

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[English]

PUBLIC PENSIONS REPORTING ACT

MEASURE TO ENACT

Mr. W. Paul McCrossan (York-Scarborough) moved that Bill C-255, an Act to impose reporting requirements with respect to public pension plans and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative Committee.

He said: Mr. Speaker, it is a pleasure to rise today to introduce Bill C-255, the Public Pensions Reporting Act.

As Members will be aware, last year the all-Party committee on the Reform of the House chaired by the Hon. Member for St. John's East (Mr. McGrath) brought forth recommendations to strengthen the role of the Private Member. The Committee recommended that starting in the new year some Private Members' legislation be allowed to come to a vote. Members will be aware that today is the first Private Members' Hour in the new year. This Bill is non-partisan in nature and ensures that all Members of Parliament as well as the public have available to them timely information concerning the extent of the public pension commitments made by the Government. I hope that today we can launch a new era in parliamentary practice whereby Private Members' Bills are passed on second reading to be studied in committee and indeed subsequently allowed to come back into the House for final consideration.

This Bill is admittedly long and apparently complex for a Private Member's Bill, but in reality the concepts are simple. The Bill is designed as a "freedom of information" Bill for Members of Parliament concerning the cost of Government pension promises. There are three aspects to the Bill. The first ensures that at least every three years, estimates of the costs of Government pension plans are calculated. The plans subject to the Act include all Government plans affecting members of the public, such as the CPP, OAS, Guaranteed Income Supplement, and spouses benefits. In addition, all plans affecting Government employees are covered such as the Public Service Superannuation Act, the Armed Forces Superannuation Act, the RCMP Superannuation Act, as well as the Members' and Judges' plans. The second aspect of the Bill is to set a time limit for preparation of these reports. The time provided is 18 months. A third provision of the Bill requires that these reports be tabled in the House by the Minister of Finance (Mr. Wilson) within 30 days of receipt.

Why is such a bill needed? Pension plans are long term commitments. Often it is very inexpensive to promise benefits today that will not be paid for 20, 30 or 40 years in the future. Members of Parliament and the public have an obligation to ensure that the promises we make can be met, and this requires that we know the anticipated costs well in advance. The concepts in this Bill are not new. Since 1980 the Auditor General has been qualifying his opinion on Canada's audited

Public Pensions Reporting Act

financial statements when he certifies the public accounts of Canada. In his reservations concerning the financial obligations of Canada, he notes that billions of dollars relating to incurred pension promises have not been recorded. He summarizes by saying: "In my opinion, all these financial obligations should be appropriately recorded and reported in the financial statements to provide a more complete disclosure of liabilities." Similarly, in last year's Report of the Auditor General to the House of Commons, he devoted an entire chapter to the effect that Members of Parliament and the public do not have adequate information concerning the estimated costs of the OAS and CPP programs. Sections 2.5 and 2.6 of his report read:

[Translation]

We are concerned that Members of Parliament do not have adequate information to assess and understand fully both long and short-term financial implications of public pension programs. Given the magnitude of the costs, an increasing elderly population, and the complexity of other factors affecting these programs, it is reasonable to assume that there should be quantification and a periodic review of long-term financial implications—

We are also concerned that the quality of information provided to Parliament through the Estimates and annual reports has deteriorated, with the result that there is, in our opinion, insufficient information for Members of Parliament to assess the financial performance of the programs.

[English]

Of course it is not just the Auditor General who has been pointing out the need for this information to be in the hands of Members of Parliament. The Parliamentary Task Force on Pension Reform, chaired by the Hon. Member for Sudbury (Mr. Frith), faced the same problem in 1983 of inadequate data in trying to come up with recommendations for a new national pension benefit system for Canada. Recommendation 2.2 of the report reads: "The task force recommends that the Minister of Finance table in the House of Commons every five years, in conjunction with the regular review of CPP contribution rates proposed in recommendation 4.1, a comprehensive set of cost projections for the public pension system and other major programs such as health care that represent significant transfers of resources to the elderly in order to promote public debate about the extent and sustainability of current commitments."

Similarly, Section 7.1 of the report concerning pension plans for Government employees have recommended that "public sector occupational plans should be governed by the same general rules as other occupational pension plans. They should reflect a full and true costing of all promised benefits, and these costs should be fully disclosed to employees and to the public."

Currently there are a variety of reporting practices. For the CPP, reports are prepared every five years and filed on a reasonably timely basis. However, for the benefits provided under the OAS Act, there is no reporting to Parliament whatever of the anticipated future costs of the program. Similarly, practices vary with respect to the public sector occupational funds. For the Public Service, RCMP, and Armed Forces plans, there is a requirement that the plans be valued every five years. In practice, the Government actuary