hon. Member for Edmonton-Glengarry.

**Mr. Bonner:** Thank you, Mr. Speaker. I have two tablings. The first is a letter from the Interim Leader of the Official Opposition to the Premier, and this is recommending the implementation of a stricter new policy on expenses.

The second tabling is on the rules that were implemented by Premier Ernie Eves in Ontario.

Thank you.

head: **Orders of the Day**

head: **Written Questions**

**The Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. Proper notice having been given on Thursday, February 26, it is my pleasure to move that written questions appearing on today's Order Paper do stand and retain their places.

[Motion carried]

head: **Motions for Returns**

**The Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. In a similar manner it's my pleasure to move that motions for returns appearing on today's Order Paper stand and retain their places.

[Motion carried]

head: **Public Bills and Orders Other than  
Government Bills and Orders  
Second Reading**

**Bill 202  
Environmental Protection and Enhancement  
(Vapour Control Equipment) Amendment Act, 2004**

[Adjourned debate February 23: Dr. Taylor]

**The Speaker:** The hon. Member for Calgary-Currie.

**Mr. Lord:** Thank you and good afternoon, Mr. Speaker. I'm very pleased to be able to join the debate on Bill 202, the Environmental Protection and Enhancement (Vapour Control Equipment) Amendment Act, 2004. As we have heard previously during this debate, Bill 202 would, if passed and proclaimed, require gas stations, fuel trucks, and petrochemical terminals to be equipped with stage 1 vapour recovery systems by 2014. This would be done in order to reduce emissions of volatile organic compounds, or VOCs, which are a factor in low-level ozone, as well as carcinogenic hydrocarbons, which are known to cause cancer and other serious illnesses in addition to fouling up the air we breathe.

I have given this issue a good deal of thought, and before I tell you what my conclusion is, I'd like to take a few moments to explain the reasons why I arrived at the conclusion that I did. One of the most pressing issues of our time, Mr. Speaker, is the quality of our environment. In recent years this Legislature has grappled with a variety of measures to enhance Alberta's environment, ranging from how to safeguard our clean water supply to how to handle chemical spills and how to preserve and improve air quality. We do this not just because Albertans want us to protect the environment but because it is the right thing to do.

Doing the right thing when it comes to the environment, however, is certainly not always as straightforward and simple as it might seem. There are always many competing and also beneficial interests to consider out there along with various players, who each have their own set of issues and concerns. Sometimes you may even get a short-term gain in one area but only if accompanied by the expense of a long-term pain somewhere else. In other situations a little short-term pain in one area might actually be a good thing because it may result in a larger overall gain further down the road. So all decisions involve trade-offs, and when making such decisions,

we always have to be mindful of our province's economic growth and health.

We are very fortunate in this regard, Mr. Speaker, because in the course of the last 10 or 12 years the Alberta economy has not only recovered from being burdened by significant debts and budget deficits, but also the province has gained both a national and an international reputation as one of Canada's economic powerhouses. We can be very proud of the fact that in spite of many upheavals to the world economy Alberta has weathered a number of economic storms, and the state of our economy remains strong. We are in a position that is the envy of every other Canadian jurisdiction.

Being in such a position clearly puts us in a better position to be able to do a lot more in other areas, such as protecting our environment, from what would otherwise have been the case. In other words, a strong oil and gas industry and thriving overall economy actually puts us in a much better financial position to work on things like improving our environment compared to what our position would have been with a weak industry and a weak economy.

It has taken much time and effort, however, to get to our current position of strength, and it also took a great deal of sacrifice on the part of Albertans to get here. It is thanks to Albertans' willingness to sacrifice and Albertans' hard work that we are able to enjoy such a high standard of living today. For this reason, Mr. Speaker, it is vital that the policies we set and follow are those which will not harm or in any way reverse the economic progress we have made since the early 1990s.

Of course, on the other hand, we must always take the necessary steps and precautions to ensure that we do as little damage to the environment as possible when creating this economic growth and that if any damage does have to occur, we use the economic gains that have been created to later mitigate or restore what was damaged back to its original or perhaps even an improved state.

Throughout the world society has come a long way and has made significant progress in recognizing the impact of our actions and policies on the environment over the years. There was a time here, and not too long ago at that, and still is, in fact, in many places in the world when the environment was given little, if any, thought, and much needless damage was being done. Factories were able to spew toxic emissions into the air or water, mining operations were carried out without regard for what would happen once operations ceased, and in general we human beings did not pay much attention to the well-being of the thousands of other species occupying the planet.

By the middle of the 20th century, however, a collective consciousness concerning the environment was well underway across the world. We have come to realize the importance of preserving rain forests and water systems. We know also that finding alternative sources of fuel makes for both good policy and for a healthier environment. Win/win situations between economic development and the environment are possible more often than many people may realize.

There is no doubt that environmental awareness is growing and is becoming one of our most important political issues. Both here at home and elsewhere in our country and around the world laws and regulations have been enacted to preserve and safeguard the environment. We are, in other words, trying to find ways to improve our standard of living, and we now recognize that this standard includes improving the quality of our environment.

**2:50**

Some may still ask why. Why do we need to preserve the environment, and why should we care? Well, as simple as it is to ask these questions, they're not so simple to answer. Of course, there are some responses that are obvious and straightforward. We need to

preserve the environment because others will come after us: our children. Also, it is a well-known fact that a good environment is healthy for us in many ways. Green hospitals, where you go to reduce stress, is how some people refer to our natural park systems and the great special places that we have created through Alberta, a program that I personally have been excited to have played a small role in as chair of Alberta parks and special places. The bottom line is that we should care about the environment simply because it is the right thing to do.

Perhaps the right question to ask is not why we should care about the environment, because I am sure that we all care about the environment, but rather: how should we go about caring for it? Developing policies willy-nilly out of the air based on bad facts is not good government. Sometimes, Mr. Speaker, it's not even a matter of bad facts but, rather, a lack of facts, and therefore jumping to conclusions, that has the danger of inspiring draconian laws and legislation that simply may not do quite what they were intended to do and may even be counterintuitively counterproductive. So we must be careful to ensure that we do not pass any bad or unnecessary legislation that may have large, negative, unintended consequences.

So we must ask questions of the proposed bill before us. Are the volatile organic compounds, or VOCs, that the stage 1 vapour recovery systems aim to harness a problem? It would seem that, yes, they do pose several problems for us. It has been established that they contribute to the formation of smog and, as a result, affect the quality of the air that we breathe.

As well, fuel vapours contain hydrocarbons, which are known carcinogens. Benzene and other hydrocarbons can cause among other things several different forms of leukemia and other blood disorders and non-Hodgkin's lymphoma, the kind of cancer that hockey great Mario Lemieux battled and successfully overcame in 1993.

Quite clearly, Mr. Speaker, the VOCs and hydrocarbons do present a problem. There can be no question about that. So what should or could be done about this, and at what costs and trade-offs to other important considerations should we examine?

Well, for starters it is clear that a lot is already being done to deal with this problem, so no one should feel that it is being ignored by any means. In our own province, for instance, most new gas stations built by Petro-Canada since 1997 were built using stage 1 vapour recovery plumbing. Moreover, all major automobile manufacturers furnish the cars they build with a vapour absorption system in order to reduce the amount of vapours that escapes during a refuelling.

These are but two examples that show that efforts are already well underway to curtail the VOC and hydrocarbon emissions. What is perhaps even more important is that they show examples of how responsible businesses have already taken it upon themselves to address this issue, which is perceived by many people to be a very real problem.

This government has always believed that business performance will be optimized when the government takes a hands-off approach and leaves the private sector alone. As a government we are often hesitant to step in and tell businesses what they can or cannot do, and in my view this is as it should be except perhaps in special circumstances.

In spite of the lack of legislation in this area we are already seeing the private sector taking steps to address this issue, which has become a cause for concern. Unfortunately, not all businesses always behave so responsibly. Not at all. We all know that with some frequency government reluctantly must step in to regulate or enforce legislation in order that particular business conduct not be allowed to adversely affect Albertans and our environment. We often agree that an irresponsible business should not be able to profit

at the expense of other businesses or the environment when the other companies are showing more responsibility. So sometimes we are called upon to level the playing field.

The facts are that petrochemical refineries in Alberta must be approved, regulated, and certified under the Environmental Protection and Enhancement Act. However, stage 1 vapour recovery has never been legislated in Alberta. Perhaps one reason why is that smog has never really been an issue in Alberta. During 2000-2003 the air quality index showed Alberta as having 97 per cent good days, and the rest, 11 days, were all fair. So we don't yet have a big problem in this area, and much has already been done about what problem we do have. However, I worry about that level playing field I spoke of, and I worry about responsible companies not being rewarded for having already acted and less responsible companies being rewarded for not acting.

Thus, Mr. Speaker, I will support the bill before us on that basis. I'd like to congratulate my colleague from Edmonton-Norwood for both his intent and his initiative in bringing this bill forward.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Airdrie-Rocky View.

**Dr. Pannu:** Thank you, Mr. Speaker. I'm pleased to rise and speak to Bill 202, the Environmental Protection and Enhancement (Vapour Control Equipment) Amendment Act, 2004. I should say at the very outset that I will support this bill in principle.

The bill is a good attempt in the right direction to seek and put in place measures to help control vapours which pollute the environment and also have negative health effects. So not only is the issue controlling emissions that will help us control the amount of smog in and around our communities, but also if the vapour control equipment is put in place, then that helps in a preventive way with respect to the relative health of Albertans. So the bill has this intent, and it deserves the support of this House.

I have a concern, Mr. Speaker, about the length of time that the bill allows for enforcement of the measures proposed in this bill for the installation of vapour control equipment. The bill allows 10 years, starting January 2005 to the end of the year 2014, for operators, companies, businesses to comply with the requirements of this bill. That to me is an unacceptably long period of time. The enforcement and compliance with the provisions of the bill can be and should be required to be in place to be completed in the next three to five years. I think that would be a long enough time.

To allow for 10 years for this compliance to happen, for the enforcement of the provisions of this bill, is to ignore the concerns of communities, neighbourhoods which are directly affected and affected on a daily basis by the release of these gasoline vapours and is not acceptable. These households, these neighbourhoods are daily affected by the negative consequences and by the threat that the release of these vapours into the atmosphere poses to their health and safety. So 10 years is much too long a period, but as I said, having expressed the reservation, the concern about the provision of the bill with respect to the 10-year period in which equipment is to be installed, I am happy to support Bill 202 and congratulate the Member for Edmonton-Norwood for having brought it forward.

Thank you, Mr. Speaker.

**The Speaker:** The hon. Member for Airdrie-Rocky View.

**Ms Haley:** Thank you very much, Mr. Speaker, for this opportunity to get up and address Bill 202, the Environmental Protection and Enhancement (Vapour Control Equipment) Amendment Act, 2004.

I appreciate the sincerity with which the hon. member has brought forward this bill, but with the most honest and sincere intentions on my own part I'm unfortunately going to have to vote against this bill.

No one in this Assembly wants to harm the environment, and despite what the hon. opposition on that side of the House believes to be the exclusive domain of an opposition member, to defend the environment, my hon. colleagues and myself on this side of the aisle believe that in Alberta we need to balance the interests of Albertans with those of our surrounding environment, which means that you have to have a sustainable environment and economically viable as well. We all live here, we all must share our province, and we all care about it in ways such that none of us would ever do anything that would in any way hurt our province. Period. End of statement.

But the protection of the environment requires more consideration than interest groups and overly redundant bills. It requires, as our Minister of Environment has shown on countless occasions, a thoughtful and considerate approach. Bill 202 simply does not meet those requirements.

3:00

**Mr. Bonner:** That's not much support.

**Ms Haley:** Well, one is better than none, hon. member.

I could not agree more with the Member for Edmonton-Norwood that "leaving environmental issues until the problems stare us in the face can often lead to irreparable damage." In light of that, Mr. Speaker, I am glad that the Department of Environment, in conjunction with other partners, has taken key steps to address the issue of volatile organic compound emissions.

I would like to note that the following measures have been taken to help reduce the specific source of VOC emissions. Since 1998 all new vehicles are required to install on-board refuelling vapour recovery equipment that is aimed at reducing VOC emissions. The fuel dispensing rate during vehicle refuelling has been limited to help limit fuel spills and fuel spit back. During summer months fuel vapour pressure is reduced to help lower losses of gasoline vapours. Bottom loading of gasoline products at all terminals in Alberta is utilized, which helps to reduce VOCs during filling operations. Benzene concentrations in gasoline have been reduced to less than 1 per cent by volume since 1999.

In addition to that, Mr. Speaker, the Canadian Council of Ministers of the Environment is working to establish a national framework to provide a plan and a strategy to set facility emission caps. It is expected that substantial reductions in air pollutant emissions will be achieved at Canada's refineries, including the three in Alberta.

Mr. Speaker, it's quite a substantial list of initiatives to address a situation that accounts for less than 0.5 per cent of all VOC emissions in the province. While it should be strongly noted that the majority of emissions are from natural sources such as forest fires and vegetation, I think that the government should be congratulated for addressing the situation in such a thorough way.

Furthermore, while I readily admit that I am not an expert in chemistry, it is my understanding that atmospheric reactions that produce ozone are more sensitive to nitrogen oxide than VOCs. In other words, VOC reductions have only a small effect on ozone formation. Because the gasoline distribution sector contributes less than 0.5 per cent of the VOCs, the implementation of stage 1 controls will make little difference to ozone levels in Alberta.

So with the government already taking action on this matter and it appearing that there is no substantive benefit to the environment because of this bill, perhaps there must be another reason that we should be considering Bill 202. I note from some of the comments

of other hon. members that there could be some health issues involved with this bill. The central premise of these concerns seems to be centred on the dangerous nature of the chemicals involved in gasoline and the effects that VOCs might have in their interaction with other gases.

One of those chemicals is benzene, and though there can be no doubt that benzene is a dangerous chemical causing a host of symptoms and problems for those individuals exposed to large quantities of that substance, I wish to note once again that benzene concentrations in gasoline account for less than 1 per cent by volume. Furthermore, fuel distribution in Alberta now accounts for less than 0.1 per cent of total provincial benzene emissions.

I think it goes without saying, Mr. Speaker, that individual Albertans use common sense when filling their cars and are not subjecting themselves to these chemicals en masse. It also goes without saying that part of the reason that gas stations are so open in their construction is to allow fresh air to dilute and remove any vapours that may occur during this process. It's like a car garage; it is simply common sense that you do not leave the car running with the door closed.

I wish to note how strongly I object to any allusions to how by not passing this bill, people may develop cancer or that by not supporting this bill, somehow members would be supporting endangering people's lives. What utter rubbish. I strongly disapprove of suggestions like that, and to use inflammatory comments like that in this Chamber is just ludicrous.

Albertans need not stay up nights worrying that they are going to be exposed to the serious consequences of massive exposure to benzene simply by filling up their vehicles. I hardly think that those who should be protected, like children, are being routinely exposed to situations where high quantities of gasoline are being transferred, like refilling of a gas station by a refuelling truck. Suggesting otherwise suggests a serious lack of thoughtfulness and consideration of reality.

Concerns have also been raised in this debate that the emissions of VOCs contribute to low-level ozone problems and photochemical smog. There can be no doubt, Mr. Speaker, that when a massive forest fire happens, chemicals are released into the air that can have far-ranging effects. There are times throughout the year where health alerts are issued because the smoke and chemicals in the air are troublesome for those people with respiratory problems. Others during this time face common problems such as headaches, eye irritations, coughs, and other discomforts. To my knowledge no health alert has ever been issued for these sorts of situations occurring because of a transfer of gasoline.

Accordingly, Mr. Speaker, with there being no major health benefits or environmental merit to this bill, I fail to see any reason why members of this House should be supportive of implementing this proposed law, especially in light of the fact that industry is already moving on this issue without the assistance of government, implementing controls and standards that are further reducing these compounds.

I received a letter, as I'm sure most members of this Chamber did, from the Canadian Petroleum Products Institute. While they cover some of the areas that I've also mentioned, one of the comments that they did make was that when we estimate what it would cost in order to do this, a number of \$25 million is sort of bounced around as being possible for vapour recovery or vapour barriers. They also point out that the proclamation date on this bill is next January. You might want to keep that in mind because once you proclaim a bill, it actually becomes the law and that \$25 million needs to be spent now, in the next year or two. There are a lot of very small businesses out there, and this would cripple them.

Mr. Speaker, I can't emphasize strongly enough: I really sincerely hope that we defeat this bill. Thank you for the opportunity to speak to it.

**The Speaker:** The hon. Member for Edmonton-Meadowlark.

**Mr. Maskell:** Thank you, Mr. Speaker. It is my pleasure to rise today to speak in favour of Bill 202, sponsored by the hon. Member for Edmonton-Norwood. I think that this bill has a lot of good intentions, and I think it's one that we should all carefully consider.

Our environment is our most precious resource, and I think we should work a little harder to protect it. That is one of the reasons why I respect this idea of Bill 202. The entire purpose of this bill is to reduce harmful gas vapour emissions that escape into our atmosphere, which can cause health concerns.

Mr. Speaker, reducing harmful emissions from escaping gas vapours may seem like a trivial thing to do, but it is something that can cause a lot of different problems. First of all, it is widely known that escaping vapours can contribute to smog problems.

Now, I don't know if any of the members have risen in the morning here in Edmonton and seen the smog that has settled over the city. I live on the 20th floor of a high-rise on the river edge overlooking the north part of the city. Every day there's a heavy layer of yellow-brown smog hanging over the city. [interjections] Well, it is that that has me worried, including that one across the way.

Smog can contribute to many different health problems. It can affect the way people live because they have to figure out how they can best breathe. I think that says a lot about our society, when we have to worry about whether it is safe to breathe outside or not.

Now, I'm not saying that pollution in Alberta has come to that. In fact, it's not even close. That smog I mentioned earlier is usually burned off and gone before lunch. But in other cities you can really see how pollution has affected the people of the city. I am a frequent traveller to Asia, particularly China, and people routinely walk around with masks over their faces. Of course, some are trying to avoid diseases, but for the most part they are trying to live through the thick pollution that has become part of their daily lives. In fact, I'm usually quite amused by western visitors there who are out jogging in the morning in that very thick smog.

This is why I think we should support Bill 202, not because our air is thick with pollutants that will harm our lungs but because it will prevent that from occurring. I think that the members present today should look at this bill as a proactive measure. I look at this bill as our government tackling a problem before it becomes a more serious problem for Albertans. Look at it as a first step in eliminating some of the contributing factors to smog in this province.

Stage 1 vapour control devices are not uncommon. Many different companies have voluntarily put this recovery system on their equipment to do their part for their environment. As well, there are a few other jurisdictions throughout North America that have legislated something similar to what Bill 202 is asking for today. One of these jurisdictions is the U.S. I would like to point out to members that nearly every single major metropolitan area in the U.S. has stage 1 vapour recovery legislation or regulations due to the increase in smog problems in American cities. However, if you look at this in the same light as something I said earlier, they were legislated as a reaction to the smog and health problems, not to prevent them.

3:10

As well, if one should look at some of the other provinces in Canada, one would see that B.C. and Ontario have some sort of

legislation to deal with smog. In British Columbia the government legislated it so that every service station, bulk plant, cargo truck, and terminal in lower mainland B.C. was equipped with stage 1 vapour recovery systems. This action was taken in 1995. The same sort of thing happened in Ontario in 1996. The Ontario government passed legislation requiring that all service stations, bulk plants, cargo trucks, and terminals be equipped with stage 1 vapour recovery systems in the southern Ontario corridor.

But, again, the problem with B.C. and Ontario is that they legislated this action because of the large pollution problem that was being experienced in both areas. In B.C. they were having all sorts of problems with pollution in the lower Fraser Valley area, so as a reaction they equipped everything they could with recovery systems that helped reduce the pollution. In Ontario it was the same thing. The Windsor/Quebec corridor had horrible pollution problems, so as a reaction to the problems, the government had to legislate systems that would be a solution to an increasing problem.

Mr. Speaker, there's nothing wrong with a government being a reactionary machine. However, when it comes to the environment, sometimes being reactionary is doing something when it's too late. It is up to us to take a step forward and begin tackling future problems head-on because I have no doubt in my mind that this province is going to grow like it has in the past five years and pollution is going to become a significant problem. I like the fact that the Member for Edmonton-Norwood has decided to be proactive and address this problem. This is our opportunity to do something now and be a leader while doing it.

I mentioned Ontario and B.C., but what I failed to mention is that the legislation they have passed only deals with certain areas within the province; it does not encompass the entire land. That is what is different about Bill 202: it encompasses the entire province. It makes sure that all entities that need this type of recovery system get it. Bill 202 makes us a leader in this country.

So it is with this, Mr. Speaker, that I will close my remarks. Bill 202 is a proactive solution to a problem that is growing. I urge all hon. members to join me in support of Bill 202. Thank you.

**The Speaker:** The hon. Member for Drayton Valley-Calmar.

**Rev. Abbott:** Thank you, Mr. Speaker, for the opportunity to contribute to the debate surrounding Bill 202, the Environmental Protection and Enhancement (Vapour Control Equipment) Amendment Act, 2004. I commend the hon. Member for Edmonton-Norwood for bringing this bill forward on behalf of his constituents.

Mr. Speaker, Alberta is blessed with an abundance of natural beauty and pristine wild-land habitats. Albertans enjoy this beauty on a daily basis and understand that sound environmental practices are essential to preserve this landscape. As representatives of Albertans, it is our right and our duty to ensure that proper legislation is in place to protect the awesome natural spaces in our province.

The government has not taken this responsibility lightly. Indeed, good environmental stewardship has been a cornerstone of our government for the past decade. Our government has equipped our park wardens, police officers, transportation constables, and other agencies with the tools that they need to ensure the preservation of our environment. These acts and regulations govern practices concerning everything from the handling and disposal of pesticides to the requirements that must be met for an oil pipeline to be built.

Mr. Speaker, I can well remember my days in the oil patch jeeping pipes and taping them to ensure a permanent seal. Being from oil country, we know and apply environmental regulations on a daily basis. Government strategies outlined in the throne speech show our

government's continued dedication to good environmental practices and to planning for the future. The creation of a water council and expanded research into alternative energy sources speak louder than words that the Alberta government takes its commitment to the environment seriously.

The hon. Member for Edmonton-Norwood is sponsoring legislation that would add to these measures that are currently in place to protect the health of our environment. As we have heard from other members, Bill 202 aims to tackle the problem of gasoline vapours that escape from tanker trucks and storage tanks during the refuelling process. These vapours do contain harmful hydrocarbons such as benzene and other contaminants such as volatile organic compounds, or VOCs. As I have previously mentioned, preserving the health of the environment has been of the utmost importance to our government.

Another issue that is of the highest priority is preserving the health of Albertans. This year alone our province will spend in excess of \$7 billion providing health care to Albertans. No one can doubt how important health is to the government or to Albertans. This is why it is so important to recognize the essence of Bill 202. Benzene, one of the chemicals found in fuel vapours, is a known carcinogen, and VOCs cause the formation of ground level ozone. Both of these chemicals are detrimental to Albertans' health. By limiting the amount of these chemicals being released into the air, the health risks that Albertans are exposed to would be reduced. We're not talking about harmless vapours here; this is serious stuff.

Mr. Speaker, other jurisdictions have taken steps to pass legislation similar to Bill 202. The Windsor to Quebec City corridor in eastern Canada and the Fraser Valley in British Columbia have both enacted legislation concerning the use of stage 1 vapour recovery systems. Now, anyone that has visited these areas is aware of the level of pollution present and the regularity with which smog will form.

I know we don't have those same pollution levels here, but Bill 202 attempts to deal with the issue of airborne pollutants in Alberta before they reach a level that is insurmountable. The ambient air quality in Alberta is good the majority of the time. The Environmental Protection and Enhancement Amendment Act will help our air quality remain at the high level that it is today.

As with most problems, the longer you ignore it, the more difficult it becomes to deal with. The other jurisdictions that have passed this legislation have realized that the hard way. The problems that they experienced with smog and air pollutants have fully matured, and they are now fighting a much larger problem. Bill 202 could deal with the problem of airborne contaminants from fuel vapour entering the atmosphere while it is still in its infant stage. We can learn from the delays of other areas so that we are not caught in the same situation.

Mr. Speaker, there have been concerns raised about the financial burden that this bill will bring to certain Albertans, and I am concerned too. I understand that the total cost of implementing the measures suggested by Bill 202 has been estimated at \$25 million. To put this into perspective, it costs just over \$20 million to keep our health care system running for one day. Now, this being a leap year, it was a particularly expensive year for health care. A one-time expense of \$25 million in that light does not seem too high to help protect the health of the environment and ourselves, and there's a possibility that we could find some innovative ways to phase this in or to possibly call on the federal government to help.

Mr. Speaker, I'd like to thank you for the opportunity to share my thoughts on this matter, and I'm anxious to hear other comments as this debate continues. Thank you.

**The Speaker:** The hon. Member for Edmonton-Castle Downs.

**Mr. Lukaszuk:** Thank you, Mr. Speaker. It is my pleasure to speak to Bill 202, the Environmental Protection and Enhancement (Vapour Control Equipment) Amendment Act, 2004. First, I would like to recognize the hon. Member for Edmonton-Norwood for bringing forward this bill. It is an attempt to improve the long-term health of our environment and, of course, of our citizens.

I agree with the goal of the bill, which is to reduce emissions of volatile organic compounds, or VOCs, as well as carcinogenic hydrocarbons – and if you can't pronounce it, it just can't be good – which occur in part when we fill the tanks of our vehicles. There is little doubt in my mind that government needs to be cognizant of the environmental damage and serious health concerns that are associated with such pollutants. Benzene is the most potent carcinogen found in fuel vapour and is a danger to human health. It is released into the air during the refuelling process of the underground or above-ground storage tanks at gas stations.

At many locations in the United States and the lower mainland of British Columbia and even southern Ontario legislation has been created to require all service stations to be equipped with stage 1 vapour recovery systems to combat smog and air quality problems. Obviously, this approach has been part of a solution in other jurisdictions as well.

3:20

The member's attempt to take a proactive approach towards this issue is admirable, rather than implementing such a regulation, like these other jurisdictions did, after the problem occurred. However, Mr. Speaker, I cannot lend my support to this bill.

Requiring all gasoline service stations, fuel cargo trucks, and terminals to install stage 1 vapour recovery systems by 2014 comes with a huge economic price tag. I do not believe that the costs that would be associated with this mandatory switch reflect appropriately the amount of environmental improvement we would see in the province of Alberta. There are other ways of dealing with this problem, avenues that the Alberta government has already undertaken. We would be better served by placing our resources and efforts behind more proven methods of reducing emissions into the air.

I also cannot support Bill 202 because legislation is not warranted in Alberta. Mr. Speaker, the United States, Ontario, and even British Columbia were forced into implementing this measure for reasons of geographic location. They have been deemed, in quotations, ozone nonattainment areas and have a history of producing incidences of smog formation during the summer months. According to the Department of Environment's annual report for 2002-2003, the air quality index report in Alberta was good 97 per cent of the time. This is partly because Alberta's physical location and characteristics do not substantially contribute to the problem of smog formation.

Also, Mr. Speaker, I believe that most gas stations will undergo these changes without legislation as they replace their tanks in the future. In Alberta since 1997 most new gas stations have been constructed with a vapour recovery system. This makes up 27 per cent of the total number of tanks already. In this time frame we saw a significant improvement in the percentage of gas tanks that include stage 1 vapour recovery components.

The industry has already recognized its responsibility to improve the equipment it uses for its respective businesses. Petro-Canada, for example, uses tank equipment with vapour recovery technology when replacing all old tanks. This trend suggests that future improvements in this area will be made without government intervention.

It is also important to note, Mr. Speaker, that only a very small percentage of VOC emissions result from the gasoline distribution sector. In fact, this portion of the industry is only responsible for half a per cent of the estimated VOC emissions in the province. The majority of the emissions are produced by naturally occurring phenomena such as forest fires and vegetation. The fact that the transfer of fuel is such a minuscule portion of VOC emissions coupled with the fact that the changes contained in Bill 202 are destined to occur regardless leads me to believe that Bill 202 is simply unnecessary legislation.

To illustrate this point further, according to Environment Canada, 753 tonnes of VOC emissions are produced in Alberta each year from dry cleaning. This is nearly 8 per cent of the amount produced by fuel marketing, as it is estimated at 9,678 tonnes. Is it necessary to take action on something as innocuous as the dry cleaning industry? I suggest not. Proscribed burns in the province account for 5,808 tonnes of Alberta's VOC emissions, or over one-half of the amount produced by fuel marketing. Do we need to change these procedures? To put this in perspective even further, forest fires dwarf all other categories when it comes to VOC emissions, Mr. Speaker.

I would like to take this opportunity today to talk about some of the initiatives currently being undertaken by the provincial and federal governments surrounding this issue. I believe that these initiatives better address the problem of VOC emissions as well as carcinogenic hydrocarbons. The Canadian Council of Ministers of the Environment is attempting to provide a methodology and framework to reduce VOC emissions that occur in Canada's refineries. The National Framework for Petroleum Refinery Emission Reductions will expand on Alberta's success in making our air cleaner.

It is also a good example of directing efforts where the most good can be done. For example, in 1995, Mr. Speaker, the total industrial and mobile industrial emission of benzene and ambient benzene in the province was 11,962 tonnes. Following the initiatives outlined in the ratified Canada-wide standards created by the Canadian Council of Ministers of the Environment, the Alberta government focused on reducing emissions in three different sectors: natural gas hydrators, petroleum refineries, and chemical manufacturing plants. Overall emissions from industry and mobile sources in Alberta have been reduced by 50 per cent during this time period as well.

Closer to the gas station question emissions are being reduced in many different ways. The rate at which fuel is dispensed through a gas pump has limited fuel spills and fuel spit back. During the hotter months fuel vapour pressure is reduced to lower the loss of gasoline vapours. The number of above-ground storage tanks in Alberta has been reduced. Bottom loading of gasoline at all terminals in Alberta reduces fuel vapours during filling operations, and the reduction of benzene concentration in gasoline to less than 1 per cent means that fuel distribution in Alberta now accounts for less than 0.1 per cent of total provincial benzene emissions. It is important to add, Mr. Speaker, that vehicles built after 1998 require on-board stage 2 vapour recovery.

Much effort has gone towards resolving the problem of releasing VOC emissions and carcinogenic hydrocarbons at fuelling stations. In addition to the fact that VOC reductions have only a small effect on ozone formation and that the gasoline distribution sector contributes less than 0.4 per cent of VOCs, making stage 1 vapour recovery mandatory seems like overkill.

Mr. Speaker, I have already outlined that the industry is slowly moving towards a stage 1 vapour recovery system on its own. As new gas stations are built, this technology is being implemented anyhow. As old tanks are being replaced, this technology is being

implemented as well. To put a timeline on some small business owners to make these upgrades is simply unfair. Independent gas stations may be seriously put back when they receive a \$10,000 to \$30,000 bill for having their service station retrofitted.

Implementation of stage 1 vapour recovery controls in Alberta would cost in excess of \$25 million. That cost would be initially placed on businesses but would eventually be placed onto consumers as well. Industry is already moving in this direction, and legislation would only hurt Albertans.

[The Deputy Speaker in the chair]

In the end, Mr. Speaker, Bill 202 would have little impact on the environment, especially when it comes to the air we breathe as Albertans. The burden that business owners within the gasoline distribution industry would have to bear far outweighs the positive effect of Bill 202 and the effect that it could produce. Therefore, I cannot give my support to this particular initiative.

I would like to conclude by saying that the intentions of this bill are honourable, and I believe that when it comes to our environment, it is important to have these discussions, especially at the government level, but at this point I would urge all members of this Assembly to not support this particular bill.

**The Deputy Speaker:** The hon. Member for Innisfail-Sylvan Lake.

**Mr. Ouellette:** Good afternoon, and thank you, Mr. Speaker. I'm pleased to rise and join the debate on Bill 202, the Environmental Protection and Enhancement (Vapour Control Equipment) Amendment Act, 2004, sponsored by the hon. Member for Edmonton-Norwood. As co vice-chair of Climate Change Central I find it important that I rise this afternoon and discuss Bill 202 and its relation to the strategic plans and goals outlined through Climate Change Central.

What is being proposed through Bill 202 is part of what Climate Change Central is already working towards at a sustainable pace for all parties involved. The government of Alberta recognized back in 1998 that global climate change is a serious problem and responded by forming Canada's first committee concerned specifically with taking action to reduce greenhouse gas emissions.

3:30

Climate Change Central is a unique public/private partnership that promotes the development of innovative responses to global climate change and its impacts. Climate Change Central builds links and relationships between businesses, governments, and other stakeholders in Alberta interested in pursuing greenhouse gas reduction initiatives.

Climate change is one of the key environmental and economic challenges for Canada and the world in the new millennium, and Albertans have proven themselves leaders in developing creative solutions to climate change. Climate Change Central is born of this leadership. Through accomplishing the goals and following our established strategic plans, we will ensure that innovative solutions continue to accelerate Alberta's environmental economic opportunities.

Mr. Speaker, Alberta as an acknowledged world leader has achieved zero net greenhouse gas emissions while enhancing the province's economic performance, quality of life, and ability to adapt to climate change effects. As we have heard throughout the debate concerning Bill 202, volatile organic compounds are emitted from a number of sources, and the proposed legislation would only target 0.5 per cent of those emissions.

Climate Change Central is taking a much broader, vaster look at Alberta's environment, and we are attacking the threats to Albertans and the safety of their environment on a much larger scale than is proposed in this legislation. I commend the hon. member for bringing this issue to the attention of the Assembly and all Albertans, but I believe that provincial policies that are already in place are far more effective at accomplishing these goals than the regulation proposed in Bill 202. One of the main reasons for this is because Climate Change Central is a private/public partnership, which means it is a co-ordinated, collaborative partnership amongst Albertans and with world-wide stakeholders.

Mr. Speaker, I think it is also important to acknowledge that much of Alberta's industry is dependent on the province's natural resources, and we have to keep this in mind as we tackle these issues. It is necessary that a balance remains and that all parties affected are consulted, resulting in a consensus on how to effect the most positive change while maintaining a strong economy.

The strategic plan provided by Climate Change Central is a road map for transforming our mandate into reality. I encourage all members not to support Bill 202, not because we aren't concerned with the environment but because the proposed targets are already part of a larger plan through Climate Change Central, one that takes into account the well-being of all Albertans, the environment, as well as the province's economic performance.

Thank you, Mr. Speaker.

**The Deputy Speaker:** The hon. Member for Vermilion-Lloydminster.

**Mr. Snelgrove:** Thank you, Mr. Speaker, and good afternoon. I welcome the opportunity to join debate on Bill 202, the Environmental Protection and Enhancement (Vapour Control Equipment) Amendment Act, 2004. As we've heard previously, Bill 202 would, if passed and proclaimed, require gas stations, fuel trucks, and petrochemical terminals to be equipped with stage 1 vapour recovery systems by 2014.

There's no question that one of the most pressing issues of our time is the environment, and in recent years this Legislature has grappled with a variety of measures to enhance Alberta's environment ranging from safeguards surrounding our clean water supply to how to handle all chemicals and how to preserve and improve air quality. We do this not just because Albertans want us to protect the environment but because it's the right thing to do. However, doing the right thing is not as simple as it seems sometimes. The key is to balance the benefits against all of the associated costs of the environmental initiative.

On one hand, we have to be mindful of our province's economic growth and health. It's a well-known fact, Mr. Speaker, that in the course of the last 10 or 12 years the Alberta economy has not only recovered from being burdened by significant debt and deficits, but also the province has gained both a national and international reputation as Canada's economic powerhouse, all the while developing and ensuring that Alberta's industries and businesses work and grow under some of the most stringent and responsible environmental legislation in the world. For this reason it is vital that the policies we set and follow are those which will not harm or even reverse the progress we have made since the early 1990s: solid growth and sound environmental policy.

On the other hand, we must always take the necessary steps and precautions to make sure that we do as little damage to the environment as possible and that if that damage occurs, we can restore it to its original state. I will, Mr. Speaker, admit that sometimes the restoration appears to do more damage than the problem.

We have come quite a way and made significant progress in recognizing the impact our actions and policies have on the environment. There was a time not too long ago when very little thought was given to the environment, and as a result of this, tremendous damage has been done to many facets of our environment. At the time I think we thought that humans were the only important species on the planet. By the middle of the 20th century, however, a collective consciousness concerning the environment was well underway. We learned about DDT, lead, sulphur dioxide and other airborne particles, and the ozone. We realized the importance of preserving the rain forest, and we know that finding alternative sources of fuel makes for good policy and a healthier environment.

Thus, much like the proverbial stone that doesn't gather any moss, there was little stopping the environmental awareness that was gaining ground. Both here at home and elsewhere in our country and around the world laws and regulations have been enacted to preserve and safeguard the environment. We are, in other words, trying to find ways to maintain our standard of living and improve the quality of our environment. We owe it to future generations to leave the Earth in at least as good a shape as we found it, particularly because we don't own the environment; we're merely its stewards for the time that we are here.

So, Mr. Speaker, perhaps the right question to ask is not why we should care about the environment but how. Developing policies and passing laws that may or may not have the desired impact is tantamount to bad governance and a breach of public trust. Bad facts make bad laws. No matter how well intended the initiative might otherwise be, sometimes it's not even a matter of bad facts making bad laws but the lack of facts that result in laws that may not quite do what they were intended to do, and so it is, in my opinion, with Bill 202. I have no concerns at all about the hon. member's intentions. To the contrary, I know that the spirit in which he introduced the bill is commendable.

Quite clearly, Mr. Speaker, the VOCs and hydrocarbons may present a problem, but that is not the question. There can, however, be a question about whether Bill 202 would contribute significantly towards reducing the presence of these emissions. Based on the available research, I do not believe that Bill 202 would yield outcomes where a net reduction of these pollutants would be achieved at a responsible price. It's simply a question of balance.

This government has always believed that business performance will be optimized when the government takes a collective and constructive approach, when there is a legal and regulatory framework established over the years by successive governments on the federal, the provincial, and the civic levels. We should continue to work carefully and responsibly with all stakeholders when developing legislation. Aside from the fact that petrochemical refineries in Alberta must be approved, regulated, and certified under the Environmental Protection and Enhancement Act, stage 1 vapour recovery has never been legislated in Alberta.

In conclusion, Mr. Speaker, while I very much appreciate the hon. member's intentions and applaud him for drawing attention to the issue of the VOCs by introducing Bill 202, I fail to see that the bill would provide additional remedies to an already recognized problem. I believe that the cost to Alberta citizens that would be associated with the bill would far surpass any benefit, the amount of which could most definitely be put to better use. For these reasons I cannot support Bill 202.

Thank you.

**The Deputy Speaker:** If there are no further speakers, I would call on the hon. Member for Edmonton-Norwood to close debate.



**Mr. Masyk:** Thank you, Mr. Speaker. Well, holy smoke, I've sure got a lot of whining to do to convince a lot of people that this is the right thing to do. I should start by saying that anybody who is not supporting it is not breaking the law, because the Canadian Constitution says that we have the right to be wrong. So to those who don't wish to support the bill, you're all right within your scope of competence.

I might have to remind hon. members of the difference between CO<sub>2</sub> and benzene. Benzene is C<sub>6</sub>H<sub>6</sub>, which is one carbon atom for one hydrogen atom, so it's like a snake chasing its tail. It goes around and around. Mr. Speaker, at the same time, when Climate Change Central was mentioned by the hon. Member for Innisfail-Sylvan Lake, it does not reflect the poisons here on ground level. Climate change has no relationship whatsoever with benzene. Benzene is a poison that poisons the very fabric of our society.

3:40

Even the Ministry of Children's Services has amended the name from fetal alcohol syndrome to fetal alcohol spectrum, and I could see another amendment by talking to that department that it should be fetal volatile organic compounds spectrum because children are being affected, they're finding out, by these compounds that are in gasoline.

Yeah, maybe we should throw a cape over industry and weigh that against health, but at the same time when we're called to be stewards of the environment and stewards of the taxpayer and do a cross-ministry analysis when we bring a bill forward, then when these are all weighed out – and I've just proclaimed myself as an expert in this field, so when an expert brings forward evidence saying that this is what needs to be done, that should be weighed out. Well, Mr. Speaker, by being an expert in this field and over members who are not experts, I have to enlighten them that passing Bill 202 is the right thing.

Mr. Speaker, I have to really commend all the members who spoke in favour of it and also the ones that spoke against it, because we're getting value out of our debates, and it puts the pressure back on me to reiterate to the ones that spoke against it to try and educate them. I don't have a chalkboard or a chunk of chalk on me to go through what's needed, and maybe I erred in this area, thinking that wisdom would prevail, but the emphasis is on me, ultimately, to get this bill passed.

I have it in my hand. It says "bill" because it's not passed yet, but it's pretty skinny, and I'm not asking for too much. At the same time it's cheap. It's only \$20 million. It's expensive on one side, Mr. Speaker, because it's going to save lives. It's going to change the quality of lives, and it means that we're going to move into the next century. When fossil fuels become obsolete or at one point where you can't give them away, then how are we going to introduce nuclear energy? At some point in the centuries to come we're going to have to face nuclear energy. So if you can't face and correct things as you're using a product today, how in the world are you going to go into the future?

Mr. Speaker, on that note I'd like to ask all hon. members on all sides to support this bill and at the same time not to mix up, from the minister, who's shaking his head at me, the difference between CO<sub>2</sub> and benzene. We're not trying to change the climate temperatures. We're trying to make the ground-level ozone down here on Earth – as a matter of fact, on A-Channel on Wednesday it was ground-level ozone, the smog in the air, that contributed to the fog, which was actually smog, and it rhymes. That's what it was.

So as the population is growing, at that rate in 2014 it's not going to be the same amount of people here today. We're not going to have the same amount of gas stations. The reason I took the liberty

to extend it to 2014 is out of the kindness of my heart. When people are going to replace the gas stations, it's going to be, coincidentally, the same time that the bill is going to engage. Now, it doesn't get any better than that.

**An Hon. Member:** It doesn't really?

**Mr. Masyk:** No, not really.

These tanks have a shelf life, so after starting the shelf life – that's why the timing is essential.

So, Mr. Speaker, I look around at all my colleagues that are elected to do the right thing and be good stewards and vote in favour of this bill. Thank you very much.

[The voice vote indicated that the motion for second reading lost]

[Several members rose calling for a division. The division bell was rung at 3:45 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Bonner	MacDonald	Masyk
Carlson	Maskell	Pannu
Lord		

Against the motion:

Ady	Herard	Norris
Broda	Horner	O'Neill
Cenaiko	Hutton	Ouellette
Coutts	Jonson	Renner
DeLong	Kryczka	Snelgrove
Doerksen	Lougheed	Stelmach
Evans	Lukaszk	Stevens
Forsyth	Magnus	Strang
Friedel	Marz	Tannas
Griffiths	McClelland	Taylor
Haley	McFarland	VanderBurg
Hancock	Melchin	Vandermeer

Totals:	For – 7	Against – 36
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[Motion for second reading of Bill 202 lost]

**Bill 203**

**Canada Pension Plan Credits Statutes Amendment Act, 2004**

**The Speaker:** The hon. Member for Calgary-West.

**Ms Kryczka:** Thank you, Mr. Speaker. It gives me great pleasure to rise in the Assembly today to sponsor and begin the discussion and debate for Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004. At this time I would like to thank the Member for Calgary-Lougheed for introducing Bill 203 on my behalf last Thursday, February 26, 2004. I would also like to thank Andrea Hennig, researcher, for her diligence and interest in the development of Bill 203 and to all individual researchers involved in developing speaking notes for second reading today.

The intent of Bill 203 is to give Albertans the informed and mutually agreed choice whether to split their Canada pension plan

benefits following relationship breakdown of marital or common-law spouses. Bill 203 amends both the Domestic Relations Act and the Family Law Act in order to allow for spousal agreements, agreements made between married or common-law partners upon divorce or separation, which would waive the right to or interest in any future division of a pension entitlement under the Canada pension plan.

Mr. Speaker, in introducing and discussing Bill 203, it is very important to provide some background information on Canadian pension plan credit splitting. The CPP began some 38 years ago, in 1966, as a compulsory contributory program that would provide benefits in the event of retirement, disability, or death of a contributor. The CPP records your contributions over the years as pension credits. When you apply for a benefit, the CPP uses these credits to determine your entitlement. Generally, the more credits you have built up, the higher your benefits or the larger your CPP cheque each month.

CPP benefits can be divided between spouses when a marriage or relationship dissolves. Any pension credits that were accumulated during the relationship will be equally divided if an application is filed to the CPP by an ex-spouse. This division pertains regardless if one or both parties pay into the CPP and does not account for differences in contributions paid into the pension plan. The credits are added together and then equally split between parties. It is this division that is referred to as credit splitting. Mr. Speaker, I would like to stress that the credit split only pertains to those credits built up during the time span that the couple was together.

According to CPP legislation amendments made in 1987, the credit splitting provision became mandatory. However, automatic splitting of CPP benefits is not occurring, and the correct documentation still needs to be received by the federal minister responsible for the CPP Act in order for ex-spouses or separated couples to split their credits. To date there have been no mechanisms employed to trigger this automatic split. Furthermore, the CPP does not disclose a projected time frame or limit or an implementation process for when the automatic split will occur.

4:00

Mr. Speaker, Bill 203 is based on the premise that divorcing spouses and separating partners are in the best position to make decisions about the division of their assets, investments, and pensions, including CPP credits. Traditionally most aspects of the division of family property between spouses on marriage breakdown are subject to an agreement. The resulting spousal agreements or contracts are a practical and preferred way of giving choice and allowing divorcing parties to resolve their differences. Bill 203 offers a similar approach with regard to CPP benefits rather than the current state of uncertainty and possible future surprises to an ex-spouse.

[The Deputy Speaker in the chair]

In reality, the decision to split CPP credits does not have to be mutual. It can be dependent on the choice or decision of one party and does not have to consider the other's wishes. Only one of the ex-spouses needs to apply for the split. The consent of the other individual is not mandatory. The division will occur regardless if the other party objects. He or she has no mechanism in which to stop or negotiate this process. In many cases the application is filed by one party with the other individual completely unaware of the filing. It is first brought to his or her attention when he or she receives a notice in the mail explaining that his or her next CPP cheque will be divided and a portion of the benefits will be given to the ex-spouse.

Mr. Speaker, it should also be noted that there is no time limit to restrict former spouses or partners from applying for the benefit. The divorce or separation may have been settled 15 years or more previously, but if the application is filed, it will be granted. Bill 203 acknowledges that in marital or common-law relationships both spouses share in building assets and entitlements, including CPP credits. The bill recognizes the financial protection mechanism of the CPP credit-splitting program, but it also values the importance of flexibility for spouses to choose which assets or investments are most beneficial to each party when settling divorce or separation proceedings.

It is important to stress that Bill 203 is not about favouring one party over another. It does not devalue the importance of the spouse, male or female, who works inside the home to contribute to the family. Rather, this legislation simply allows couples to mutually agree on whether to split or not to split their CPP benefit during divorce negotiations and finalizing of the agreement, depending on which is in their own best interest.

Mr. Speaker, I would like to point out that spousal agreements revolving around or that include splitting CPP benefits already take place in the province, and as a general practice separation and divorce agreements include a general waiver signed by both parties against any future claims, but a major problem lies in the validity of these waivers. Since Alberta does not have provincial opt-out legislation in place, the waiver and the agreement become void. Therefore, if an ex-spouse discovers that he or she can apply to receive a CPP benefit regardless of the terms of an existing spousal agreement or waiver, it will be granted.

In some cases spouses will even intentionally enter into spousal agreements knowing that they can later apply for credit splitting. They will have initially negotiated to give up CPP benefits in exchange for other equity or assets, but once the divorce agreement is finalized, they will then at any time in the future submit the application to receive half of the combined total of the CPP entitlement.

Mr. Speaker, another problem exists with mutually agreed divorce agreements or contracts. If the Canada pension plan should take steps to ensure the mandatory splitting of CPP credits as currently legislated, the CPP will override the actual intentions of the signing parties. All waivers could be void regardless of the parties' original wishes as stated in the agreement. Bill 203 remedies the problem of void waivers in spousal agreements. This bill provides the legislation necessary for these agreements to remain legitimate. In other words, if an automatic mechanism were to be implemented by the CPP, the agreements made by divorced or separated couples would continue to be honoured.

Mr. Speaker, I understand that some members may feel that the CPP is under federal jurisdiction and that, therefore, we shouldn't get involved. However, section 55.2 of the CPP legislation allows for provinces to opt out of the credit-splitting program if certain criteria are met. One of the provisions of section 55.2 states that spousal agreements must be allowed by provincial law. Bill 203 would provide the necessary provincial legislation to opt out and give permanent legitimacy to spousal agreements.

Mr. Speaker, in closing, I would like to stress that Bill 203 is about giving Albertans clear and informed choice. It allows couples to come to a mutually agreed decision on how to best divide all of their assets rather than the federal government choosing for them at some future date. With Bill 203 in place Albertans can choose in the spousal agreement to opt out of the program or decide to split their CPP benefit, whichever they determine is in their best interests. Either way, this legislation would deal with CPP benefits up front through mutual agreement and at the time of divorce settlement.

I look forward to the discussion by my hon. colleagues on this matter. I encourage all members of this House to support Bill 203, Canada Pension Plan Credits Statutes Amendment Act, 2004, and therefore I move second reading of this bill.

Thank you.

**The Deputy Speaker:** The hon. Member for Spruce Grove-Sturgeon-St. Albert.

**Mr. Horner:** Thank you, Mr. Speaker, for giving me the opportunity to speak to Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004. I will support this bill, and I encourage each of my colleagues to do so as well.

My reasons for supporting this partly stem from the fact that I consider myself a conservative thinker. This bill places decision-making in the hands of the two individuals who choose to make a contract and, thus, takes the government out of the nuts and bolts of decision-making and places it in its proper context as a facilitator and enforcer of just contracts.

Before I get into that in a little more detail, I'd like to talk a little bit about the idea of divorce as well as the idea of placing something that is considered a social benefit inside the parameters of a divorce settlement. Divorces are not pretty. They aren't planned, and it is always a tragedy when a relationship breaks down, especially when families are involved, Mr. Speaker. But whatever the reasons for divorce they are rarely our business as a government.

So while I would agree that this government ought to make legislation that makes things easier on families, I cannot agree with those people who would suggest that we should not pass this bill because it makes divorce easier or legitimates divorce. Divorce is legitimate, and in many cases it ought to be made easy. An individual or couple has that choice, and when that choice is made, the government ought to be there to maintain a consistent system and set of rules within which the divorce proceedings take place. That is one definite benefit of Bill 203.

Furthermore, some will suggest that we shouldn't pass this bill because it takes a social benefit intended to be shared by a couple, a Canada pension plan security, and separates it within the negotiations that are part and parcel of divorce proceedings. A part of that argument is sound, and it is clear that the sponsor of the bill believes so as well. After all, the bill has as a sort of default position that Canada pension plan benefits earned during the years of marriage shall be split evenly, but importantly, Mr. Speaker, unless both sides agree to a different arrangement.

That's a good starting point because it does two things. It first affirms the value of a social program like the Canada pension plan, and second, it places agreement as the centrepiece of any change in the status quo. So if there is no agreed-upon separation of Canada pension plan benefits, the status quo remains.

However, there is a part of this argument against this bill that is somewhat suspect, especially here in Alberta. If it is argued that Canada pension plan benefits should not be split because they are part of an overall social program, then is it also the case that we ought to let overall state considerations trump an agreement between individuals even in cases when no other people or persons than the two of them making the agreement are affected?

Nobody other than the two divorcees are affected if Canada pension plan benefits are split. Nobody else's benefits are taken away from them with this bill. In fact, more people are harmed by the poor management of the Canada plan than by this bill. Because of that poor management, more and more working Canadians are being forced to pay higher and higher premiums to keep the bankrupt plan alive. If we are forcing Canadians to pay more, shouldn't we do what we can to let them do what they like with their benefits?

4:10

I would also argue, Mr. Speaker, that reopening old wounds is not beneficial to a newly separated individual trying to make the past go behind them. It is difficult enough to go through these procedures of divorce and the tragedy of a separation, then reopen that wound as a surprise, as my hon. colleague mentioned, down the road.

The Canada pension plan is not a state freebie. Somebody pays for it. In fact, every working Canadian pays for it, not only for the purpose of helping out the less fortunate but also for the purpose of saving for their own retirement and for the retirement of their spouse. I'm not the sort of person who says that working Canadians shouldn't be contributing towards the well-being of seniors, but I am the sort that believes each Canadian should have the opportunity to do with their own benefits as they see fit, and each family or divorced family should have the opportunity to do with their benefits as they have agreed. After all, at some point after paying in for years and years, shouldn't the average Canadian have the right to say, "That benefit is mine"? Shouldn't the average family be able to say that that benefit is theirs?

Those who argue that this bill might put grandmothers on the street do so to confuse the issue. There is a social component to the Canada pension plan, but there is also an individual component, and we would do well to remember that. In our province we value the goal of individual self-reliance. Part of being self-reliant is being trusted by the government to make legal decisions and agreements with the heavy hand of the state becoming involved only when the agreements that are based upon law are separated or if one person dupes another person into an agreement that holds no legal standing.

In fact, Bill 203 is tackling such an inequity. Right now many lawyers believe that couples can split Canada pension plan benefits in whichever manner they choose. Many of these same lawyers only learn afterwards that such agreements are not backed up by law and so are not entirely legitimate. It's in cases like this that the government ought to become involved and change the rules so that they are consistent and can be applied consistently.

We have, as the sponsor has noted, two choices available to us. We could outlaw any splitting of Canada pension plan benefits, or we could make legal and consistent rules governing the splitting of benefits, which Bill 203 asks us to do. By choosing an avenue under which the government makes legal and consistent rules regarding the splitting of Canada pension plan benefits in divorce proceedings, Bill 203 puts government in its rightful place as the facilitator of a consistent environment in which individuals make decisions and agreements.

Further, government is one more move away from being a tool of social engineers. That's actually the major reason I support this bill. It is in keeping with this government's ethic of promoting individual responsibility. Our government has promoted self-reliance as a key piece of our policy for quite some time now. It is the engine behind our touting the lowest taxes in Canada, it is something that we measure in relation to the standard of living, and it is the basis on which we promote a government that allows choice, entrepreneurship, and the ability to make a good life for oneself in whatever field is chosen. It should also be considered when we look at legislation like Bill 203.

What we are doing in Bill 203 is noting that within a divorce proceeding various different things are up for negotiation: investments, alimony, assets such as houses and cars not to mention cottages and boats, and the appropriate child support level as well as other bargaining items that are brought into play. It may seem cold to speak of bargaining items, but let's not lose sight of what is going on within a divorce proceeding. Each partner is attempting to secure a good outcome for themselves from the proceedings, and it is true

that not every divorce proceeding goes off without a hitch. While it may not be the best arrangement – it would be better, I suppose, if we were proceeding with amicable relationships – it is ultimately up to the two parties involved to choose the assets that will be divided. As pension benefits are considered assets, then they should be well within the scope of assets to be divided and agreed upon.

In that light, Mr. Speaker, I urge all members of the House to join me in supporting Bill 203.

Thank you.

**The Deputy Speaker:** The hon. Member for Edmonton-Manning.

**Mr. Vandermeer:** Thank you, Mr. Speaker. It's my pleasure to rise today and speak to Bill 203. This is a bill that I feel is necessary and one that should be supported mostly for the common-sense principles that it is based upon. This is a very simple piece of legislation. It is one which does not bring much confusion to an issue that on the surface seems to need a solution.

Currently in Alberta when a divorce occurs, spouses sit down and divide everything. It is not a fun time, I am sure. It is something that must happen and it is necessary for fairness on all sides. However, during divorce proceedings sometimes things get overlooked, and that is where this bill tries to bring some simplicity to the situation.

Right now it is conceivable for partners to agree to something during a divorce proceeding, and then one of the parties involved can renege on that agreement. This is seen in the splitting of Canada pension plan benefits. In Alberta it is mandatory for CPP to be split upon divorce, either by an agreement by two parties or by application of one of the ex-partners. That being said, it may be mandatory, but the automatic splitting of CPP credits is not occurring.

What is interesting to note is that it can happen to those involved in a divorce who may decide not to split up the pension credits that were accrued during a marriage. Here is an example. Let's say Mr. and Mrs. Smith, for whatever reason, after 10 years of marriage decide to get a divorce. In the proceedings it is decided between the two parties that Mrs. Smith would keep her full CPP benefits and that they will not split them because Mr. Smith gets the boat, the car, and the dog. It is agreed that Mrs. Smith gets to keep the full pension because she was the primary breadwinner, made the contributions to the plan, and Mr. Smith doesn't want the CPP benefits anyway.

Well, then, 20 years later Mr. Smith decides, upon discovering that he should right any wrong that may or may not have occurred to him, that he should have gotten half of the CPP benefits. So Mr. Smith makes an application 20 years after the fact to obtain half of Mrs. Smith's CPP credits. Mr. Speaker, he will get half of the CPP benefit accumulated during the marriage because that is the way the law is set up in this province at this time. It is completely unfair because these two parties had already agreed not to split the CPP benefits, yet one party has an entire lifetime to change his or her mind. Granted, the party will only receive what has accrued during the marriage, but again one can come back and claim what had been settled previously.

A funny thing about this is that at the federal level there is a mechanism in the CPP legislation that allows the provinces to opt out of CPP credit splitting, and what is required for it to happen is for the province to pass the pertinent legislation, which is what we are looking to do here today.

Bill 203 is an excellent idea because it gives spouses or ex-spouses, as it were, the ability to make the agreements binding instead of just having to trust that one party won't decide to apply for the split. One of the main objectives of this bill, which I think is

very good, is that it requires CPP issues to be dealt with at the time of divorce, not 20 years later but at the time when the house, kids, dog, boat, and finances are all being divvied up.

This is all about flexibility, Mr. Speaker. It gives spouses the ability to agree between themselves what they want to do with all of their assets including their Canada pension plan benefits. You can see how this just makes common sense. With all the confusion that surrounds divorce, this bill sets down the rules for division so that every person involved – lawyers, spouses, representatives, and family members – all know and understand what is happening. Unfortunately, that is something that just doesn't occur today as the rules and laws are a bit confusing. At the very least this bill clears that part up.

Mr. Speaker, again, this is a simple piece of legislation. It doesn't really intrude into the lives of Albertans. We aren't sticking our fingers where they don't belong either. We have to remember that federal legislation allows this to happen as long as we pass our own law. Now is the time for us to pass that law. I can't really figure out what kept us from doing this for so long.

It is unfortunate as well to note that Alberta won't even be leading Canada in this regard as there are a few jurisdictions in this country that have legislated similar laws and have had very few, if any, problems with them. British Columbia, Saskatchewan, and Quebec with the Quebec pension plan have all taken strides to ensure that couples going through a divorce have the option not to split their benefits. Manitoba is currently going through a trial process to see if such legislation is beneficial to their province. In all cases there have been very few problems with the decision that the policy-makers have made in this regard.

4:20

This bill is just a very simple procedure that should get full and unanimous support from all sides of this House. I think that giving the choice to people whether or not they wish to do something is better than forcing them to do it, which is the way it is currently legislated. The CPP has legislated the mandatory split, meaning you have to split it. Keep in mind that I am not an advocate for divorce, but I do realize that divorces have happened and will happen, and when it does happen, each ex-spouse must be treated equally and fairly.

Mr. Speaker, as I conclude today, I hope that all the hon. members will realize why this bill should be passed, and I hope that it gets unanimous support of this Assembly. Thank you.

**The Deputy Speaker:** The hon. Member for Edmonton-Meadowlark.

**Mr. Maskell:** Thank you, Mr. Speaker. It is a pleasure to rise today and join the debate on Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004, sponsored by the hon. Member for Calgary-West. What this bill brings to mind as I read through it is choice, the choice for Albertans to decide whether or not to split their Canada pension plan credits upon a divorce or separation.

Currently, as we have heard, those Albertans that contributed to CPP are allowed to split their accrued pensionable earnings or credits. Effective January 1, 1987, amendments were passed concerning credit-splitting provisions which made credit splitting mandatory for divorces or legal annulments occurring on or after the amendment date. Credit splitting was also expanded to include separations of legally married or common-law spouses.

Mr. Speaker, the word "mandatory" seems like a fairly strict and strong word. One would assume that this type of language would

imply that credit splitting is not an option and that it must be adhered to. This, however, is not necessarily the case. One of the problems with CPP credit splitting that needs to be discussed deals with documentation. Because credit splitting has become mandatory, neither spouse in a divorce situation should be required to submit an application. As I see it, that would take the mandatory out of the process.

However, it is necessary for the spouse requesting the division of pension credits to provide the required information and documentation to the federal minister responsible for the CPP. This is a main point of confusion for me, and it begs the question: what is the difference between submitting an application and submitting the required information and documentation? Isn't it feasible to assume that by submitting the required information and documentation, one would be applying for CPP credit splitting? As I see it, Mr. Speaker, should a couple not want to participate in the so-called mandatory credit splitting, then they would simply not submit the required information and documentation. In essence, they would not apply, although apparently submitting relevant information and documentation is completely different from the application process.

Mr. Speaker, I hope that the scenario sounds as convoluted to you as it does to me, but it does prove a good point, being that the CPP credit-splitting process as it is needs to be clarified and simplified. Bill 203 would do just that. It would put the credit-splitting process in the hands of the spouses involved, so they could decide their own financial future and not have to jump through the current maze of federal hoops.

To continue on with this scenario, a couple has come to a mutual agreement to not participate in the splitting of pension credits, and a number of years pass. One may think that after a while the window of opportunity to participate in credit splitting would be shut. This is not the case whatsoever. Should one of the spouses decide 15 or 20 years after the divorce or annulment has taken place that they would like a piece of the credit-splitting pie, they are more than welcome to it. All that is necessary is that they submit the proper information and documentation.

Mr. Speaker, if a couple signs an agreement on or after June 4, 1986, even if it says that they specifically gave up their right to split CPP pension credits, in most cases the CPP, as a third party to the agreement, is not bound to its provisions, and the Canada pension plan can still split the pension credits. The reason this can take place is because Alberta has not instituted provincial legislation. This is a serious predicament that can have substantial consequences for Albertans. The possible scenarios that could be hypothesized are endless, and few of them end with favourable results for both parties. What Bill 203 is suggesting is that we give Alberta's divorced and annulled couples the opportunity to make their own decisions on CPP credit splitting that are legal and can be upheld.

Mr. Speaker, what is being proposed, as I mentioned earlier, is a choice, one that appears to be present through the smoke and mirrors of federal legislation but, in reality, is only an illusion. There are exceptions to the federal CPP regulations. The federal legislation allows each province to enact its own legislation permitting the spouse to agree that the pension under the Canada pension plan will not be divided. Therefore, those critics that believe we may be stepping on federal toes by passing Bill 203 are incorrect. The federal legislation has opened a door for each province to accomplish what is proposed here today. I believe we should take full advantage of this opportunity.

Some provinces have already seized this opportunity and implemented legislation which allows couples specifically to agree not to split Canada pension plan credits. Currently this is the case in Saskatchewan, Quebec, and British Columbia. Therefore, if an

agreement is signed in one of those provinces, the Canada pension plan cannot circumvent the federal legislation and split the credits anyway, a fine idea, if I do so say myself.

British Columbia produced a working paper late in 1990 concerning the division of pensions on marriage breakdown. Many points were made that I would like to share with the Assembly today. A point that favours this type of legislation is that of rights, and it can be said that a person who has rights is usually entitled to choose between asserting them or declining to do so. Again, we are reminded of choice and how important it is that all Albertans are provided that right, as they should be. This choice can involve some type of compensation or flexibility. Depending on the case, one spouse may wish to use the pension credits as a bargaining chip in the divorce settlement. This, of course, would be a binding agreement between the couple and the decisions they made concerning CPP credits at the time of the settlement.

A case in British Columbia provides a perfect example of the federal smoke-and-mirrors show. One of the spouses in the marriage was not aware that a waiver of rights under the Canada pension plan was ineffective. The other spouse, however, fully aware of the loophole, agreed to forgo those rights in exchange for other property and then applied for the Canada pension plan benefits at a later date. It was held up in court that under the circumstances the spouse was prohibited from applying for a division of the pension benefits. Thankfully, the court upheld the mutual agreement within the credit-splitting waiver, but this may not always be the case. I find it extremely important that Albertans unaware of such situations need to be protected from the harm that could result.

Mr. Speaker, the argument can also be raised concerning the valuable court time that has been used to bring resolution to such disputes. Valuable time and resources would not be required if the waiver was legally solid and undeniably enforceable within the courts instead of leaving the decision to the discretion of the judge. Bill 203 would take away these uncertainties, and the end result would be confidence and legitimacy in the decisions made between spouses at the time of their divorce. These decisions would then be upheld and respected by both parties, if not on a moral level then legally.

Mr. Speaker, a point that I believe cannot be stressed enough is the necessity just to protect spouses. It is evident through the example that there is a possibility that one spouse may be financially victimized by the other. Spouses should be afforded the choice of how their rights are to be affected by marriage breakdown. Bill 203 would allow for that choice by permitting a waiver of the right to a division of credits under the Canada pension plan.

Mr. Speaker, not only would we be protecting Albertans who could one day fall victim to the loopholes in the federal legislation, but we would be allowing Albertans the opportunity to take control of their finances during a divorce settlement.

I encourage all members to vote in favour of Bill 203, and I look forward to further debate on this issue. Thank you.

4:30

**The Deputy Speaker:** The hon. Member for Vermilion-Lloydminster.

**Mr. Snelgrove:** Thank you, Mr. Speaker, for the opportunity to share my thoughts on Bill 203. We have before us a piece of legislation that deals with a very complicated and delicate issue, the aftermath of a failed long-term relationship. When two people commit to one another for a significant period of time, not only do emotions become entangled, but so do finances. People will spend years living and working together: buying a home, furnishing that

home, investing their money for the future or in a business, and so on. When this relationship fails, there comes the unpleasant task of dividing the assets between the partners.

This division of assets can come in many ways, either through selling all of the mutually owned items and splitting the proceeds or by merely dividing possessions or by any combination of these strategies. In this process partners will decide what will best help them in their future lives. They are the ones deciding how to divide their possessions because no one knows better what these people need than themselves. They managed their finances while they were together, and when they separate, they will direct the course of their finances on their own.

Mr. Speaker, in Alberta there exists legislation to ensure that marital assets are divided, but this does not exactly say how these assets are to be divided. It does not say that every asset and possession is to be split down the middle because it values the importance of personal responsibility and choice. Indeed, dividing assets in this manner could be extremely inefficient due to a multitude of circumstances. This is why the exact way in which the assets will be separated is left up to those involved, because they are in the best position to decide what will be most beneficial to them.

Governments allow those involved to make these choices with respect to every other asset when dealing with a divorce except in the case of the Canada pension plan. In this instance the federal government tells couples that they cannot decide how to separate their CPP credits. The couple must split the credits, regardless of any decision the couple has reached on their own. I feel that this is not the best way to deal with the division of a marital asset and that the people involved in these situations should be afforded the power to choose how they manage their own financial situation.

Mr. Speaker, as I see it, there are three main reasons why we should support Bill 203. The first and most important reason I've already mentioned: Albertans should be given the power to determine their own financial goals and needs instead of having the federal government choose for them. Secondly, the social climate in which mandatory credit splitting was introduced has greatly changed, and we need to take into account the fact that many more families are choosing to have both parents work outside the home. Finally, we need to implement a system that leaves no room for ambiguity. Under the present system people are uncertain as to the power that a prenuptial or divorce agreement has in regard to a spouse's CPP credits.

Additionally, while credit splitting is theoretically mandatory, in practice one of the partners must apply for the credits to be split. If neither of the parties involved applies for the credits to be split, then nothing happens. Most often the credits are not split because of the public's lack of knowledge about the program. Many people simply don't know that credit splitting is possible. Due to this, quite often the credit splitting happens long after the divorce has been settled when one of the parties realizes that this is a possibility. By passing Bill 203, we can end that ambiguity for Albertans. This will allow people to deal with all matters at the time of divorce clearly and without the possibility of future changes.

Mandatory credit splitting came about in 1987 in an attempt to ensure that a spouse who had chosen to work in the home would be assured of some level of retirement income. While I appreciate the intent of mandatory credit splitting, I would say that the circumstances have changed considerably since mandatory splitting was legislated. In particular, the makeup of the workforce in Canada has changed, and there are a larger number of families where both spouses are part of the workforce.

According to Stats Canada dual-income families have been on the rise for the past four decades and are now as common as single-

income families were in the '60s. That is to say that over 60 per cent of the census population is part of a dual-income family. Therefore, both family members are earning a wage outside the home, and both are contributing to the Canada pension plan, thereby ensuring a retirement income for both partners in the event that the marriage fails. Additionally, there is almost equal workforce participation on the part of both men and women.

In the past there was a greater trend to have one parent, usually the mother, work in the home. In this situation that parent would not be contributing to the CPP and, therefore, would not be accruing credits for retirement. This is simply no longer the case. Even if this remained a concern, this legislation does not forbid CPP credit splitting. It merely affords partners a choice as to whether they would like to split the credits or not. If they choose to split the credits, there is no reason that they would not be able to do so.

Bill 203 will allow Albertans to choose for themselves how they would like to manage their marital assets instead of having their CPP contributions controlled solely by the federal government. As I have stated before, this piece of legislation is about allowing partners to decide how to split their assets in the event of their relationship falling apart. It may be far more beneficial for one partner to not split the CPP credits and, instead, take an asset that will provide immediate help for that person to become independent. On the other hand, there is nothing stopping the person from splitting the CPP credits if they see that benefit as being the most beneficial path for them to take.

Mr. Speaker, when the CPP Act was amended in 1987, the federal government provided a way for provincial governments to opt out of mandatory credit splitting if they chose to do so. Why would the federal government allow for that provision if they did not see that there might be a problem with mandatory credit splitting? The CPP Act allows for provinces to alter the program in order to deal with problems that could be caused by its inflexibility.

Another revision that was made in 1987 was the length of time during which you could apply for CPP credit splitting. Previously the time limit to split credits was 36 months. Currently there is no time limit. It is possible to apply for credit splitting 10 or 15 years after the divorce. This can leave those who are involved in the divorce uncertain about their finances for years to come. For example, if a couple were to mutually decide to not split their credits, they would agree to this in the divorce proceedings. However, as it stands, there's nothing stopping one of the parties from applying for the credit splitting the next day or the next year or 10 years down the road, even after agreeing to not split the credits.

These agreements cannot be enforced unless the provincial government has passed opting-out legislation. The federal government does not recognize contracts concerning CPP credit splitting until this happens. What both partners thought was a legally binding contract and entered into in good faith means nothing unless there is provincial legislation in place to support this. There are currently people in Alberta that are realizing this the hard way when they receive a letter from the Canada pension plan saying that their ex-spouse has applied for and been automatically granted a splitting of CPP credits regardless of how long ago the divorce was or whether there was a signed agreement or not.

Mr. Speaker, the fact is that under the current legislation it is not possible for people to do as they choose with their own assets. They are entering into contracts in good faith that turn out to be completely invalid. This lack of clarity needs to be stopped, and we have before us the tool to end this ambiguity. Albertans deserve the right to decide how they will manage their finances. In no other area are there restrictions regarding how Albertans choose to divide marital assets, only when dealing with the Canada pension plan. This is a

pension like any other, and the two people involved should be allowed to choose how they want to divide all of their assets, not just most of them.

In conclusion, Mr. Speaker, I ask for all of your support for Bill 203. Thank you.

**The Deputy Speaker:** The hon. Member for Redwater.

**Mr. Broda:** Thank you very much, Mr. Speaker. I appreciate the opportunity to offer some of my thoughts on Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004, sponsored by my colleague from Calgary-West. My overall impression of Bill 203 is very positive. I believe that despite some of the concerns that have been raised with regard to this piece of legislation, Bill 203 has much merit and will allow this Assembly to remedy some of the current problems and issues associated with splitting CPP pension credits.

The federal CPP legislation stipulates that when a marriage between two individuals ends, the CPP pension credits that the couple collected during their time together must be split up equally between the two. In other words, unlike a car, house, or investment assets, CPP credits are currently not treated as unitary items, and as a result one party cannot end up being the sole possessor of the benefits. Bill 203 aims to add more choice to this equation by permitting individuals the option to split their CPP pension credits or to opt out of the credit-splitting process altogether. In other words, the new amendment will allow former couples to treat their common CPP benefits in the same manner as other items like the house, car, or financial assets.

**4:40**

From the fiscal and practical point of view, Mr. Speaker, allowing couples such an option does not sound like an unreasonable idea. This begs the question as to why CPP pension credits are currently being treated differently than other financial assets such as mutual investment holdings or even provincial employment pension benefits. Undoubtedly, there are numerous arguments that attempt to justify the dissimilarity between CPP credits and other financial assets and benefits. However, while some of these arguments were valid a few decades ago, I believe that the present realities have rendered them invalid or obsolete.

One of the main viewpoints against allowing ex-spouses to opt out of credit splitting argues that the Canadian pension plan is a social program designed to ensure that both parties receive the same amount of retirement income regardless of which party was making the majority of CPP contributions. Therefore, Mr. Speaker, if one of the spouses was employed while the other was not, both would receive exactly the same amount of CPP credits if their marriage came to an end. The rationale behind having this measure in place follows the logic that both partners are equal contributors to the relationship regardless of their financial or employment status, and as a result, if they choose to go their separate ways, they should receive equal compensation.

While this argument may promote fairness, I am afraid that it does not stand up to the present fiscal or practical realities. First of all, Mr. Speaker, while CPP pension credits are a source of ensuring that individuals enjoy a steady retirement income, in most cases these benefits are usually never large enough to provide for a comfortable retirement. Consequently, the average Albertan cannot live on a CPP pension alone and, as a result, must make sure that he or she is procuring income from other sources. With this in mind it makes no sense why ex-spouses are currently being forced to split their pension credits if at the end of the day these credits don't amount to a whole lot of money.

Furthermore, Mr. Speaker, I cannot see the benefit of splitting a

relatively small quantity of funds into two lesser but equal sums. To put it into more practical language, if retired individuals cannot live on a CPP pension alone, how can they possibly be expected to live on half of that amount? Consequently, by allowing ex-spouses to opt out of the credit-splitting process and permitting them to decide for themselves how their CPP benefits should be affected by their divorce, Bill 203 brings more options and more clarity to the table. In the end the bill would make it possible that at least one of the individuals would enjoy the full benefit of CPP retirement income, even though it does not amount to much, while the other would be equally compensated by another asset of their choice.

Now, Mr. Speaker, some may argue that by allowing couples to opt out of CPP credit splitting, Bill 203 opens up the possibility that one of the ex-spouses could potentially end up with an unfair settlement. In other words, if one party were to trade their benefits for other, less valuable assets, there is a possibility that they may be giving away more than they realize. As an example, if one were to trade their portion of their CPP credits for another item like a vehicle, which may not hold its value over a long period of time, then this person may end up with an unfair deal due to the depreciation of the vehicle's value. Also, apart from having a shrinking asset value, this individual will have no CPP retirement income, thus making his or her financial situation even worse. The only way this individual will enjoy steady retirement income is if he or she thought in advance and made appropriate financial choices and decisions.

While this may be an extreme scenario, Mr. Speaker, I would argue that Bill 203 offers couples enough choices to avoid unfair settlements that could result from the bargaining process. Firstly, as I have mentioned before, Bill 203 does not force couples to opt out of CPP credit splitting but, rather, gives them the option of pursuing this course of action if they so wish. This process operates on the principle of mutual agreement between both the individuals involved. Therefore, if for whatever reason an ex-spouse decides that he or she does not wish to opt out of credit splitting, then this process cannot be forced upon them.

Secondly, if during the post-divorce procedures one of the spouses or their legal representative believes that they may be getting the short end of the deal in relation to who gets to keep the CPP pension benefits, they have every right to refuse to agree to the settlement. This is a common practice when it comes to decisions affecting other mutual assets and possessions, and in situations where couples decide not to split the credits, it would apply to CPP benefits as well.

As you see, Mr. Speaker, apart from offering ex-spouses more options in relation to what happens to their CPP benefits, Bill 203 ensures that no agreement can be signed until both sides are content with its arrangements. Furthermore, the bill also makes certain that these issues are dealt with in a timely manner soon after divorce or split-up has taken place. Therefore, I believe that it would be unfair to characterize the provisions outlined in Bill 203 as unchecked and unbalanced since they provide ex-couples with more options and more security than ever before.

While I'm on the subject of legal procedures, I would like to point out that this piece of legislation would also help us remedy some of the inconsistencies associated with the current divorce procedures and the issue of the common CPP benefits. By this I'm referring to the issue of matrimonial property waivers and whether they preclude ex-spouses from claiming a credit split even after they have waived their rights to collect CPP benefits. As you have previously heard, Mr. Speaker, this inconsistency has enabled individuals to receive their portion of CPP benefits even though they agreed to waive their right to these benefits while compensated for an asset of equal value.

It appears that these waivers hold no legal backbone as they do not seem to be binding on a signatory. This is due to the fact that the

federal CPP legislation states that in order for the credit splitting to take place, provinces must enact appropriate legislation.

As a result, a situation has developed where those who sign the waiver enjoy an unfair advantage as they can collect their CPP benefits and still keep all the assets gained from the divorce proceedings. Bill 203 would remedy this problem by offering ex-spouses a choice to split their CPP credits right away or to opt out of this process and deal with the credits as they would with other common assets. If they choose to opt out and in turn sign a mutual agreement to waive any future claims to each other's pension benefits, they would no longer be able to apply for a credit split.

Therefore, Mr. Speaker, I would urge all members of this Assembly to support this bill. Thank you.

**The Deputy Speaker:** The hon. Member for Clover Bar-Fort Saskatchewan.

**Mr. Lougheed:** Thank you, Mr. Speaker. It's a pleasure to join in the debate on Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004, brought forward by the Member for Calgary-West.

The hon. Member for Calgary-West has proposed a very interesting and important piece of legislation. As she stated, this bill creates the right for divorced couples to choose where their Canada pension plan credits go. Both the man and the woman play an important role in a marriage regardless of who earns the higher salary. In addition to working, couples raise their children, manage the finances, and take care of the home. As we all know, many of these tasks are shared. Therefore, both are entitled to CPP credits. This concept is consistent with the fundamental spirit behind the Canada pension plan.

The goal of Bill 203 is to give couples who face divorce a choice of sharing these credits or giving them all to one person. The credits earned while they were married or living common-law could be used in exchange for other equity gained during the time they were together.

4:50

I support the right to choose, as do most members here, I believe from comments heard. I'm sure that most of the members in this Assembly also agree that a divorced couple should be given the opportunity to share pension credits or give them solely to one person. I think this legislation makes a lot of sense.

Passing Bill 203 could clean up some of the confusion regarding CPP credits in Alberta. Clients sign a waiver that settles financial agreements and allocates property to each party. Currently pension credits are listed as property along with other forms of equity. As previous speakers have pointed out, in some cases this waiver directs CPP credits to one person. However, this isn't always the end of the story. The person who forfeited the credits can attempt to reclaim them at a later date. Needless to say, this causes financial problems for the people who lose part of their pension. I would agree that something should be done to eliminate this legal glitch from happening in the future.

Although I support Bill 203, I would like to take this opportunity to present a few concerns I have with the proposed legislation. The strongest argument against Bill 203 is the philosophy behind the Canada pension plan. These credits were not meant to be bargaining chips. They are part of a federal policy to provide coverage for retired or disabled Canadians. Bill 203 creates a legal mechanism to take part of a public pension away from one person, and that's not consistent, Mr. Speaker, with one of Canada's oldest social programs.

Some may argue that these credits are property that should be on the table. These people may point out that other provinces have passed similar legislation and that Alberta should do the same. The problem is that CPP credits are seen as both a financial asset and an important pillar of a national social program. It's true that other provincial governments have passed legislation similar to Bill 203, but not every province believes that this is the best way to go.

Mr. Speaker, there's a precedent set by other provinces that helps legitimize Bill 203. There are also precedents set by provinces that feel that CPP credits should be shared to ensure that people have access to their public pension. The Alberta Law Reform Institute studied this issue in 1990, and the institute agreed that actions needed to be taken to eliminate any uncertainty around the division of CPP credits. It was agreed that the social value of assuring the income security of noncontributing spouses outweighs enacting the opt-out legislation.

The Ontario government has also chosen not to adopt the opt-out legislation and continues splitting CPP credits. The Ontario Law Reform Commission looked at the pros and cons of legislation similar to Bill 203 in 1995. The commission believes that the definition of net family property should be amended to specifically exclude benefits payable to a spouse under the Canada pension plan.

I would like to know how this amendment is working in other provinces. Has anyone challenged the perceived contradiction? Are people who gave up their CPP credits reconsidering their decision?

Bill 203 is taking away part of a pension that every Canadian is entitled to if both spouses agree to do so. This bill could help everyone involved in a divorce because it clears the way for a choice to decide whether or not to split CPP credits. However, this bill could also take money away from people when they are most vulnerable.

The CPP has always been a social program. Taking elements of a social program away from one person and awarding them to another for financial gain is not consistent with the mandate of a publicly funded pension.

One thing this Assembly needs to remember is that pension credits do not equal money. Although every Albertan contributes to the pension plan from every paycheck, the credits are part of a formula. The more credits you have, the more money you are entitled to when you retire or become disabled. The amount of credits will determine the entitlement, and some may not want this right to be taken away.

The CPP is a taxpayer-funded social institution. In hindsight, I'm not sure every Albertan believes that a social program should be a bargaining chip during a divorce. In fact, this may be part of the reason why people try to reclaim their credits. They may see an opportunity to claim something that they now know they should not have given up so easily.

Some believe that the CPP is doomed and barely provides coverage in its current structure. It's believed that the entire plan needs to be reformed to make it sustainable for Canada's large aging demographic. I don't know where the CPP will be in 20 or 30 years, but I do know that the federal government can make quick and drastic decisions. Creating a gun registry to reduce crime and accepting the Kyoto protocol, that may or may not help the environment, are things that come to mind.

I understand that the Canada Pension Plan Act currently allows the provinces to opt out of the credit-splitting program. On the other hand, what would happen if the federal government decided that credit splitting as proposed in Bill 203 was not consistent with the social values of the plan? Mr. Speaker, let's just look ahead a few years. A large number of Canadians may be looking at retirement options and sizing up their financial situations. A number of people who went through a divorce see the connection between the CPP Act



and the social safety net and want their credits back. They could organize into one group and pressure the government to make changes to provide more protection.

Now, the federal government could see trouble in this with a sizable proportion of the voting electorate feeling this way and may decide to take some action. In haste perhaps the federal government could make sweeping changes to the CPP that would allow people to reclaim their lost CPP credits from their divorce settlement. I realize that this might be a highly unlikely scenario to some people, but some of us in this Assembly didn't think that the federal government would launch on to some of their programs like the Kyoto protocol either.

Deciding where CPP credits go is a provincial jurisdiction. This is clearly stated within the Canada Pension Plan Act, and my concern is with the predictability of the federal government because we're working with that federal legislation. Perhaps the sponsor of this bill can clarify this question in her closing comments.

Some may argue that the easiest solution may be to remove CPP credits from the waiver in divorce proceedings. This would ensure that the credits remain shared equally between the two parties. Keeping the credit split eliminates any chance of surprise well after the divorce is settled.

However, most people aren't aware of the additional paperwork to split CPP credits equally. As it stands now, the federal minister responsible for the Canada pension plan must receive the correct documentation before credit splitting can occur. Therefore, I don't believe that the current program is an effective way to provide retirement income for both spouses.

I support choice, so I do support Bill 203. I also believe that Bill 203 provides awareness and clarity to the CPP credit-splitting issue. As mentioned before, CPP credits aren't even divided equally in the first place without proper documentation in the hands of the federal minister responsible for the act.

Thank you, Mr. Speaker.

**The Deputy Speaker:** The hon. Member for St. Albert.

**Mrs. O'Neill:** Thank you very much, Mr. Speaker. I'm pleased to be here this afternoon and to be able to join the debate on Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004.

As we have heard, Bill 203 would allow Albertans in the process of divorcing or separating to take control of their finances by giving them the choice with regard to how their assets are to be divided. Assuming for the sake of argument that pension plan credits represent assets that can and should be as divisible as, for instance, stocks and bonds, vehicles, and household furnishings, Bill 203 operates on the premise that spouses would be in the best position to make decisions about the division of their property. What to do with benefits earned under the Canada pension plan, then, would under Bill 203 be but one of several agreements into which the divorcing spouses will enter. Such spousal agreements are a sensible and a preferred way of allowing parties to resolve their differences, particularly so in what can often be a very emotional and tension-laden situation.

5:00

What Bill 203 proposes, then, is to amend the Matrimonial Property Act and the Adult Interdependent Relationships Act to allow spouses to opt out of the Canada pension plan's credit-splitting program. By amending both pieces of legislation, Bill 203 will apply to married and common-law spouses.

My initial reaction to Bill 203 was that it seems like a rather fair and a very sensible idea. What gave rise to that initial impression

was the fact that as things stand now, not being able to opt out of the credit-splitting program raises the possibility of a divorce or separation that's not quite finalized.

Contrary to the spirit of joint agreements on who gets the car or who gets the house or any other mutual agreement, when it comes to splitting the credits earned under the provisions of the Canada pension plan, only one of the ex-spouses or ex-partners needs to apply for the split. The consent of the other half of the now-collapsed relationship is neither mandatory nor necessary. What's more, the credits will be split even if the nonapplicant objects to the division of the benefits.

Whether one has experienced a divorce or not, we all know that they can be quite painful. Love, hope, and a shared future have been torn asunder and in their stead are now sadness, anger, and sometimes countless other emotions. Arriving at mutual decisions may be very difficult under such circumstances but obviously not impossible since many spouses do manage to do so. However, that only one spouse or, as it were, ex-spouse needs to apply for the split in order for it to take place seems unfair.

Under a set of circumstances so unsettling, it would seem obvious that every effort should be made to level the playing field, to use a popular expression, but here quite the opposite seems to be at work. The one saving grace of this predicament is that this inequality is not available exclusively to one spouse and not the other. Rather, it seems more a matter of who first takes advantage of this glaring omission and thus quite literally gets to cash in on it. Of course, it does depend on which spouse has been paying into the pension plan during the relationship. One would be remiss for not clarifying that. In any event, Mr. Speaker, this is a situation that ought to be rectified sooner rather than later.

Getting back to the outset of my remarks here today, this is what gave rise to such a favourable impression of what may be accomplished were Bill 203 to pass this House. It would seem to me that among all the things divorcing spouses seek to realize as part of the divorce, closure is at or near the top of the list. To be able to put an end once and for all to a very difficult time is what is desired.

Under current circumstances, however, it would seem that such closure may be somewhat elusive or at the very least subject to change. A person may be under the impression that a previous marriage had been relegated to the past when all of a sudden his or her ex-spouse files an application for pension credit splitting. Since there is no longer any restriction on the maximum length of time that can pass for such an application to be filed, this may force spouses to revisit what both of them thought was a closed chapter, indeed, to continue the literary metaphor, what they thought was a long since finished book.

However, the deciding factor for me is whether we can or for that matter should treat Canada pension plan credits like any other goods or piece of property. In short, are pension plan credits really ours to barter with as we see fit regardless of the situation? I suggest that they are not, and this is the conclusion I have come to after considering Bill 203 from a variety of perspectives. As much as it would be desirable to put an end to the one-sided and unequal nature of the credit splitting as it currently exists, Bill 203 is, from my point of view, simply not the proper mechanism to effect such a change.

This is one of those situations where the means do not justify the ends. Why do I say this? Simply put, it is everything to do with the very reasons why credit splitting is an option for divorcing spouses: ensuring that retirement income is available to noncontributing or lower contributing spouses, particularly women. This is not a gender issue. I'm not seeking to put this on a gender plane. However, when it comes to earned pension plan credits, many women are at a disadvantage compared to men. This is undisputable.

Why is this so? After all, hasn't the economic position of women, both in Alberta as well as throughout the country, improved over the years? Absolutely. Generally speaking, today's women are in a much stronger economic position than women were just a decade ago.

Having said that, however, women generally remain the primary caregivers of children, and women have a significantly greater tendency than men do to work inside the home. As a result, women are less likely to pay into a pension plan, and consequently women are less likely to have a secured retirement income. To mitigate against such an outcome, the Canada pension plan credit-splitting policy was created in order to ensure that both parties will have a retirement income.

Now, suppose that we were to opt out of the credit-splitting policy, much like Saskatchewan, Quebec, and British Columbia have done. What might be on the horizon if we were to do that? Well, Mr. Speaker, for instance, for those with low or even moderate incomes relinquishing credits earned under the Canada pension plan may in the future create a dependency on various retirement income support programs such as the guaranteed income supplement and the Alberta seniors' benefit.

No amount of planning can ever prepare us completely for what the future may bring. This is true under most every set of circumstances and is certainly true here. It is important to not lose sight of the fact that beyond a 30-day appeal period the decision to opt out of credit splitting would be final and binding. No matter how carefully one plans and seeks to factor in every foreseeable variable when making the decision to opt out, an individual's financial situation may change drastically at a later date. Assuming that the current conditions remain in place, the ex-spouse who chose to forgo his or her credits will have passed the point of no return.

On a final note, I find the notion of treating pension plan credits like any other piece of property somewhat unbalanced. Given the purpose for which the Canada pension plan was created, it would seem like a step in the wrong direction to take an entitlement program like this and turn it into a bargaining chip.

I am reminded of the coupons one sometimes gets in a store or in the mail offering 35 cents off here or a dollar there. If you read the fine print carefully, it often says that this coupon has no cash value. If that is a guiding principle for a coupon that entitles you to get a can of peas for a few nickels and dimes less, it ought to be a guiding principle for how to treat a program that may very well provide a significant portion of one's income at a time in an individual's life when his or her prime earning years are in the past.

For these reasons, Mr. Speaker, I find it difficult to support Bill 203.

**The Deputy Speaker:** The hon. Member for Calgary-*Buffalo*.

**Mr. Cernaiko:** Thank you, Mr. Speaker. I'm honoured to have the opportunity to address the Assembly regarding Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004. I'd like to commend the hon. Member for Calgary-*West* for her vision and attempt to give Albertans more flexibility and choice when it comes to managing their Canadian pension plan credits after a divorce.

While I believe government has an important role to play in the decision-making process for the province on behalf of Albertans, I also firmly believe that individual citizens need and deserve the freedom to make decisions that pertain to themselves. Freedom of choice in our society is fundamental in maintaining the democracy we enjoy as Albertans. Bill 203 is about choice. It's about instilling power in the individual. Albertans have the ability to make the decisions that are best for them, and they should be afforded the opportunity to make such decisions.

5:10

Like many other federal laws and institutions the CPP credit-splitting legislation as it currently stands isn't in the best interest of Albertans. Unlike other federal impositions like gun control, the Canadian Wheat Board, and the Kyoto protocol we are in a situation that allows us to opt out, as other provinces have, of this mandatory CPP credit-splitting process. Section 55.2 of the CPP Act allows provinces to opt out of the credit-splitting program. We would be so lucky if all flawed federal legislation that is imposed on Albertans granted us the option to pull ourselves out from Ottawa's intrusive thumb.

Mr. Speaker, I will base my comments on two key areas. First, Bill 203 will allow more options for those working out a divorce settlement, and second, this bill brings CPP benefits to the forefront of discussion during divorce proceedings. This will prevent situations where either a party is unaware that a credit split is taking place or situations where a CPP benefit split is applied for well after the two parties have come to a perceived agreement.

Mr. Speaker, on my first point, as it stands now, CPP credits are automatically split after a divorce in provinces that have not legislated a change in the federal government's policy. This is done whether one partner paid into the system or not. The decision to automatically split credits was made with good intentions in mind. Automatically splitting credits provides a safeguard for a spouse who may have not paid into the program through a profession but contributed to the household in other ways, like caring for young children.

While the rationale of split CPP credits after marriage was meant to provide an automatic equity between partners, benefits are not always split because an application form isn't always submitted immediately after separation. Credit splitting occurs in less than 15 per cent of divorces. Obviously credit-splitting legislation does not work the way it was intended to. Alberta should adopt a more effective approach by opting out of the current CPP credit-splitting process.

It's also important to note, Mr. Speaker, that Albertans are finding new ways to prepare for their future. For some Albertans their livelihood after retirement doesn't necessarily hinge on whether they are a part of the CPP plan or not. Many contribute to other plans through investment agents. Others have invested savings in a manner where the return is greater than what the CPP offers. Some Albertans also fear that the CPP program will not have the necessary funds to support them through their retirement. Many have backup plans. They contribute to RRSPs and savings bonds.

The point I am trying to make here, Mr. Speaker, is that there are other options available, and it is appropriate to treat CPP credits as a monetary value in reaching a settlement between parties. It is unnecessary to automatically split CPP benefits to reach an amiable solution between a recently divorced couple. Money or other assets can be exchanged in lieu of splitting CPP benefits to reach an equitable settlement. There may be those who have made other arrangements for themselves and are willing to forgo their share of a CPP plan in order to obtain an asset of equal value.

I believe it's important to point out that Bill 203 maintains credit splitting as an option. Many times it would be the ideal solution to resolve differing opinions when it comes to dividing an estate. Bill 203 allows both parties more flexibility in resolving a dispute associated with marital assets, and flexibility is an important asset that helps achieve an agreement between spouses.

The period of time following a divorce is often a trying emotional time period for all involved, even more so if there are children involved. Flexibility becomes key in allowing parties to reach an important agreement and move on with their lives. We can make it

easier for couples to come to an agreement by increasing the number of options available in the system. Other jurisdictions like Saskatchewan, Quebec, and British Columbia have already recognized what good legislation of this nature can have on these uncomfortable situations. I believe Alberta should follow suit.

On my second point, Mr. Speaker, by opting out of the mandatory credit-splitting clause in the CPP Act, Albertans would have a better chance of dealing with issues surrounding their CPP benefits at the time of the divorce. One of the problems with the CPP program as it stands now is that spouses are able to file for a portion of the benefits at a later date and there are no current time restrictions. This can draw out a divorce process that may have been considered completed months or even years before.

Even though opting-out legislation has not been passed, spouses sometimes include CPP benefits in the general waiver or divorce agreement. These waivers and decisions reached about CPP benefits are not recognized by the federal government, and some spouses enter into these agreements knowing that they can collect CPP benefits at a later date. This practice would be eliminated as such waivers would be recognized if Alberta opted out of the practice of mandatory credit splitting. These practices, while not necessarily commonplace, can be corrected through the passing of Bill 203. Opting-out legislation would make such waivers valid and would in effect eliminate the practice of going back on an agreement that has already been reached.

Also, under the federal program mutual consent is not required of both parties in order to split CPP credits. This means that one-half of a divorced couple can have his or her CPP credits split without input or even knowledge of the process taking place. Bill 203 would prevent an ex-spouse from starting the credit-splitting process without the other party's consent, especially in the case of a mutually signed agreement. I believe that it is important for both parties to at least be aware that an application is being put forward, especially when the results can have such a dramatic effect on the long-term financial situation of one of the people involved.

This legislation would do much to create a less hostile environment between ex-spouses. Trust is obviously key to successful discussions of this nature, and participants in this process should not have to fear a future claim when a settlement was thought to have been reached.

Mr. Speaker, Bill 203 does not eliminate the ability to split CPP credits after a divorce. I think we can agree that in some instances a credit split may be the right thing for a couple to do. This bill allows more flexibility between parties, and it will help divorcing couples arrive at a fair split of their overall assets. We should not look at this bill as taking away credits from a deserving party. By passing Bill 203, we would be adding a tool to help fix the financial problem that exists between a couple in the process of going separate ways.

Bill 203 also creates a more transparent method of dealing with the issue of CPP benefits, which puts more trust in the discussions revolving around the splitting of assets after a failed marriage. I believe that this allows all parties involved the ability to get on with their lives in a more expedient manner.

I urge all of my colleagues in the Legislative Assembly to pass Bill 203 and give Albertans more freedom over their finances. Thank you very much, Mr. Speaker.

**The Deputy Speaker:** The hon. Member for Calgary-Currie.

**Mr. Lord:** Thank you, Mr. Speaker. It's my pleasure to rise in the Assembly this afternoon and offer my remarks on Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004,

sponsored by the Member for Calgary-West. Mr. Speaker, as we have already heard this afternoon, this bill would allow Albertans the choice of entering into spousal agreements guiding the distribution of their CPP benefits. This option would be afforded to a relationship breakdown of both marital spouses and common-law couples in order to keep consistent with the current provisions outlined in the Canada pension plan credit-splitting program. The CPP program permits pension benefits to be split for common-law partners and marital spouses; therefore, this legislation has extended the opt-out to both types of relationships.

I would like to take a moment to clear up a misconception surrounding this piece of legislation. Bill 203 would not force ex-spouses or ex-partners to opt out of the CPP credit-splitting program. This legislation would give the province the authority to uphold spousal agreements entered into and agreed to by parties who decide to not split their credits. Therefore, Albertans could still choose to split their CPP credits if they do not enter into these agreements.

Mr. Speaker, quite simply, this bill offers Albertans choice. Parties can agree not to split the credits or decide that the division would be in their best interests. This bill does not force Albertans to opt out of the program. Instead, it puts forth flexibility and an option for Albertans to take control of their finances while making decisions that are relevant to their individual situations. This legislation provides ex-spouses or ex-partners flexibility in determining how their equity is divided upon the breakdown of a relationship, rather than letting the federal government dictate the outcome.

Mr. Speaker, I believe options in making these decisions are crucial. The dissolution of a marriage is difficult enough without not having the ability to make decisions based on personal circumstances. I question: does it not seem logical that spouses should be able to waive rights in a particular piece of equity, especially when the waiver is in exchange for something of more or less the same value? Are not these individuals in the best position to make decisions about their own financial futures, and if this isn't the case, who is in a better position: the federal government?

I believe that more problems can arise from inflexibility in these proceedings. The current federal legislation holds authority over how pension benefits are to be split. However, what if it is in the couple's mutual disadvantage to do so? Should they be forced to divide the pension? As the law stands, they would be required to split and would not have the option to choose for themselves as to how their rights are affected by a marriage breakdown. The lack of flexibility may interfere with sensible or practical resolutions of equity issues between the parties.

5:20

Mr. Speaker, I would like to offer an example to highlight this situation. Let's say that during a marriage one of the spouses worked outside the home and paid into the CPP plan while the other spouse stayed at home to raise the children. The couple is now seeking a divorce, unfortunately. The spouse that stayed at home does not wish to collect any of the CPP benefits. The children have since left home, and this individual is now working and paying into an employee pension plan. This person has also secured other means of providing retirement income through investments such as RRSPs. Therefore, it has become beneficial for that spouse to retain other equity such as the house. Perhaps the spouse that paid into the CPP has not paid into an employee pension plan and has no other means of securing retirement income. In this situation it would work against both parties' interests to have to split the CPP credits. It is beneficial for the spouse that paid into the CPP plan to keep all of his or her credits because he or she has no other source of retirement savings.

Mr. Speaker, another important point which should be brought forward is that Bill 203 would also work to raise awareness and provide information about the CPP's credit-splitting program. Income security in retirement is as important for noncontributing spouses as it is for contributors. Regardless of the decision that spouses make regarding CPP benefits, they should be aware of their options and the credit-splitting program. Credit splitting has not been an effective tool in providing retirement income to both spouses. Despite attempts to raise awareness by the CPP, there seems to be a lack of understanding of the Canada pension plan credit-splitting program.

Over the past few years various methods have been used to deliver credit-splitting information to divorced couples. Provincial courts currently include an information sheet with the provisions of the program in mailings of the divorce judgment documents. The information is also made available on the Human Resources and Skills Development Canada web site.

Despite these attempts many spouses or common-law partners are under the impression that if they did not pay into the CPP, they are not entitled to receive any benefits. This is simply not true. However, this perception is still prevalent among the general population. The CPP recognizes the importance of spouses who work inside the home to contribute to the well-being of the family. Even if both spouses paid into the plan, the CPP will take the pooled total and then divide and distribute the pension benefit.

It is important that both spouses are aware that they have a right to this benefit. Both spouses are entitled to share CPP pension credits. Bill 203 will help to raise this awareness. This bill would assist in dealing with pension credits in an upfront manner at the time of divorce or separation when other decisions are made about the division of property or equity.

Mr. Speaker, some individuals argue that the CPP is not an effective way of securing retirement income because it does not provide sufficient funds to cover the cost of living. Now, I would agree that Canadians should not rely solely on this program to provide their retirement income. However, it does provide important assistance to many Canadians.

The calculation of retirement pension varies with every circumstance and is dependent on how much and for how long an individual contributed to the plan. In 2001 the average pension that started at age 65 was over \$420 per month. The maximum for that year was \$775 per month. In 2002 the maximum retirement pension was \$788 per month. Therefore, half of the benefit is almost \$400 per month. It's not insignificant. I realize that for a lot of people this does not cover expenses. However, let us not forget about individuals who are on fixed incomes. Many seniors have tight budgets and cannot compensate for any deductions in their income. Therefore, any future entitlements could greatly affect the financial situation of some seniors.

Credit splitting needs to be dealt with in an upfront manner and through mutual understanding, whether the parties agree to split the benefits or not. Both parties need to understand the program and be provided with options to address their individual needs. Bill 203 would serve to raise the profile and create an understanding about credit splitting. It would allow individuals to make decisions about CPP benefits and plan appropriately for their future.

In closing, I would like to commend the Member for Calgary-West for raising this issue. Bill 203 gives Albertans an important option when making decisions about their pension. I encourage all members of the House to join with me in supporting Bill 203, the Canada Pension Plan Credits Statutes Amendment Act, 2004. Thank you, Mr. Speaker.

May I at this point adjourn debate on Bill 203.

[Motion to adjourn debate carried]

**The Deputy Speaker:** The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. I move that we adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:28 p.m.]