

**Report to the  
Standing Committee on Crown Corporations**

**Regarding  
Disclosure of payee information  
by  
CIC Crown corporations and related entities**

**February 2003**



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SASKATCHEWAN

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February 13, 2003

Mr. Harry Van Mulligen, Chair  
Standing Committee on Crown Corporations  
Room 105, Legislative Building  
REGINA, SK S4S 0B3

Dear Mr. Van Mulligen:

On December 10, 2001, the Standing Committee on Crown Corporations asked CIC and the Provincial Auditor to review the disclosure of payee information by CIC Crown corporations and related entities and to report back to the Committee on this matter.

As requested by the Committee, I provide my report on the disclosure of payee information by CIC Crown corporations and related entities for the Committee's consideration.

Yours truly,

Fred Wendel, CMA, CA  
Provincial Auditor

/dd

# **Disclosure of payee information by CIC Crown corporations and related entities**

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## Executive summary

We prepared this report in response to a request by the Standing Committee on Crown Corporations (Crown Corporations Committee). The Committee asked Crown Investments Corporation of Saskatchewan (CIC) and the Provincial Auditor to review how the Provincial Auditor's recommended process for disclosing payee information (see our 2001 Spring Report, Chapter 11) should apply to CIC Crown corporations and their related entities.

The objective of recommending a process for disclosing payee information is to ensure that legislators receive the information they need to hold the Government accountable for its spending. We want to ensure that public business is made public unless disclosure impairs personal privacy or the economic interests of the Government or a third party. Where public disclosure would impair the Government's economic interests or those of a third party, we want to ensure that legislators still receive the necessary information, but in private (*in camera*), to hold the Government accountable. We do not recommend disclosing any information that would impair personal privacy as set out in the law. We also want to ensure that legislators get independent legal advice to help them make these decisions.

We recommend that each Crown corporation provide the Legislative Assembly with a list of persons who received money and the amounts they received unless public disclosure would impair personal privacy or the corporation's or a third party's economic interests. The onus is on the corporation to convince the Committee that public disclosure of payee information would impair an economic interest. Where public disclosure of the information would impair a Crown corporation's or a third party's economic interests, we recommend that the corporation disclose the information in a private (*in camera*) meeting of the Crown Corporations Committee.

Because legislators may have difficulty deciding what information would impair personal privacy or the economic interests of a Crown corporation or third party, the Crown Corporations Committee should seek independent legal advice. We think that the Information and Privacy Commissioner is the best person to assist the Committee because he is an independent officer of the Legislature and has expertise in deciding if public disclosure of information could impair personal privacy or the economic interests of a Crown corporation or third party. The Committee should request that the Commissioner provide his advice and recommendations by calling him to appear before the Committee.

## Purpose of the Report

On December 10, 2001, the Standing Committee on Crown Corporations (Crown Corporations Committee) discussed the recommendations in Chapter 11 of the Provincial Auditor's 2001 Spring Report regarding the disclosure of payee information. The Provincial Auditor recommended that this Committee follow a specific process for deciding what information Government agencies should disclose and to whom. The Committee asked Crown Investments Corporation of Saskatchewan (CIC) and the Provincial Auditor to review the matters contained in that recommendation and to prepare a report to the Committee. We worked together with CIC. This is the report from the Office of the Provincial Auditor. CIC plans to issue a separate report to the Committee.

This report provides a review of various issues associated with the disclosure of payee information by CIC Crown corporations and their related entities. Also, it provides the Crown Corporations Committee with alternatives for reviewing payee information as well as a revised process for deciding what payee information should be disclosed, and to whom, to meet the accountability needs of Members of the Legislative Assembly (MLAs) and the public.

This report pertains to CIC Crown corporations (i.e., CIC, designated subsidiaries of CIC, and their wholly-owned subsidiaries) and other related entities that they manage. A complete list is provided in Appendix 2.

## Background

In our 1990 Annual Report to the Legislative Assembly, the Provincial Auditor noted that Crown corporations were not providing the Assembly with sufficient information to allow for a detailed investigation of Government spending. For example, when a Government department spent public money, the Assembly received a list of the persons who received money and the amounts received. This allowed the Assembly and the public to question payments. Crown corporations were not providing the Assembly with a list of the persons who received money. As a result, there was not full accountability. The Government partially addressed this concern by requiring Government organizations that report to Treasury Board to provide this information, leaving only CIC Crown corporations and related entities that did not provide this information.

## Disclosure of payee information

In 1992, the Financial Management Review Commission stated that it could see no reason, in principle, why Crown corporations should not be held to the same standards of public disclosure as Government departments, although the degree of detail and the nature of the information might vary depending on the corporation. The Commission recommended that all corporations, unless specifically exempted by their mandate, should be subject to the same public reporting requirements, on their past year's activities, as Government departments.

In 1993, the Standing Committee on Public Accounts (PAC) recommended to the Legislative Assembly that "*with regard to strengthening the ability of legislators to hold Crown corporations accountable, Crown corporations should have the same public reporting requirements as do Government departments unless otherwise stated in the mandate of the corporation.*" The Legislative Assembly agreed with this recommendation.

Crown corporations responded to PAC with concerns that full public disclosure of payee information may cause economic harm, given their commercial mandate, and that the same public disclosure requirements that apply to all other Government agencies (departments, Treasury Board Crown corporations, Crown agencies) should not necessarily be applied to CIC Crown corporations. Consequently, CIC Crown corporations and related entities did not comply with the PAC recommendation.

In February 1998, PAC discussed the Provincial Auditor's recommendations regarding agencies making public lists of persons who have received money from them. PAC agreed that the spirit of accountability is an important fundamental of government. Also, PAC noted that circumstances for every Government agency may be unique and may vary, and that broad sweeping recommendations that blanket all agencies are not appropriate. For CIC Crown corporations, PAC asked the Assembly to refer this issue to the Crown Corporations Committee for its consideration. With changes to *The Provincial Auditor Act* in June 2001, the Legislative Assembly now refers matters in the Provincial Auditor's reports that are related to CIC Crown corporations to the Crown Corporations Committee.

In the mid-1990s, the Crown Corporations Committee agreed that reports from CIC Crown corporations about certain payments should be provided for the Committee's review concurrent with their annual reports and



## Disclosure of payee information

financial statements. To clarify this informal understanding, the Committee formally set out this requirement in December 1998 (see Appendix 5). As a result, Crowns provide the Committee with a list of certain payments.

## **Accountability needs of MLAs and the public**

In the Westminster model of government, public sector accountability can be thought of as a linked chain of participants. Under this "chain of accountability" structure, the Legislative Assembly represents the public. The Assembly assigns responsibility to the Government as a "trustee." The Assembly holds the Government accountable for its activities. To hold the Government accountable, it is necessary for the Assembly to scrutinize the activities of the Government and for the Government to facilitate that scrutiny by providing information.<sup>1</sup>

Governments must be held publicly accountable for the resources entrusted to them because the resources are public money. Some of the information that MLAs and the public use to hold the Government accountable are as follows:

- ◆ sound planning information;
- ◆ performance reports that include planned and actual results;
- ◆ interim reports about progress towards its goals and about new developments;
- ◆ payee information;
- ◆ information about significant transactions; and
- ◆ reports by the Provincial Auditor on significant matters.

Disclosure by the Government of information about its use of public money is important because it:

- ◆ serves to remind all government officials that they are spending money that is entrusted to them by the public;
- ◆ adds rigour to decision making as it ensures those who spend public money know their use of that money will be public; and
- ◆ ensures that the public knows who has received their money.

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<sup>1</sup> Statement of Principles—Effective Public Sector Accountability, Australasian Council of Auditors-General, 2000.

## Disclosure of payee information

The Assembly's objectives for requiring public disclosure of payee information can be summarized as follows:

- ◆ MLAs want to monitor who gives money to political parties and who gets money from government agencies;
- ◆ MLAs want to ensure that government agencies spend money objectively; and
- ◆ MLAs want to build public confidence by ensuring that the use of public money is transparent.

The Legislative Assembly, either directly or through one of its committees, has the power to demand and receive any information it desires. *The Legislative Assembly and Executive Council Act* states that the Assembly is a court and possesses all the rights, powers, and privileges of a court of record. For example, the Assembly "*may at all times command and compel the attendance before the Assembly, or any committee of the Assembly, of any persons and the production of any papers and things that the Assembly or committee may consider necessary in any of its proceedings or deliberations.*" Accordingly, it is an essential element of governance that the Assembly establishes what information is needed by MLAs and the public to hold the Government accountable. Furthermore, Crown corporations are created by, and the responsibility of, the Legislative Assembly. Members of the Legislative Assembly alone are in a position to hold them to account.

## **Provincial Auditor's recommendations**

In December 2001, the Crown Corporations Committee reviewed the Provincial Auditor's Report and recommendations for the first time. It reviewed Chapter 11 of the 2001 Spring Report pertaining to CIC. That chapter contained the following two recommendations related to the disclosure of payee information.

### **Recommendation 1**

CIC and its subsidiaries should either:

- ◆ publish a list of persons (e.g., employees, suppliers) who have received money from them and the amounts the persons received, following the Assembly's current disclosure requirements (see appendix 4); or

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- ◆ seek direction from the Standing Committee on Crown Corporations on alternate disclosure requirements that will achieve legislators' objectives for requiring this information.

### **Recommendation 2**

The Standing Committee on Crown Corporations should follow the process set out (see Appendix 3) for deciding what information government agencies should disclose and to whom.

## **Research and findings**

This section describes the work that CIC or the Provincial Auditor did to prepare this report. The following tasks were performed:

- ◆ surveyed CIC Crown corporations for their views;
- ◆ surveyed practices in other jurisdictions in Canada;
- ◆ identified disclosure requirements for other Saskatchewan Government agencies;
- ◆ reviewed legislative provisions regarding disclosure of payee information, e.g., freedom of information and Crown employment contracts legislation;
- ◆ identified circumstances where disclosure of payee information may not be useful for accountability purposes; and
- ◆ developed and assessed alternatives by which the needs and objectives of MLAs and the public could be met including the advantages and disadvantages of each.

### **Survey of Crown corporations**

CIC asked its subsidiary Crown corporations (Crowns) to comment on the implications of disclosing payee information on their organizations and subsidiaries. A questionnaire, prepared by CIC and reviewed by the Provincial Auditor, was sent to the Crowns requesting their input (see Appendix 6). Crowns were asked to respond to specific questions in four main areas as follows:

- ◆ Confidentiality Agreements
- ◆ Competitive Considerations

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- ◆ Strategic Business Considerations
- ◆ Industry Practice

A summary of each response is included in Appendix 7. We have not performed a detailed assessment of the statements made by Crown corporations in their responses or the potential economic impacts of disclosing payee information. However, it is difficult to understand how the disclosure of aggregated payee information for the prior year could impair the economic interests of the Crowns or a third party as described by management. For example, in most cases, it would be impossible to derive pricing information from such a list. This is especially so if the few instances where payee information might impair economic interests are reviewed *in camera* by MLAs only, i.e., without public disclosure.

The Committee will have to decide if the disclosure of aggregated payee information should be made public. Because the Committee could have difficulty making these decisions, it should seek independent legal advice to help it assess a Crown's reasons regarding the impact on personal privacy or economic interests. There are precedents for the Committee using the services of an expert adviser and legal counsel. For example, the Committee engaged the services of a lawyer during the Channel Lake inquiry. This was authorized by a motion of the Assembly.

The Committee should request that the Information and Privacy Commissioner provide his advice and recommendations by calling him to appear before the Committee. He is the best person to provide advice on such matters because he is an independent officer of the Legislature, is a lawyer, and has expertise in reviewing and recommending disclosure on requests for Government information. Under *The Freedom of Information and Protection of Privacy Act (Act)*, he is required to decide if the disclosure of information could reasonably be expected to impair personal privacy or the economic interests of the Government or a third party. The Commissioner's mandate also includes providing public education and information concerning the Act and his role and activities.

We consulted with the Commissioner on whether disclosing aggregated payee information would impair the economic interests of the Crowns or a third party. The Commissioner is of the view that disclosing a list of names and the amounts they were paid would not impair the Government's or a third party's economic interests. This information is not confidential under

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the Act, and therefore, is not exempt from public disclosure. For the few cases where Crowns think that disclosure might have an economic impact, the Crowns would have to demonstrate on a case-by-case basis that disclosing the name and amount paid to a particular organization would impair the economic interests of a Crown corporation or a particular organization.

We also consulted with the Commissioner on the effect that confidentiality clauses have on public disclosure. The Commissioner is of the view that clauses requiring confidentiality may not supersede disclosure of the information.

In general, the survey responses indicate that the Crowns do not support expanding current accountability and disclosure practices related to payee lists. They expressed concerns about the negative effect they think increased public and *in camera* disclosure would have on their economic interests.

In addition, some Crowns said that they think employee salaries are personal information and should not be disclosed. However, section 24 of *The Freedom of Information and Protection of Privacy Act* states that an employee's salary and classification and the financial or other details of a personal services contract are not personal information. Accordingly, such information can be made public under this Act. This interpretation has been confirmed by the Commissioner.

Some Crowns expressed concern that disclosure could lead to a breakdown of performance-based compensation systems and an overall increase in salary levels. Ontario Hydro was noted as an example. However, we found that when Ontario Hydro was restructured in 1999, the Ontario Government exempted the new companies, Hydro One Inc. and Ontario Power Generation, from the Freedom of Information and the Public Sector Salary Disclosure Acts. At the time, management argued that such legislation would put them at a competitive disadvantage. It was reported that an Ontario Government Minister stated, "Privacy rules are necessary to allow companies to operate in a competitive market environment."<sup>2</sup> When public disclosure ceased, salaries and benefits paid to some employees quickly escalated into the millions of dollars, far exceeding rates paid by

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<sup>2</sup> *Hydro One* urged to become more accountable, Canadian Press, Toronto, June 11, 2002

## Disclosure of payee information

Quebec Hydro and BC Hydro. When this information was brought to the attention of the public, there was significant public concern. The Government of Ontario then passed a law to reduce salaries and benefits for those employees.

A supplementary request was sent to the Crown corporations after the initial responses were received (see Appendix 8). CIC and the Provincial Auditor sought the Crowns' views on providing payee information to the Standing Committee on Crown Corporations for confidential *in camera* review by MLAs in those situations where public disclosure was not desirable. There was a variety of responses (see Appendix 9). Several Crowns commented that they did not want to give this information to the Committee for review *in camera*, while others said that they could accept providing additional information. One suggestion was that disclosure should be limited to potentially contentious classes of payments. Several Crowns suggested providing a list of payee names without amounts. Some stated that, if it could be assured that the information would remain confidential, then risks of disclosure would be reduced and therefore, payee information could be discussed by the Committee *in camera*. Some expressed concern with ensuring that information disclosed *in camera* would remain confidential, suggesting that information reported *in camera* will essentially become public disclosure.

The Crowns also argued that *in camera* review is inconsistent with the principle of public transparency. While it is true that some information would not be made public if it was reviewed by the Committee *in camera*, we think this restriction is justified in those rare cases where public disclosure would impair economic interests. However, this review process would ensure that the principle of legislative oversight is preserved.

A second supplementary request was sent to the Crown corporations (see Appendix 10). CIC sought the Crowns' views on whether the Committee should seek advice from the Information and Privacy Commissioner to help it decide what payee information should be disclosed and to whom. A summary of the responses is provided (see Appendix 11). In general, Crown corporations do not support the proposal that the Committee seek the Commissioner's advice. Some responded that this did not appear to be within his mandate. However, the Commissioner states that, if directed by the Assembly or the Committee, he would be obligated to appear before the Committee.

## Disclosure of payee information

We find the objections to a review of payee information by the Assembly or the Crown Corporations Committee, even in a confidential *in camera* setting for those cases where economic interest may be at issue, to be unreasonable. This is equivalent to the management of a private sector corporation advising its Board of directors that it cannot tell the Board what contracts it had signed or what payments it had made. The Legislative Assembly is not an unrelated, outside body. It is the equivalent of a Board elected by shareholders, i.e., the public. It must be kept in mind that these enterprises are “Crown” corporations. That is, they are established by, and fully accountable to, the Legislative Assembly for any and all aspects of their operations. Where the Assembly has delegated its powers to the Government to enter into arrangements with financial implications, the Assembly, by law, has retained the right to scrutinize the arrangements after the fact in order to fulfil its legislative function.

As noted by the Australasian Council of Auditors-General:

Some private and public sector bodies are instinctively apprehensive and protective about the disclosure of any commercial information. Such views often overstate the implied risks to an entity that might occur by the release of commercial data. After-the-fact commercial information has significantly less value than commercial information concerning events that have yet to occur. Even though reasons may be advanced for not disclosing this information, there are often overriding obligations that require it to be released.<sup>3</sup>

### **Payee disclosure practices in other Canadian jurisdictions**

The other Canadian provincial and territorial governments were surveyed to determine their payee disclosure practices. These practices are reviewed below and summarized in Appendix 12. In addition, Canadian securities regulators require public disclosure of executive salaries by enterprises subject to these regulators, generally when such amounts exceed \$100,000 per year.

British Columbia has the most extensive public disclosure requirements of all provincial and territorial governments. Disclosure of salary and supplier

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<sup>3</sup> Statement of Principles — Commercial Confidentiality and the Public Interest, Australasian Council of Auditors-General, 2000.

## Disclosure of payee information

payments is required under B.C.'s *Financial Information Act* (Act), which is applicable to:

- ◆ corporations, associations, boards, commissions, or societies to which a grant or advance may be made, or the borrowings of which may be guaranteed by the government; and
- ◆ public bodies as defined in *The Auditor General Act*, and listed in a schedule to the Act.

In B.C., public bodies include Crown corporations such as:

- ◆ British Columbia Hydro and Power Authority (BC Hydro);
- ◆ Columbia Power Corporation;
- ◆ Insurance Corporation of British Columbia;
- ◆ British Columbia Ferry Corporation; and
- ◆ British Columbia Railway Company.

B.C.'s *Financial Information Act* and Regulations (thresholds were revised in September 2002) require corporations and their subsidiaries to individually disclose payments, by employee name (including officers, directors, and elected officials), for salaries and expenses greater than \$75,000 and a consolidated total of all salaries paid to all other employees. The Act also requires them to individually disclose payments, by supplier name, for the supply of goods or services greater than \$25,000, as well as a consolidated total of all other payments. Contracts with service suppliers and contractors in most cases include confidentiality clauses. However, a BC Hydro official told us that the Act has been consistently interpreted by BC Hydro and the Information and Privacy Commissioner of B.C. as overriding any confidentiality clauses.

Of the remaining jurisdictions, four provinces publicly disclose employee salary information.

In Manitoba, Crown corporations (e.g., Manitoba Hydro) are subject to the *Public Sector Compensation Disclosure Act*. The Act requires disclosure of the name, position title, and amount of compensation paid for each employee and officer where the amount is \$50,000 or more.



### **Disclosure of payee information**

In New Brunswick, salary payments of \$40,000 or more, including those paid by Crown corporations (e.g., New Brunswick Power Corporation), are reported in the Government's Public Accounts.

In Alberta, all Crown agencies are required to disclose the salaries and benefits paid or provided to their executives and board members. This information is reported in the notes to the agencies' financial statements.

In Ontario, the *Public Sector Salary Disclosure Act, 1996* requires various public sector bodies to disclose the name, position title, and salary and benefits of employees paid \$100,000 or more. However, it exempts those whose purpose is for profit to their shareholders or members. Although Hydro One Inc. and Ontario Power Generation are exempted, they are required by the Securities Act to disclose salaries and benefits paid or provided to their executives and board members.

In Nova Scotia, the Auditor General recommended in 2000 and 2001 that the Nova Scotia Government should establish compensation and other disclosure standards applicable to all departments, Crown corporations, agencies, and other provincial public sector entities. The 2000 Report states that implementation of disclosure standards similar to those established by security or other financial regulatory bodies for executive and management compensation would provide meaningful information to MLAs and other interested parties.

### **Comparison to requirements for other Saskatchewan Government agencies**

The Legislative Assembly has approved general disclosure requirements for payee information. These requirements are listed in Appendix 4. Initially, these requirements were applied to departments and special purpose entities. However, in the mid-1990s, the scope was expanded to include all entities that report to Treasury Board.

Some of the concerns raised by CIC Crown corporations about making payee information public apply equally to Government entities that currently comply with the Assembly's general disclosure requirements. For example, entities that report to Treasury Board also enter into contracts, some of which contain confidentiality clauses. Although contracts are kept confidential, total payments are reported publicly. Also, those entities are subject to similar pressures on human resources and competitive prices for

goods and services as a result of publicly disclosing payments made to employees and suppliers.

**Existing legislative provisions concerning disclosure of payee information**

The Legislative Assembly often sets out requirements to ensure adequate public accountability, as well as the protection of privacy and safeguarding of the Government's economic interests, in the laws it enacts. For example, *The Freedom of Information and Protection of Privacy Act* provides the right of public access to many Government documents. It also provides a right of privacy with respect to personal information held by the Government, as well as the right of the Government to withhold disclosure of information from the public such as:

- ◆ proprietary financial or commercial information that has a monetary value; and
- ◆ information, the disclosure of which could reasonably be expected to prejudice the economic interest of the Government or a Government entity.

The Information and Privacy Commissioner has expertise in the provisions of *The Freedom of Information and Protection of Privacy Act* (Act). Accordingly, the Committee should seek the Commissioner's advice when deciding if payee information can be disclosed publicly.

The Act limits access to personal information. However, the Act provides that an employee's salary and classification, and the financial or other details of a personal services contract are not personal information. Furthermore, *The Crown Employment Contracts Act*, with some exceptions (e.g., excludes contracts where employees are covered by a collective bargaining agreement), states that every Crown employment contract is a public document and is available for public disclosure. It also states that any provision in a contract indicating that the contract is to remain confidential is void.

## Disclosure of payee information

### **Circumstances where disclosure may not be useful for accountability purposes**

In some cases, public interest in disclosure of payee information may be outweighed in importance by other factors. These include:

- ◆ payments made under universal entitlement programs where the entity has no discretion in making the payments (e.g., SGI claim payments to individuals, pension payments to retired employees); and
- ◆ low value payments.

For these cases, MLAs may exempt a Crown entity from reporting certain classes or groups of payments. This exemption may be from public disclosure, or from *in camera* disclosure to a legislative committee.

## **Analysis**

MLAs and the public need certain information for accountability purposes. In any accountability system, there are trade-offs when making decisions about the nature and extent of information that should be provided. Certain types of information may not be reported publicly or would not serve a useful purpose. These may be viewed as legitimate limitations to a system of full accountability.

While there is a cost to public disclosure, the cost is often accepted because of the importance of providing adequate accountability to the public and the higher cost to the public if there is inadequate accountability. Also, the private sector must expect that, when it deals with the Government, the disclosure requirements cannot merely be those that pertain to commercial transactions between two private sector entities. If the accountability arrangements are the same, then insufficient weight has been given to the need for the Government to be accountable to the public.<sup>4</sup>

The Government may refuse public access to certain information but MLAs still retain the power to review this information *in camera* to fulfil their accountability objectives. MLAs must decide how best their needs and those of the public can be met at a reasonable cost, with the least negative

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<sup>4</sup> *ibid.*

effects, so that MLAs and the public have confidence in the public spending made by the Government.

The following are possible alternatives and a recommended process that MLAs could use for deciding what payee information to disclose and to whom.

## **Alternatives**

The range of choices available to MLAs for disclosure by CIC Crown corporations of payee information extends from no disclosure to full disclosure. In addition, there are options between these two extremes. Four alternatives are provided below with the advantages and disadvantages of each.

### **Alternative 1**

CIC Crown corporations and their related entities could make no disclosure of their payee information to MLAs or the public.

Advantages:

- ◆ there is no cost to the Assembly to have the Government prepare reports of payee information.

Disadvantages:

- ◆ this alternative provides the lowest level of accountability;
- ◆ lack of public scrutiny may increase operating costs;
- ◆ MLAs' and public's accountability needs are not met;
- ◆ this alternative may be more costly for those seeking accountability information, as they must resort to Freedom of Information laws to acquire information that is not otherwise restricted from public access; and
- ◆ MLAs must make requests in the Legislative Assembly to obtain this information.

### **Alternative 2**

CIC Crown corporations and related entities could make full public disclosure of their payee information consistent with the general disclosure

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requirements established by the Assembly for all other Saskatchewan Government entities (see Appendix 4).

Advantages :

- ◆ MLAs' and public's accountability needs are met; and
- ◆ public scrutiny helps to minimize operating costs and reduce the risk of making inappropriate expenditures.

Disadvantages:

- ◆ increased cost to prepare and report the information; and
- ◆ there may be a risk of disclosing information that could harm the Government's economic or commercial interests.

### **Alternative 3**

CIC Crown corporations and their related entities could provide the Committee with payee information similar to what it currently receives.

However, clearer direction is needed to ensure that reports are consistently prepared. At present, the Crown Corporations Committee does not receive similar information from each corporation. Some Crown corporations report each executive employee's basic salary rate, while others report compensation actually paid (note: some include severance payments). In addition, some Crown corporations do not report payments to consultants if the payments relate to a construction project. Also, some provide the requested information for the parent corporation only and not its subsidiaries.

Under this alternative, entities could report the following payee information for the parent corporation and each of its subsidiaries:

- ◆ total compensation and benefits paid to or on behalf of each executive employee
- ◆ total compensation and benefits paid to or on behalf of each board member
- ◆ out-of-province travel paid to or on behalf of each executive employee and board member
- ◆ expenses paid to or on behalf of Ministers and ministerial assistants related to business of the Crown corporation

## Disclosure of payee information

- ◆ payments to consultants and others exceeding a specified threshold (currently \$10,000) to be determined by MLAs (e.g., payments to law firms, advertising, accounting/auditing/consulting firms, management services, research services, and others).

### Advantages:

- ◆ no additional cost to prepare and report this information.

### Disadvantages:

- ◆ MLAs' and public's accountability needs are not met; and
- ◆ inconsistent with requirements for other Government organizations that must provide similar information publicly.

## **Alternative 4**

CIC Crown corporations and their related entities could disclose payee information following a revised process as set out in Appendix 1. Under this process, the Crown Corporations Committee would establish what payee information is needed to meet MLAs' and the public's accountability objectives for requiring this information. This flowchart is designed so that it could also be used to decide what information any Government entity should disclose and to whom.

In deciding what payee information that CIC Crowns would disclose, the Crown Corporations Committee should ask CIC if there are existing provisions (policies or laws) approved by the Assembly concerning the public disclosure of this information. If so, that direction would be followed. If there are no existing directions, the Committee would determine the nature and extent of payee information that should be disclosed, either publicly or to the Committee for confidential *in camera* review by MLAs only. Minimum thresholds should be set by the Committee for reporting payee information.

The onus is on the Crown corporation to convince the Committee why the name of a payee and the amount paid should not be made public. MLAs must decide if the reasons provided by the corporation override the MLAs' objectives for requiring payee information. As noted earlier, the Committee should ask the Information and Privacy Commissioner for advice on whether public disclosure is legally permitted or if it would impair personal privacy or the Crown corporation's or third party's economic interests in

## Disclosure of payee information

specific instances. In those rare cases where the Committee decides that the disclosure of the name of a payee and the amount paid would impair an economic interest, the Committee would still retain the right to review this information *in camera*. Where Crown corporations do not publicly disclose a list of payees, they should report the number and value of payments not disclosed.

The ability of MLAs to review certain classes of information *in camera* is a very important right and it provides several advantages. Crown corporations serve diverse purposes. They are created by the Legislative Assembly to fulfil the Government's public policy objectives as well as to operate as commercial enterprises. Some may argue that certain payment information should not be disclosed to the Assembly or its committees because it would impact their economic interests. However, a system of reviewing this information in a confidential setting is necessary in rare cases to ensure that the chain of accountability is completed, i.e., from the Legislative Assembly to its Crown corporations and back to the Legislative Assembly. MLAs are thus able to ensure that they have met their obligation to carry out an adequate review of expenditures of public money.

Under this alternative, MLAs could ask Crown corporations to report payee information in the following categories.

### ***Payroll***

For payments to employees, the Committee could recommend that Crown corporations publicly report a list of all employees and the amounts they were paid. A minimum threshold (e.g., \$50,000) should apply.

### ***Goods, services, and other expenses***

For payments to suppliers and others, the Committee has alternatives to choose from. Where it finds that the law does not prohibit the publication of the names of payees and the amounts they were paid, and MLAs' objectives are best met by publicly disclosing this information, it could recommend that the entity publicly report a list of names and the amounts they were paid. A minimum threshold (e.g., \$50,000) should apply. Also, the Committee could set other exemptions for the entity from publicly disclosing certain types of payments, e.g., payments made under universal entitlement programs.

## Disclosure of payee information

For those rare cases where the Committee determines that public disclosure would impair the entity's economic interests or those of a third party, it could recommend that the entity provide a list of names and the amounts they were paid to the Committee for review *in camera*. A minimum threshold (e.g., \$50,000) should apply. Or, to help ensure confidentiality, the Committee could request a list, without amounts, of those who received amounts exceeding a specified threshold (e.g., \$50,000) for review *in camera*. The entity could then report the amounts verbally in response to specific questions. Under either choice, the list should indicate the reason why the information was not disclosed publicly. In addition, the entity should publicly report the number and total value of payments for which payee information has not been made public.

### ***Other payments***

Other payments include Board of directors' expenses, grants, and donations. The Committee could recommend that Crown corporations report the following information publicly because public disclosure of these items would not impair an entity's economic interests.

For payments to Board members, Crown corporations should provide a list of the following amounts paid to or on behalf of each person on the board of a Crown corporation or one of its subsidiaries:

- ◆ base retainer;
- ◆ all other salaries and benefits;
- ◆ out-of-province travel costs; and
- ◆ all other payments.

In addition, Crown corporations should provide a list of grants, donations, and transfer payments they have made. A minimum threshold may be used.

The advantages and disadvantages of Alternative 4 are as follows.

Advantages:

- ◆ MLAs' and public's accountability needs are met;
- ◆ provides public access to information;
- ◆ consistent with the objectives of *The Freedom of Information and Protection of Privacy Act*, which provides that subject to the Act,



## Disclosure of payee information

every person has the right to access records held by a Government agency;

- ◆ consistent with the objectives of *The Crown Employment Contracts Act*, which provides that every Crown employment contract is a public document;
- ◆ scrutiny by the Legislative Assembly, either publicly or *in camera*, helps to minimize operating costs; and
- ◆ *in camera* review of payments protects the confidentiality of information of an economic interest to the Government or a third party.

Disadvantages:

- ◆ increase in cost to prepare accountability reports.

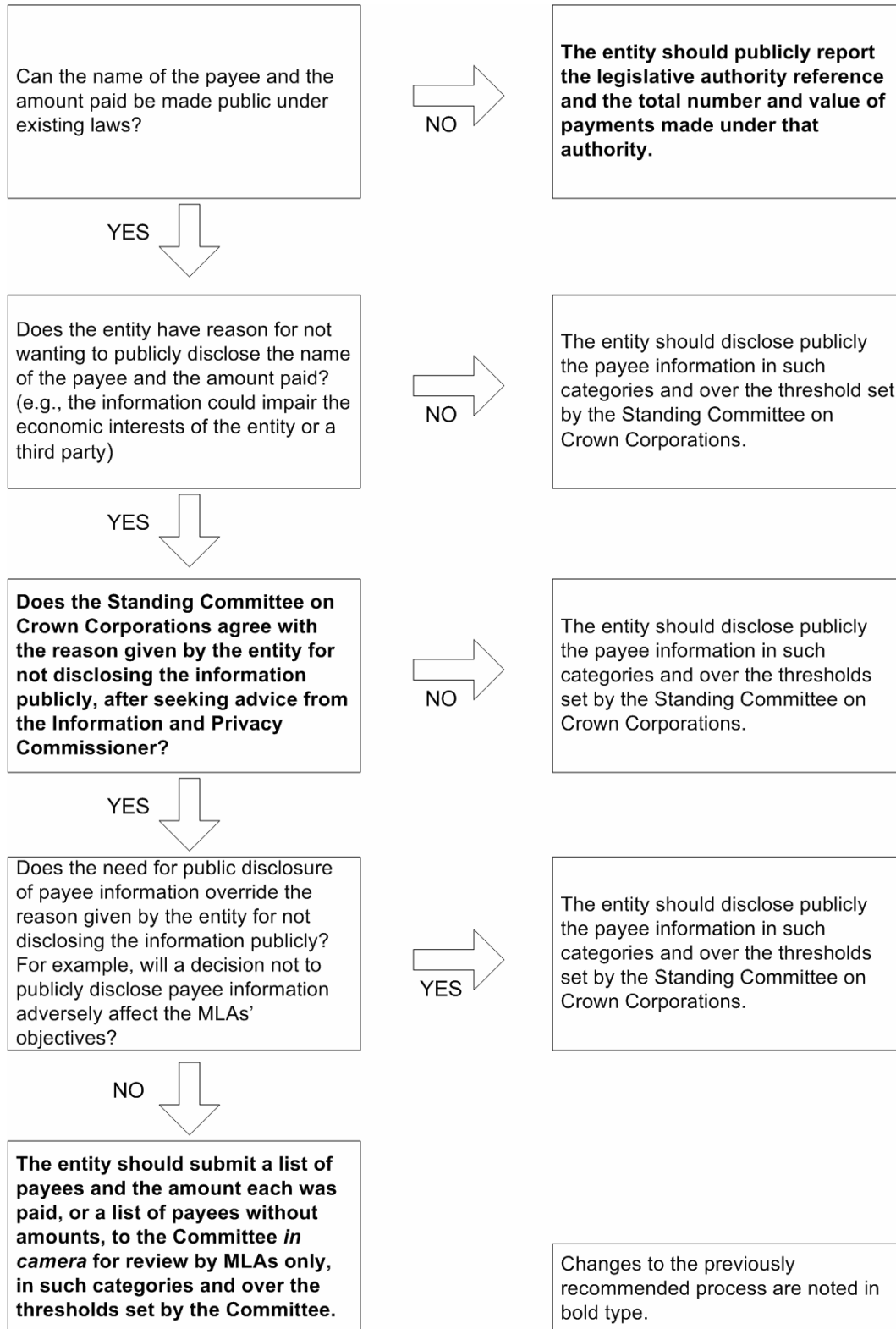
## Recommendation

1. **We recommend that the Standing Committee on Crown Corporations use the revised process set out in Alternative 4 to decide, for each CIC Crown corporation and related entity, what payee information should be disclosed, and to whom, in order to meet the MLAs' and the public's accountability needs.**

Establishing a specific process such as the one presented will ensure that:

- ◆ MLAs are the ones who decide what information is required to meet their accountability needs and those of the public;
- ◆ MLAs have a sound framework for making those decisions;
- ◆ MLAs get independent legal advice to help them decide when information should not be made public;
- ◆ MLAs receive all the information that they require;
- ◆ the Government's legitimate needs for confidentiality are met; and
- ◆ transparent accountability practices build public confidence.

**Appendix 1 – Provincial Auditor’s February 2003 Revised criteria for MLAs’ use in deciding what information CIC Crown corporations and related entities should disclose and to whom**



**Disclosure of payee information**

**Appendix 2 – CIC Crown corporations and related entities, as at December 31, 2001**

(Surveyed Crowns are noted in bold type)

**Crown Investments Corporation of Saskatchewan**

CIC Industrial Interests Inc.  
CIC Pulp Ltd.  
CIC Foods Inc.  
CIC OSB Products Inc.  
Saskatchewan Valley Potato Corporation  
101012875 Saskatchewan Ltd.  
101012876 Saskatchewan Ltd.  
101026817 Saskatchewan Ltd.  
Capital Pension Plan

**Information Services Corporation of Saskatchewan**

**SaskEnergy Incorporated**

TransGas Limited  
Many Islands Pipe Lines (Canada) Limited  
Bayhurst Gas Limited  
Swan Valley Gas Corporation  
SaskEnergy International Incorporated  
SaskEnergy Chilean Holdings I Ltd.  
SaskEnergy Chilean Holdings II Ltd.  
SaskEnergy Chilean Holdings Limitada

Saskatchewan Development Fund Corporation  
Saskatchewan Development Fund

**Saskatchewan Government Growth Fund Management Corporation**

Saskatchewan Government Growth Fund Ltd.  
Saskatchewan Government Growth Fund II Ltd.  
Saskatchewan Government Growth Fund III Ltd.  
Saskatchewan Government Growth Fund IV Ltd.  
Saskatchewan Government Growth Fund V (1997) Ltd.  
Saskatchewan Government Growth Fund VI Ltd.  
Saskatchewan Government Growth Fund VII Ltd.  
Saskatchewan Government Growth Fund VIII Ltd.  
617275 Saskatchewan Ltd.  
101005716 Saskatchewan Ltd.

**Saskatchewan Government Insurance**

SGI Canada Insurance Services Ltd.  
Coachman Insurance Company  
Saskatchewan Government Insurance Superannuation Plan  
Saskatchewan Auto Fund

**Saskatchewan Opportunities Corporation**

**Saskatchewan Power Corporation**

SaskPower International Inc.  
Power Greenhouses Inc.  
Northpoint Energy Solutions Inc.  
Power Corporation Superannuation Plan

**Saskatchewan Telecommunications Holding Corporation**

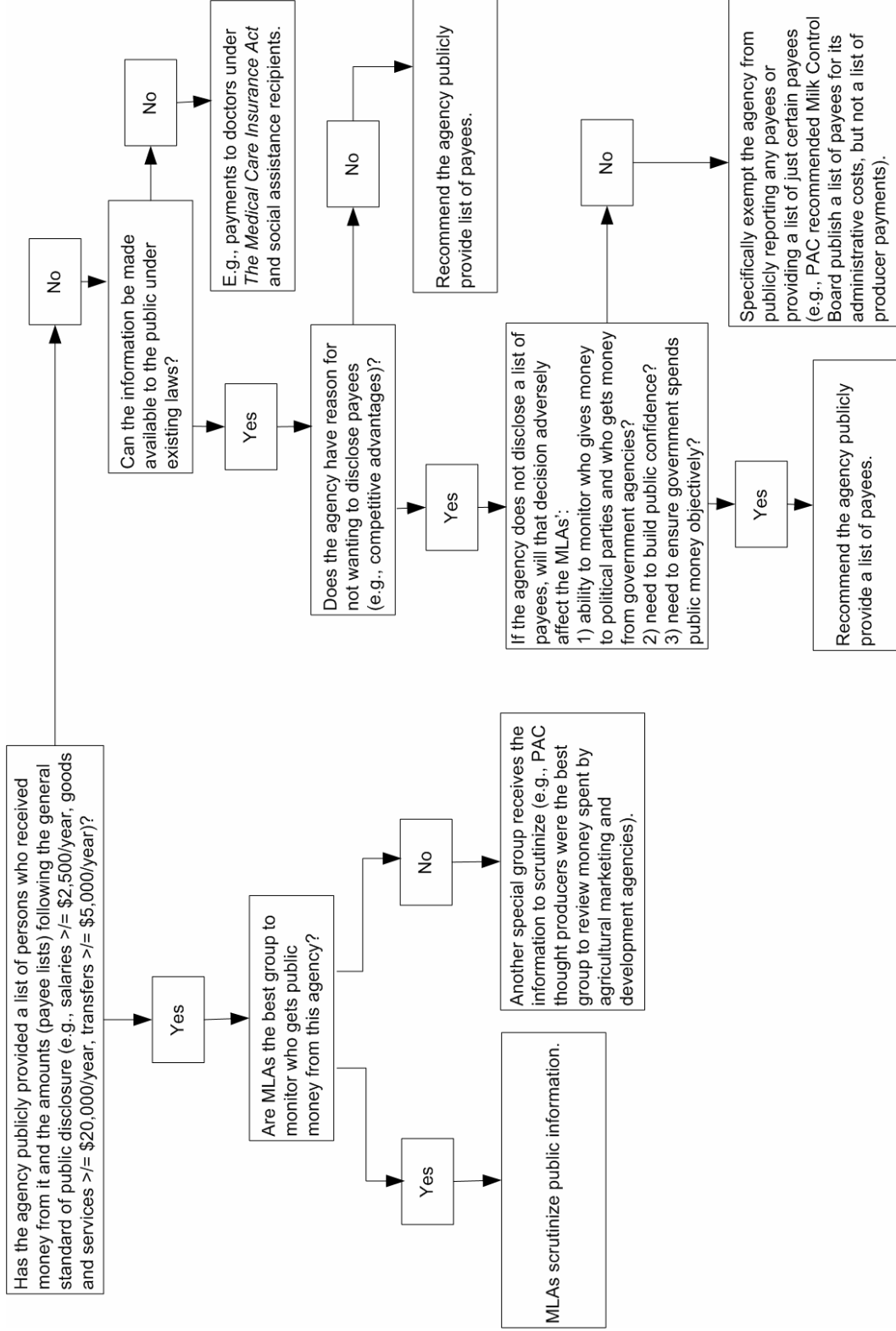
Saskatchewan Telecommunications  
Saskatchewan Telecommunications International, Inc.  
SaskTel International Consulting, Inc.  
SaskTel International (Tanzania) Ltd.  
Battleford International, Inc.  
Avonlea Holding, Inc.  
Carlyle Holding, Inc.  
Dundurn Holding, Inc.  
Esterhazy Holding, Inc.  
Foam Lake Holding, Inc.  
Jan Lake Holding, Inc.  
Katepwa Lake Holding, Inc.  
SaskTel Holding (U.K.) Inc.  
SaskTel New Media Fund Inc.  
SecurTek Monitoring Solutions Inc.  
SecurTek Partnership No. 3  
Grenfell Holding, Inc.  
101000606 Saskatchewan Ltd.  
101000607 Saskatchewan Ltd.  
620064 Saskatchewan Ltd.  
3339807 Canada Ltd.  
3364381 Canada Ltd.  
DirectWest Publishing Partnership  
SaskTel Investments Inc.  
Hollywood at Home Inc.  
Retx.com Inc.  
STI Communications Pty Limited  
3231518 Canada Ltd. (Click-a-bid™)  
SaskTel Holding (Australia), Inc.  
SaskTel Holding (New Zealand) Inc.  
SecurTek Partnership No. 4  
SaskTel Data Exchange Inc.  
IQA Corporation  
IQA Partnership  
Melfort Holding Inc.  
Nokomis Holding Inc.  
Outlook Holding Inc.  
Pleasantdale Holding Inc.  
Navigata Holding, Inc. (formerly Langenburg Holding Inc.)  
RSL COM Canada Holdings Inc.  
RSL COM Canada Inc.  
TLW Holdings Inc.  
MK Telecom Network Holdings Inc.  
MK Telecom Network Inc.  
Saskatchewan Telecommunications Pension Plan

**Saskatchewan Transportation Company**

**Saskatchewan Water Corporation**

Disclosure of payee information

**Appendix 3 – Provincial Auditor’s December 2001 suggested criteria for MLAs’ use in deciding what information government agencies should disclose and to whom**



## **Appendix 4 – Payee disclosure requirements for Government of Saskatchewan entities**

The Legislative Assembly has approved the following general standard for disclosure of payee information by Government entities. The information is normally reported in Public Accounts Volume 2 – Detail of Revenue and Expenditure, General Revenue Fund Supplementary Information to the Public Accounts, or as a supplement to the entity’s annual report tabled in the Assembly.

### **Personal services**

A list of individuals who received \$2,500 or more for salaries, wages, honoraria, and compensation for personal service. Individuals who received less than \$2,500 are grouped. Personal services are listed according to method of appointment (e.g., in-scope, out-of-scope, Order in Council, honorarium, Minister’s assistants) and by position type (e.g., permanent, temporary, part-time, term/casual, and labour service).

### **Travel**

A list of the amounts for Ministers’ travel expenditures.

### **Transfers**

A list, by program, of recipients who received \$5,000 or more. Details are not provided for high volume programs of a universal nature or income security or other programs of a confidential and personal nature.

### **Supplier payments**

A list of payees who received \$20,000 or more for the provision of goods and services.

### **Other expenditures**

A list of payees who received \$20,000 or more for expenditures not included in other categories.

Source: Public Accounts 2001-02, Volume 2.

**Disclosure of payee information**

**Appendix 5 – Payee information requested by the Standing Committee on Crown Corporations**

Each Crown corporation and related agency called to appear before the Standing Committee on Crown Corporations shall provide the following information for the year(s) under review:

- ◆ out-of-province travel expenses for the Minister(s) and ministerial staff undertaken on behalf of the Crown corporation;
- ◆ honoraria and out-of-province travel expenses for each member of the Board of Directors;
- ◆ salary and out-of-province travel expenses for senior management and executives; and,
- ◆ fees paid to consultants (including, but not limited to, legal and advertising fees) totalling over \$10,000.

Source: Standing Committee on Crown Corporations, Minute No. 60, December 2, 1998.

## Appendix 6 – Survey questionnaire sent by CIC to CIC Crown corporations

February 4, 2002

### **RE: DISCLOSURE OF PAYEE INFORMATION**

On December 10, 2001, the Crown Corporations Committee (CCC) considered the Provincial Auditor's recommendations regarding public disclosure of payee information included in Chapter 11 of his 2001 Spring Report (copy attached). The CCC recommended that CIC continue to provide information requested by the CCC and referred the issue of deciding what information government agencies should disclose and to whom to CIC and the Provincial Auditor's Office for further review. The CCC requested that CIC and the Provincial Auditor's Office provide a report to the CCC on completion of the review. Verbatim from the December 10, 2001 Crown Corporation Committee meeting is attached.

CIC is requesting your input in preparing this report. Specific questions regarding public disclosure of payee information have been included below. These questions are not intended to limit your response but will provide a certain level of comparability and consistency of analysis across the Crown sector. We would appreciate receiving responses to the questions and any other comments regarding the public disclosure of payee information for the Crown sector by March 4, 2002.

### **Background**

For a number of years, the Provincial Auditor has recommended that CIC and its subsidiary Crowns provide public disclosure of payee information.

The Provincial Auditor believes that the Legislative Assembly requires public disclosure of persons who receive money from a government agency in order to monitor where money is spent, to ensure the money is spent objectively and to build public confidence by ensuring the use of public money is transparent. The Auditor notes that the Legislative Assembly through the Standing Committee on Public Accounts has established the following general standards of public disclosure of those who have received money from government agencies:

- ◆ persons who received salaries, wages, honorariums and compensation for personal services of \$2,500 or more during the year;
- ◆ suppliers of goods and services who received more than \$20,000 per year; and,
- ◆ persons who received transfer payments (grants) of more than \$5,000 per year.

Some exceptions are allowed when governing legislation requires such information to be kept confidential, for example, payments to doctors under The Medical Care Insurance Act or social assistance payments. Also, Treasury Board policy for payee information disclosure excludes cases where payments are made under a universal grant program that does not permit



### **Disclosure of payee information**

ministerial discretion in determining the level or application of the program or a program that would result in a high volume of payments.

The Standing Committee on Public Accounts (PAC) has considered the need for this information. PAC recommended to the Legislative Assembly and the Legislative Assembly agreed that Crown corporations should have the same public reporting requirements as government departments unless otherwise stated in the mandate of the corporation.

However, in 1998, PAC noted that the circumstances for every government agency may be unique and may vary, and that broad recommendations that blanket all agencies are not appropriate. PAC wanted to consider the circumstances of agencies on an individual basis and recommended that the Provincial Comptroller work with the agencies involved and the Provincial Auditor to develop a process that PAC should use.

Also, Chapter 11 of the Provincial Auditor's 2001 Spring Report recommends that CIC and its subsidiaries should:

- ◆ “publish a list of persons (e.g., employees, suppliers) who received money from them and the amounts the persons received, following the Assembly's current disclosure requirements; or
- ◆ seek direction from the Standing Committee on Crown Corporations on alternate disclosure requirements that will achieve legislators' objectives for requiring this information.”

The Auditor's Report suggests a process that could be used by the CCC to determine the information that government agencies should disclose and to whom. The Auditor's process includes the overriding assumption that the general standards of public disclosure established by the Standing Committee on Public Accounts, for those who have received money from government agencies, is the starting point in determining public disclosure in the Crown sector. The Auditor's suggested process has been provided at the end of Chapter 11 of his report.

Effective in 2001, all outstanding matters in the Provincial Auditor's reports relating to CIC and its subsidiary Crown corporations are deemed to be referred to the CCC.

The Crown sector has taken steps to ensure that it provides good public disclosure and accountability. Since 1997, the Crown sector has improved accountability and disclosure to the Saskatchewan public through initiatives such as the Balanced Scorecard, the Significant Transactions Reporting Policy and the Performance Reporting and Disclosure Policy for Annual Reports. As well, the CCC currently receives information regarding expenditures for executive compensation and travel, consulting fees, legal fees and any other information the Assembly may request.

In his 2002 Spring Report, the Provincial Auditor will be reporting on the progress of the Crown sector in meeting his recommendations for providing public disclosure of payee information.

### **Request**

The information you provide will be used to formulate a report to the CCC regarding options for the public disclosure of payee information and the impact of various levels of disclosure on the Crown sector. CIC will compile the information provided by each Crown into a draft report, will

## Disclosure of payee information

seek each Crown's input, and consult with the Provincial Auditor prior to the report being provided to the CCC. In order to facilitate the ease of preparing the report, we ask that you provide both an official and an electronic copy of your response.

Your response to the questions below should take into account the impact, if any, of public disclosure of payee information on your organization and its subsidiaries. As previously noted, these questions will form the basis of CIC's analysis but do not preclude the inclusion in your response of analysis or discussion beyond the topics covered below.

Your response to the questions below will help CIC and the CCC to understand and assess the impact of publicly disclosing payee information for your organization and its subsidiaries.

### Confidentiality agreements

- ◆ Does your organization have confidentiality agreements in place with other parties that preclude the public disclosure of payee information? (e.g. joint venture partners, equity partners, contractors) If so, please describe the nature and extent of these agreements and describe the types of payee information that could not be publicly disclosed?

### Competitive Environment

- ◆ Is your organization commercial or non-commercial in nature?<sup>5</sup>
- ◆ Would the public disclosure of payee information impact the competitive position of your organization or its subsidiaries? If so, please describe how and indicate what information should not be publicly disclosed?
- ◆ If your organization is currently non-commercial in nature, is it moving toward or likely to be in a competitive environment in the future? If so, when?
- ◆ What classes of payee information do you consider it is desirable to publicly disclose and what classes should not be publicly disclosed?
- ◆ For those classes or types of payee information that you do not feel it is desirable to publicly disclose, describe how disclosure would negatively affect your corporation's financial or competitive position.
- ◆ Provide, to the best of your knowledge, the public disclosure practices of organizations that operate in the same industry as your organization or that could be considered competitors of your organization. (Some payee information disclosure is required in other provinces, for example, Manitoba)
- ◆ What level of payee disclosure do you believe is expected of publicly traded enterprises by shareholders, regulators and the public?

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<sup>5</sup> Pursuant to the *Performance Reporting and Disclosure Policy for Annual Reports of CIC and Subsidiary Crown Corporations*, commercial Crown corporations are those which operate in a competitive environment, or whose operations could be unduly impaired by disclosing commercially sensitive information. Specifically, these Crowns include CIC, SaskEnergy, SGI, SaskPower, SaskTel and ISC. Non-commercial Crown corporations are those which do not operate in a competitive environment and/or receive funding directly from CIC or the General Revenue Fund to subsidize non-commercial aspects of their operations as a form of public policy. Specifically, these Crowns include SOCO, SGGF MC, STC and Sask Water. Because of their non-commercial nature, the operations of these Crowns would not be unduly impaired by disclosing long-term plans, short-term strategies to achieve those objectives, and the measures against which actual results will be compared to targets set

## Disclosure of payee information

### Strategic Business Considerations

- ◆ Would public disclosure of payee information facilitate or hinder your organization's current or potential relationships with partners, suppliers, customers or shareholders? If so, please describe how and indicate what payee information should not be publicly disclosed.
- ◆ Would public disclosure of salaries for commercial enterprises facilitate or hinder the retention or attraction of key employees or groups of employees?
- ◆ Describe the impact on your organization from public disclosure in terms of its current or future ability to compete, and if applicable, optimizing shareholder value, fulfilling business strategies, targets and objectives?
- ◆ Will non-disclosure of payee information impact the public's confidence in your organization?

### Provincial Auditor's Proposed Process

- ◆ Does your organization believe that the public disclosure of Crown sector payee information, as proposed in the process recommended by the Provincial Auditor, would impact clients, customers and suppliers? If so, describe how.
- ◆ What classes or types of payee information should be publicly disclosed?
- ◆ For those classes or types of payee information that should be publicly disclosed, what level of disclosure would you consider appropriate in order to provide relevant information for the Legislative Assembly? (e.g., would a dollar value limit be appropriate, similar to Executive Government as noted above?)
- ◆ In what format would disclosure of payee information be appropriate? (i.e., supplementary information tabled in the Legislative Assembly with your annual report vs. in confidence when, and as requested, by the Crown Corporation Committee)

## **Appendix 7 – Summary of responses received from CIC Crown corporations**

The following summary was prepared by CIC from the responses received to the survey. CIC agreed to the inclusion of this summary in our Report. The summary is organized into the following categories: confidentiality agreements, competitive environment, strategic business considerations, and Provincial Auditor's proposed process.

### **Confidentiality Agreements**

#### *SaskPower*

- ◆ roughly 95% of all contracts entered into by the corporation have confidentiality clauses.
- ◆ many producers expressly demand confidentiality. SaskPower has fostered strategic alliances for investment purposes and long-term supply options. Disclosure would break strict confidentiality agreements, reduce the Corporation's negotiating strength and jeopardize alliances.
- ◆ any impairment in its ability to enter into and maintain confidential arrangements would constrain its ability to capitalize on long-term strategic opportunities in areas such as power purchase contracts and coal and gas supply contracts.
- ◆ if SaskPower were required to disclose information, without a change of law compelling such disclosure, SaskPower would be subject to litigation and damages.
- ◆ if confidentiality cannot be maintained, its credibility in the marketplace and therefore its negotiating strength and ability to obtain favourable pricing terms would be significantly reduced resulting in a negative impact on long-term profitability.
- ◆ benefited significantly on import and export transactions due to favourable and unique supplier pricing terms that are covered by confidentiality clauses.

#### *SaskTel*

- ◆ SaskTel's agreements with equity and joint venture partners normally include confidentiality clauses that restrict the release of any financial or business information relating to the agreement or the investment.
- ◆ regularly enters into formal agreements with a number of its contractors and vendors that normally include confidentiality clauses that restrict the release of any information relating to the agreement including the amount paid.

#### *SaskEnergy*

- ◆ producers operate on a long history of commercial confidentiality for contracting and disclosure will have a negative effect on them.
- ◆ producers expressly demand this confidentiality and many others who do not have this provision will opt not to do business with SaskEnergy as disclosure may prejudicially affect their competitive position in the market or their share price.

### Disclosure of payee information

- ◆ SaskEnergy discussed public disclosure with a sample group of gas suppliers and it was indicated that if the existence of a contract or any details of contracts were made public, they would not continue to deal with SaskEnergy.
- ◆ disclosure would result in a negative impact in terms of higher costs of at least \$13 million due to fewer producers being willing to do business with SaskEnergy therefore prejudicing its competitive position vis-à-vis other gas marketers.

#### *Saskatchewan Government Insurance (SGI)*

- ◆ SGI's largest disbursement is claims costs which, for the most part, are prohibited from public disclosure under The Freedom of Information and Protection of Privacy Act.
- ◆ has contracts with brokers and issuers prohibiting disclosure of records unless written consent is granted.
- ◆ many technology or contract services are attained through requests for proposal that are bound by confidentiality agreements in order to protect the solutions and costs recommended by suppliers.
- ◆ in a number of cases, business partners have asked for confidentiality in price quotes so that they do not impact other clients or competitors.

#### *Information Services Corporation (ISC)*

- ◆ ISC signs non-disclosure agreements (NDAs) with specific consultants and companies that have specialized expertise in discreet areas of technology and market know-how.
- ◆ NDAs ensure intellectual property and trade secrets remain within ISC.
- ◆ revealing whom ISC contracts with would directly undermine the intent of such non-disclosure agreements.
- ◆ consulting contracts related to partnership or project relationships are subject to NDAs, letters of intent, memoranda of understanding or formal partnership agreements.
- ◆ releasing payee information would risk the corporate confidentiality partnership arrangements require in a competitive economy.

#### *Saskatchewan Transportation Company (STC)*

- ◆ STC has contracted with a consulting firm to provide specific technology expertise. Included in the contract is a confidentiality clause requiring non-disclosure of confidential information.

#### *Sask Water*

- ◆ at the time of the survey, Sask Water indicated that it is not a party to any confidentiality agreements.

*Saskatchewan Government Growth Fund Management Corporation (SGGFMC)*

- ◆ The Management Services Agreement between SGGFMC, the FundCos and Crown Capital Partners requires that all aspects of the business of SGGFMC and the FundCos be held in strict confidence and, subject to lawful requirement, shall not be disclosed.
- ◆ names of clients and details of their investment accounts have personal tax implications and therefore must be kept confidential as is the case with private sector bank and investment accounts.

*Crown Investments Corporation (CIC)*

- ◆ confidentiality clauses are included within the operating agreements with some of CIC's joint venture partners and equity partners.
- ◆ where no confidentiality clauses exist, there is the expectation that the information related to an investee's business is kept in the strictest confidence.

**Competitive Environment**

*SaskPower*

- ◆ events occurring outside Saskatchewan over the last few years such as the deregulation of the Alberta and U.S. power markets, and the requirement to open up Saskatchewan's transmissions system to other power marketers and users have forced SaskPower to become more market focused, and to participate in competitive environments, while at the same time providing it with significant profitable opportunities. These events have also made the requirement to maintain commercial confidentiality even more critical.
- ◆ acceptance as a credible market participant and ability to achieve profits would be adversely affected by public disclosure of any transactions.
- ◆ information regarding import transactions is already publicly available from the National Energy Board (NEB) that publishes total imports from the U.S. in dollars and MWh by Province and importer.
- ◆ in most cases, SaskPower is the importer consequently, the NEB disclosure, combined with public disclosure of payee information may provide competitors with sufficient information to determine SaskPower's purchase price per MWh and the quantity purchased from each counter-party that could result in upward pressure on the future pricing of electricity.
- ◆ SaskPower imported \$84 million of electricity in 2001 at favourable, and at times, unique pricing, allowing SaskPower to shut down high cost gas generation or profitably resell the electricity to other markets.
- ◆ SaskPower recorded export electricity revenues of \$109 million in 2001 with certain fixed price contracts priced at extremely favourable terms.
- ◆ any impairment of the ability of SaskPower to enter into confidential arrangements would have immediate adverse consequences and would constrain the Corporation's

## Disclosure of payee information

ability to capitalize on long-term strategic opportunities and impair long-term profitability as many counter-parties would avoid entering into long term fixed price contracts with SaskPower.

- ◆ except for BC Hydro, SaskPower is not aware of any other utility that it competes or does business with that discloses a payee list other than the disclosure of executive compensation required by the SEC and OSC.

### *SaskTel*

- ◆ opposed to disclosing any payee information due to the competitive and potentially sensitive nature of the information.
- ◆ through disclosure of suppliers, competitors could determine what new business relationships and ultimately what new services are being considered.
- ◆ many vendors supply only one product or service therefore disclosure amounts to giving out the “nuts and bolts” components of products or services potentially allowing competitors to copy or better SaskTel’s products and services and positions themselves more competitively against SaskTel.
- ◆ vendors would likely view disclosure as a violation of normal trade terms.
- ◆ to the best of SaskTel’s knowledge, the only information disclosed by other organizations in the same industry, many of which are publicly traded corporations, is directors’ and officers’ remuneration and these organizations are not normally required to publicly disclose any partner, vendor or employee payee information.

### *SaskEnergy*

- ◆ SaskEnergy’s largest single area of purchasing is gas supply contracting.
- ◆ SaskEnergy’s competitive position in the natural gas industry would deteriorate if gas supply purchasing and contracts were publicly disclosed resulting in:
- ◆ The end costs for buying gas will unquestionably rise as the number of producers willing to do business with SaskEnergy diminishes, and;
- ◆ other gas marketers engaging in aggressive pricing for industrial, commercial and residential customers based on the information disclosed.
- ◆ The issue of public disclosure was discussed with a sample group of gas suppliers. The suppliers indicated that they did not enter into contracts with SaskEnergy knowing that details could be made public. The suppliers also indicated that they would no longer deal with SaskEnergy if contracts were made public.
- ◆ SaskEnergy would have to buy gas on the anonymous exchange in Alberta if Saskatchewan producers stop dealing with SaskEnergy. The financial impact could be approximately \$0.20/gigajoule or \$13 million per year for Saskatchewan consumers.
- ◆ SaskEnergy competes on the open market for gas supply. If other purchasers are aware of whom SaskEnergy is buying from and the price they have paid, bidding wars and increased costs of gas could result. SaskEnergy estimated that each \$0.01

increase per gigajoule increases the overall cost of gas for consumers by approximately \$650,000.

- ◆ current levels of disclosure regarding purchasing practices and salaries would surpass that found for all private sector natural gas utilities.
- ◆ Freedom of Information process provides access to information not publicly made available and there is no evidence of a great pent-up demand for the types of information the Provincial Auditor is requesting. One could conclude that the current process is the most efficient and cost-effective in meeting public expectations for the needed level of disclosure.
- ◆ there is no value added in public release of gas contract information.

*SGI*

- ◆ SGI enjoys a preferred rate from reinsurers due to Saskatchewan's low risk level (e.g. Not subject to terrorist attacks, earthquakes or hurricanes) and because SGI has an excellent reputation and a strong financial position. SGI's reinsurers have indicated that public disclosure would result in a significant increase in reinsurance rates.
- ◆ disclosure of Broker's commissions could put SGI's premium base at risk as brokers would be subject to greater influence from competitors to place their business with competitors instead of SGI.
- ◆ Brokers may place their premiums with other insurance companies in order to prevent their income from being public knowledge in their own communities.
- ◆ public disclosure of payments made to suppliers and business partners would result in a number of its significant costs increasing due to pressure on suppliers to treat all their customers the same.
- ◆ SGI does not support public disclosure and its competitors are not required to disclose payee lists.

*ISC*

- ◆ disclosure of payee information related to consultants or sub-contractors potentially jeopardizes ISC's competitive position and its objective to leverage the investment in LAND and GIS in commercial markets.
- ◆ disclosure provides competitors with knowledge of ISC's strategic intent as specific consultants and companies have been contracted with because of their specialized expertise in discreet areas of technology and market know-how.
- ◆ does not believe that detailed payee disclosure is expected of publicly traded enterprises unless there is some special area of concern.
- ◆ ISC has no concerns with public disclosure of payments to political parties, MLAs, Minister's Offices and board members.



## Disclosure of payee information

### *STC*

- ◆ STC is in direct competition in the freight industry and disclosure of payments to rural agencies, interline carriers and payments to pickup and delivery operators could leave STC vulnerable for raiding by competitors.
- ◆ disclosure of supplier information may make it difficult to negotiate deals with suppliers and could bring scrutiny from other customers with respect to pricing arrangements resulting in an impact on relationships and the pricing of goods and services related to the Crown's purchases.
- ◆ if deregulation were to occur, STC could experience considerable competition on profitable routes.
- ◆ disclosure of payments made to agencies could inhibit STC's ability to attract agencies or retain those agencies in highly competitive locations.
- ◆ agents are not all paid the same as rates are negotiated with each agent. Disclosing information on total amounts paid to agents could have a detrimental impact on operations as agents demand equal rates.
- ◆ STC's competitors or potential competitors are private concerns that treat payee information on employees, contractors, suppliers and agents as information to be kept from competitors.
- ◆ STC indicated that it would be desirable to publicly disclose costs relating to legal, consulting, out-of-province travel, advertising, Board of Director's expenses, executive and senior management salaries, design and printing of the annual report, in most cases the cost of capital or goods and services which have been tendered, transfers or grants made in excess of \$1,000 and sponsorships or donations (including in-kind) in excess of \$1,000.

### *Sask Water*

- ◆ Sask Water is currently developing a business plan for the utility segment that will have it working in a competitive/commercial environment.
- ◆ disclosure could impact Sask Water's commercial prospects.

### *SGGFMC*

- ◆ enhanced reporting of non-confidential information could be undertaken without impairing SGGFMC's or the FundCos' competitive positions.

### *CIC*

- ◆ release of investment information may be detrimental to the commercial nature of an investee company.
- ◆ similar to the other Crowns, disclosure of tendered services could put the CIC at a competitive disadvantage when tendering for the goods or services in the future. Public disclosure of payee information would compromise the benefit obtained through the aggressive pricing dynamic of a closed tender process.

## Strategic Business Considerations

### *SaskPower*

- ◆ acceptance as a credible market participant and ability to achieve profits would be adversely affected by public disclosure of any transactions.
- ◆ any impairment of the ability of SaskPower to enter into confidential arrangements would have immediate adverse consequences and would constrain the Corporation's ability to capitalize on long-term strategic opportunities and impair long-term profitability as many counter-parties would avoid entering into long term fixed price contracts with SaskPower.
- ◆ SaskPower, through SaskPower International (SPI), has formed strategic alliances and is involved in joint ventures with outside companies. These alliances have resulted in attractive investments, with good potential for additional joint venture investment opportunities. Disclosure of SPI's proportionate share of joint venture payments could jeopardize future joint venture investment opportunities.
- ◆ salary disclosure would result in immediate dissension as employees compare their relative salary levels to their peers.
- ◆ result would be a trend of upward adjustment of salaries to the level of higher paid employees within the same management level as resulted when corporations listed on the Toronto Stock Exchange were forced to reveal executive compensation.
- ◆ SaskPower has always treated individual employee compensation as confidential and employees would view disclosure as an invasion of their privacy.
- ◆ unless accompanied by specific legislation, disclosure may result in legal action on the part of certain employees.
- ◆ no immediate and large exodus of employees would occur however disclosure would reduce the relative attractiveness of SaskPower as an employer.
- ◆ no private sector company makes this type of disclosure, other than executive salaries of stock exchange listed companies.
- ◆ more beneficial to the Saskatchewan public to focus on strategic areas such as:
  - appropriate and transparent accounting recognition and disclosure of material transactions;
  - management discussion and analysis of the corporation's operations and results and the industry within which the corporation operates;
  - management discussion and analysis of future prospects for growth and profits; and,
  - discussion and analysis of financial, business and operating risks.

## Disclosure of payee information

### *SaskTel*

- ◆ disclosure will hinder current and potential relationships with partners, suppliers and customers as the requirement for confidentiality agreements supports the view that these parties prefer to keep their business affairs out of the public arena.
- ◆ strong possibility that disclosure may discourage many companies from doing business with SaskTel.
- ◆ disclosure of salaries would hinder retention and attraction of key employees or groups of employees.
- ◆ disclosure would effectively provide competitors with a shopping list from which to target valued and skilled employees for recruitment;
- ◆ the public in general is aware the SaskTel operates in a fully competitive environment and SaskTel believes that non-disclosure would not impact the public's confidence in SaskTel.
- ◆ disclosure would negatively impact SaskTel's ability to compete and optimize shareholder value.
- ◆ SaskTel does not currently disclose payee information and the public perception of the company is consistently very good (as measured by Points West Consulting Inc.).

### *SaskEnergy*

- ◆ full disclosure assists those who want to compete against SaskEnergy by providing a whole array of market information with which they can launch more successful competitive attacks.
- ◆ public disclosure may allow a competitor to undermine the value of the asset that the public owns.
- ◆ complete disclosure will not come without additional cost and it is difficult to know what real incremental value such a move achieves.
- ◆ additional staff resources will be required to compile detailed reports and costs will be incurred to adjust information system and business processes to the new disclosure environment.
- ◆ disclosure of all employee salaries will be detrimental to hiring and retaining high quality employees.
- ◆ Alberta's oil and gas companies continue to aggressively recruit SaskEnergy's largely specialized workforce resulting in loss of productivity, cost to recruit and retraining costs continue to be very significant
- ◆ loss of expertise in areas such as Gas Supply could ultimately lead to millions of dollars in higher costs.
- ◆ disclosure will diminish the effectiveness of SaskEnergy's confidential performance management system and will lead to significant problems in employee morale.

*SGL*

- ◆ disclosure would hinder relationships with partners, suppliers and customers as many are located in small communities throughout Saskatchewan and are not interested in having others in their communities examining their personal financial transactions.
- ◆ disclosure may result in partners, suppliers and customers choosing to do business with a company that does not disclose financial transactions.
- ◆ disclosure of salaries will hinder the retention of key employees as Crown corporations do not have the latitude to match compensation levels of other employers.
- ◆ SGI does not believe that non-disclosure will impact the public's confidence in the organization.
- ◆ SGI has completed a number of surveys and focus groups asking opinions of the company and is unaware of the issue of not having payee lists brought forward as a matter that affects the public opinion of SGI.
- ◆ SGI sees no benefit and, in fact, only potential problems in retaining staff and maintaining loyalty with business partners as a result of public disclosure.
- ◆ production of a payee list will tie up valuable resources and does not seem to be in the best interest of the shareholder and the Saskatchewan public.

*ISC*

- ◆ ISC is involved in strategic partnering agreements with Saskatchewan, Canadian and internationally based firms and there are discussions underway for potential ongoing corporate relationships.
- ◆ releasing payee information would risk the corporate confidentiality that these partnership and corporate arrangements require in a competitive economy.
- ◆ disclosure of salaries would hinder attraction and retention of key employees.
- ◆ ISC has experienced difficulties in attracting and retaining key employees with the current pay regime, as it is currently not paying premium salaries.
- ◆ salary information is viewed as a personal, private affair by employees and having the information available publicly is not viewed as desirable.
- ◆ the bulk of public concern normally surrounds executive compensation and this information is currently accessible to the public.
- ◆ salary of the President is set through CIC the level of which dictates the range for all other employee groups therefore, latitude to pay employees unreasonable amounts is non-existent.
- ◆ disclosure provides competitors with access to information they can use to potentially determine what markets and partners are being targeted.
- ◆ disclosure could put the organization at a disadvantage in negotiating with suppliers or contractors as disclosure, in combination with other knowledge, will allow them to strengthen their bargaining position

### Disclosure of payee information

- ◆ customers may be prejudiced against dealing with ISC as is the case with the Government of Alberta, who has had significant business with EDS and is under pressure to spread work around and has consequently expressed concern with ISC using EDS as a sub-contractor.

#### *STC*

- ◆ disclosure would hinder STC's relationships with partners (local bus operators or rural agencies) and suppliers but should not affect the relationships with customers or shareholders.
- ◆ disclosure of salaries would inhibit STC's ability to attract qualified people and could threaten retention of more senior staff.
- ◆ currently labour relations are stable at STC however, the cooperative environment is not to be underestimated if STC is to meet its targets and objectives.
- ◆ disclosure of payee information aggregates all payments made to an individual, including expense claims. This will exacerbate the historical conflict between Motor Coach Operators, who file a significant number of meal claims and who have pay premiums attached to extraordinary duties such as changing a flat tire, and hourly employees.
- ◆ publicizing payments to managers will mean a return to the resentment about incomes amongst in-scope employees toward their managers, which has taken a long time to reduce.
- ◆ disclosure of salaries and wages could negatively impact the company in its negotiations with its union and would also make retention of employees difficult.
- ◆ disclosure of payments made to agencies, which are private business concerns would inhibit STC's ability to attract agencies or retain those agencies in highly competitive locations.
- ◆ public confidence will not be eroded if the status quo is maintained and would only be impacted if STC's disclosure policies were inconsistent with the policies of other Crowns.
- ◆ STC's annual reports have received praise from the Conference Board of Canada for their degree of disclosure on how the business has met its objectives and what its future plans are.

#### *Sask Water*

- ◆ Sask Water is currently developing a business plan for the utility segment that will have it working in a competitive/commercial environment.
- ◆ disclosure could impact Sask Water's relationships with small system partners, partnerships with communities and research partnerships and may hinder future partnerships.

## Disclosure of payee information

- ◆ disclosure of salaries would hinder the retention and attraction of key employees because Crowns do not have the flexibility to pay employees as required to attract and retain them as do private organizations.

### *SGGFMC*

- ◆ SGGFMC has relationships with private sector businesses particularly those providing accounting, legal and consulting services for which public disclosure is currently provided.
- ◆ management fees paid to Crown Capital Partners (CCP) under the terms of the Management Services Agreement should remain confidential since they represent a significant portion of CCP's competitive business income however fund manager fees are shown as a separate line item in the Annual Report and a close reading will reveal that CCP is the destination of the funds.
- ◆ all SGGFMC staff are employees of CIC.

### *CIC*

- ◆ public disclosure of payee information could severely hinder relationships with partners and clients and possibly lead to legal liability for CIC as it pertains to the investment activities.
- ◆ with respect to the investment activities conducted by CIC through CIC Industrial Interests Inc., business plan targets, investment strategy and the government priorities of economic growth and job creation could all be impacted if business partners could not be assured that their business information would be held in the strictest confidence.

## **Provincial Auditor's Proposed Process**

### *SaskPower*

- ◆ current focus of disclosure in annual and quarterly reports of stock exchange listed investor owned utilities by accounting authorities, the financial press and the public at large is:
  - appropriate and transparent accounting recognition and disclosure of material transactions;
  - management discussion and analysis of the corporation's operations and results and the industry within which the corporation operates;
  - management discussion and analysis of future prospects for growth and profits; and,
  - discussion and analysis of financial, business and operating risks.
- ◆ more beneficial to the Saskatchewan public to focus on strategic areas such as those above rather than a simple list of payees and amounts that does little to contribute to reaching higher disclosure standards.

### Disclosure of payee information

- ◆ if required, SaskPower would be willing to disclose information that
  - did not breach confidentiality arrangements;
  - was viewed by SaskPower as not having an adverse effect on itself or its counterparties or suppliers regardless of the existence of confidentiality arrangements; and,
  - excluded employee compensation.
- ◆ Alternatively, a list of payees whose payments exceeded a certain dollar threshold for the year could be provided without disclosing the actual amounts, ensuring confidentiality arrangements were met. This would be set low enough (i.e. \$20,000) so as not to impair SaskPower's competitive position or its relationship with its counterparties but at the same time would provide information as to which entities were receiving payments.

#### *SaskTel*

- ◆ opposed to public disclosure of payee information. SaskTel believes that disclosure of this information will negatively impact its ability to compete and optimize shareholder value.
- ◆ SaskTel has established appropriate business practices around tendering, internal controls, budgeting and financial reporting.
- ◆ SaskTel believes public accountability is better served via the current governance model.

#### *SaskEnergy*

- ◆ cannot support this kind of disclosure unconditionally on principle because the negative aspects related to impairing competitiveness and higher costs outweigh the perceived and arguably marginal benefits of more transparency.

#### *SGI*

- ◆ does not believe that public disclosure of payee information would have any favourable impact on clients, customers or suppliers
- ◆ does not see the need or benefit for any additional payee information to be disclosed to the Standing Committee on Crown Corporations beyond the information currently provided.

#### *ISC*

- ◆ disclosure would impact customers, clients and suppliers as previously described.
- ◆ for those classes or types of payee information that should be disclosed, a dollar value limit would certainly avoid needless work and attention for insignificant matters.

**Disclosure of payee information**

*STC*

- ◆ if disclosure requests are going to be significantly more detailed, a phase in period will be needed to ensure that financial systems can be upgraded to track this information on a go forward basis.

*Sask Water*

- ◆ classes of payee information should be limited to those of a potentially contentious nature and currently Sask Water reports such information annually to the Standing Committee on Crown Corporations



Disclosure of payee information

**Appendix 8 – Supplementary request sent by CIC to CIC Crown corporations concerning *in camera* review**

July 3, 2002

**RE: DISCLOSURE OF PAYEE INFORMATION**

On December 10, 2001, the Standing Committee on Crown Corporations (Committee) considered the Provincial Auditor's recommendations regarding public disclosure of payee information. At that meeting, Mr. Frank Hart, President and CEO of CIC, asked the Committee for time to consult with CIC subsidiary Crown corporations on the issue of public disclosure of payee information. The Committee then referred the Provincial Auditor's recommendation on a process for deciding what information government agencies should disclose and to whom to CIC and the Provincial Auditor with a request that we report back to the Committee in June of 2002.

As you know, CIC requested your input and prepared a Draft Report incorporating your comments, and developed alternatives to the Provincial Auditor's recommendations.

During the Provincial Auditor's review of the Draft Report, his office identified an alternative to their initial recommendation. This alternative involves "*in camera*" disclosure to the Standing Committee on Crown Corporations of any payee information for which there would be legal confidentiality, business or strategic barriers to public disclosure per the Provincial Auditor's original recommendation. CIC and the Provincial Auditor agreed that more time would be required for the Crowns to review the proposal and provide their comments.

CIC and the Provincial Auditor agreed that more time was required to explore this alternative, specifically to obtain your views. As a result, the Provincial Auditor and CIC requested that the Standing Committee on Crown Corporations extend the June deadline. We now plan to report to the Committee in October 2002.

Accordingly, CIC is requesting your input regarding the new alternative identified by the Provincial Auditor. The alternative is described below:

## PROVINCIAL AUDITOR'S NEW ALTERNATIVE

As noted in Chapter 11 of the Provincial Auditor's 2001 Spring Report, the Provincial Auditor thinks that Members of the Legislative Assembly have three objectives for requiring public disclosure of those persons who receive money from a government agency (e.g., department, Crown corporation).

1. MLAs want to monitor who gives money to political parties and who gets money from government agencies;
2. MLAs want to ensure government agencies spend money objectively; and,
3. MLAs want to build public confidence by ensuring the use of public money is transparent.

The Provincial Auditor has stated that his goal is to ensure that the Standing Committee on Crown Corporations receives the payee information that the Committee thinks it needs. Where the Committee agrees that there should not be public disclosure due to confidentiality agreements or competitive and other business considerations, the information would be provided to the Committee on an "*in camera*" (i.e., in private and to the exclusion of the public) basis.

The Provincial Auditor thinks that the Committee should determine what payee information it requires, if any, including the form and the thresholds for providing the payee information.

The Provincial Auditor has identified alternatives for different classes of payee information including:

Salaries and other salaries:

- ◆ "*in camera*" disclosure of individual employee name and the amount paid to each employee for salaries and other remuneration for those employees who received amounts in excess of a dollar value threshold to be determined by the Standing Committee on Crown Corporations (e.g., \$50,000); or,
- ◆ "*in camera*" disclosure of individual employee names for those employees who received amounts in excess of a dollar value threshold to be determined by the Standing Committee on Crown Corporations (e.g., \$50,000).

Payments for goods and services:

- ◆ "*in camera*" disclosure of individual supplier name and the amount paid to each supplier for suppliers who received amounts in excess of a dollar value threshold to be determined by the Standing Committee on Crown Corporations (e.g., \$50,000); or,

**Disclosure of payee information**

- ◆ “*in camera*” disclosure of individual supplier names for those suppliers who received amounts in excess of a dollar value threshold to be determined by the Standing Committee on Crown Corporations (e.g., \$50,000).

Other, including donations:

- ◆ The Provincial Auditor believes that none of these payments should impact confidentiality agreements or business considerations and therefore should be available publicly.

Accordingly, please examine the impact, if any, of “*in camera*” disclosure of payee information on your organization and its subsidiaries. Please respond using the analytical framework of the February 2002 survey (i.e., impact on confidentiality agreements, competitive environment and strategic business considerations). The February survey is attached for ease of reference; just substitute “*in camera* disclosure” wherever “public disclosure” is referred to in a particular question.

The information you provide will be incorporated into a revised draft report that, in addition to the original recommendation by the Provincial Auditor, will also take account of the alternatives developed by the Provincial Auditor as described above. As before, CIC will circulate a draft of the revised draft report to you and to the Provincial Auditor for review and comments. The desired outcome is a joint report on this issue from the Provincial Auditor and CIC to the Standing Committee on Crown Corporations.

## **Appendix 9 – Summary of responses received from CIC Crown corporations concerning *in camera* review**

The following summary was prepared by CIC from the responses received to the supplementary request for comment. CIC agreed to the inclusion of this summary in our Report.

### **General Comments**

#### *SaskEnergy*

*SaskEnergy believes that “in camera” information will essentially be public disclosure and refers the reader to its response to the first survey for their anticipated impacts with respect to confidentiality agreements, the competitive environment and strategic business considerations.*

- ◆ Do not see how *in camera* disclosure of information to the Standing Committee on Crown Corporations differs in any practical manner from actual full disclosure of this information.
- ◆ A more productive approach would be to arrive at a mutually agreed definition between publicly releasable and confidential information that can protect the business integrity and competitive interests of Crown corporations while satisfying the Auditor’s public policy desire to see the appropriate level of transparency occurring.

#### *Saskatchewan Government Growth Fund Management Corporation (SGGFMC)*

- ◆ SGGFMC has indicated that its response is unchanged from its response to the first survey.

### **Confidentiality Agreements**

#### *SaskPower*

*SaskPower has indicated that its response is additional and complementary to its response to the first survey and should be read as such.*

- ◆ 95% of all contracts entered into by the corporation have confidentiality clauses certain of which restrict disclosure to only those employees of the Corporation who administer the contracts.
- ◆ in the view of SaskPower’s legal counsel, the disclosure of any terms of a contract to a third party, including “in camera” disclosure to the Standing Committee on Crown Corporations, would breach confidentiality commitments and potentially subject the Corporation to loss of reputation, litigation, and damages.
- ◆ confidentiality of commercial arrangements considered essential.

## Disclosure of payee information

### *SaskTel*

- ◆ SaskTel's agreements with equity and joint venture partners normally include confidentiality clauses that restrict the release of any financial or business information relating to the investment.
- ◆ regularly enters into formal agreements with a number of its contractors and vendors that include confidentiality clauses that restrict the release of information relating to the agreement.
- ◆ releasing any details relating to contracts mentioned above would be violating the contract whether details were released to the public or "in camera".

### *Saskatchewan Government Insurance (SGI)*

- ◆ claims costs are prohibited from public disclosure under *The Freedom of Information and Protection of Privacy Act* without the express written consent of the individual to whom the information relates.
- ◆ commissions and issuer fees paid to brokers and issuers are paid based on a contract that prohibits the disclosure of records. Providing this information to the Standing Committee on Crown Corporations for *in camera* disclosure would require written consent, which the brokers would likely be unwilling to accept. Obtaining their consent may become an issue during contract negotiations with brokers, which could result in higher compensation. Based on the value of the information provided, gaining consent through higher compensation would not be a prudent use of funds.
- ◆ goods or services purchased through a request for proposal (RFP) are currently bound by confidentiality agreements in order to protect the solutions and costs recommended by suppliers.
- ◆ disclosing information *in camera* could have the effect of some vendors not submitting bids due to not wanting their information disclosed, with the long-term effect of fewer respondents and higher costs for SGI.
- ◆ current reinsurance contracts are bound by confidentiality agreements.

### *Information Services Corporation (ISC)*

- ◆ ISC signs non-disclosure agreements (NDAs) with specific consultants and companies that have specialized expertise in discreet areas of technology and market know-how.
- ◆ consistent with best business practices, ISC signs NDAs to ensure intellectual property and trade secrets remain with ISC.
- ◆ revealing whom ISC contracts with, even on an *in camera* basis, would directly undermine the intent of such non-disclosure agreements and in fact may violate some.

## Disclosure of payee information

- ◆ negotiations of future NDAs with specific consultants and companies may be more difficult if not impossible should *in camera* disclosure be necessary. As a result, important business relationships and best price arrangements could be jeopardized.
- ◆ sub-contracting and consulting contracts related to strategic partnering relationships or on-going corporate relationships are subject to NDAs, letters of intent, memoranda of understanding or formal partnership agreements. These would be impacted in the same manner as NDAs for consultants.
- ◆ if information were provided *in camera*, controls to ensure that information disclosed remained confidential and was not referred to inadvertently or otherwise in other political forums would be necessary.
- ◆ questioning around the information provided would need to occur *in camera* as well.

### *Saskatchewan Transportation Company (STC)*

- ◆ STC is concerned with the practical challenges involved in ensuring the confidentiality of information disclosed *in camera*.
- ◆ STC does not wish to disclose, publicly or *in camera*, the amount paid to each individual employee or supplier.
- ◆ if *in camera* disclosure were required, STC would prefer to disclose employee names and supplier names for payments that exceed a specified dollar amount.

### *Saskatchewan Water Corporation (SWC)*

- ◆ Sask Water has a research, development and demonstration project for water treatment that is subject to a confidentiality agreement. Payee information could be made available but not the process or results of the project.

### *Crown Investments Corporation (CIC)*

- ◆ confidentiality clauses are included within the operating agreements with some of CIC's joint venture partners and equity partners.
- ◆ where no confidentiality clauses exist, there is the expectation that the information related to an investee's business is kept in the strictest confidence.

## **Competitive Environment**

### *SaskPower*

- ◆ events occurring outside the province over the last few years have forced SaskPower to be more market focused and to participate in competitive environments while providing significant profitable opportunities. Changes such as the deregulation of the U.S. and Alberta power markets and the requirement

## Disclosure of payee information

- ◆ to open Saskatchewan's transmission system to other power marketers and users have made confidentiality of commercial arrangements even more critical.
- ◆ setting aside the potential legal implications of breaching confidentiality clauses in existing contracts, restraining disclosure to an *in camera* process lessens the risk of public disclosure however counter-parties may still view this negatively and be less motivated to transact business with SaskPower which may result in significant negative consequences for SaskPower.

### *SaskTel*

- ◆ operates in a fully competitive environment and is opposed to disclosing any payee information due to the competitive and potentially sensitive nature of the information.
- ◆ disclosure could put SaskTel and its vendors at a competitive disadvantage if commercial transactions were disclosed.
- ◆ vendors would view disclosure, either publicly or *in camera*, as a violation of normal trade terms.
- ◆ to the best of SaskTel's knowledge, the only information disclosed by other organizations in the same industry, many of which are publicly traded corporations, is directors' and officers' remuneration and these organizations are not required to publicly disclose any partner, vendor or employee payee information.

### *SGI*

- ◆ release of reinsurance costs would not be viewed favourably by SGI's business partners and would most certainly result in SGI paying significantly more for its reinsurance coverage. This will affect SGI's competitive positions with regard to pricing its insurance products and will, in turn affect SGI's market share, profits and economic contributions to Saskatchewan.
- ◆ business partners may not be receptive to *in camera* disclosure. It may result in costs increasing due to fewer providers of services to SGI.

### *ISC*

- ◆ future non-disclosure agreements with consultants or contractors could be worded to allow for *in camera* disclosure although negotiations of those NDAs may be more difficult if not impossible should this be necessary. Important business relationships and best price arrangements could be jeopardized.
- ◆ if information were provided *in camera*, controls to ensure that information disclosed remained confidential and was not referred to inadvertently or otherwise in other political forums would be necessary.

## Disclosure of payee information

- ◆ questioning around the information provided would need to occur *in camera* as well.
- ◆ ISC does not believe the following information should be publicly disclosed but would cautiously accept *in camera* disclosure of:
  - payments for goods and services that do not have confidentiality clauses that would be violated by *in camera* disclosure. Disclosure of supplier name for suppliers over a dollar value threshold should guide what is disclosed.
  - payments for salary and other remuneration. Disclosure of employee name for employees over a dollar value threshold should guide what is disclosed. ISC can accept *in camera* disclosure for salary and remuneration but does not consider it desirable.
- ◆ if *in camera* disclosure would violate existing NDAs with consultants and sub-contractors, then ISC believes that *in camera* disclosure should not be made.
- ◆ if, in future negotiations of NDAs, the other party will not accept *in camera* disclosure and the NDA is considered essential, there should be an exception provision overriding the requirement to disclose.
- ◆ there are divergent organizations in ISC's industry, none of which are Crown corporations. Based on the types of organizations in ISC's industry, ISC expects that *in camera* disclosure would not be applicable.
- ◆ ISC does not believe that detailed payee disclosure is expected of publicly traded enterprises unless there is some special area of concern.
- ◆ ISC has no concerns with public disclosure of payments to political parties, MLAs, Minister's Offices, board members and donations.

### STC

- ◆ *in camera* disclosure of payee information would not impact STC's competitive position if the information were kept strictly confidential.
- ◆ it would not be desirable to publicly disclose employee remuneration including benefits such as counselling, payments made to suppliers other than those for legal, consulting and advertising, payments to STC agents and pickup and delivery operators, COD payments to customers, interline payments to other carriers, amounts paid as employee benefits such as counselling and employee allowances for clothing tools, dry cleaning, vehicle, etc.
- ◆ if it were kept confidential, then *in camera* disclosure of salaries would not facilitate or hinder the retention or attraction of key employees.
- ◆ STC does not wish to disclose, publicly or *in camera*, the amount paid to each individual employee or supplier. STC would prefer to disclose employee and supplier names for those that exceed a specified amount (e.g. \$50,000).



### Disclosure of payee information

- ◆ STC indicated that it would be desirable to publicly disclose costs relating to legal, consulting, out-of-province travel, advertising, Board of Director's expenses, executive and senior management salaries, design and printing of the annual report, in most cases the cost of capital or goods and services which have been tendered, transfers or grants made in excess of \$1,000 and sponsorships or donations (including in-kind) in excess of \$1,000.

#### *Sask Water*

- ◆ effective October 1, 2002, Sask Water was transformed into two separate corporations that will have the utility segment working in a competitive environment.
- ◆ disclosure of payee information of this new entity should be limited to who is paid and how much. Disclosure of contents of specific agreements could be sensitive and may impact Sask Water's commercial prospects.

#### *CIC*

- ◆ CIC does not wish to disclose, publicly or *in camera*, investment information, the release of which may violate agreements with clients and may be detrimental to the commercial nature of an investee company.

### **Strategic Business Considerations**

#### *SaskPower*

- ◆ events occurring outside the province over the last few years have forced SaskPower to be more market focused and to participate in competitive environments while providing significant profitable opportunities. Changes such as the deregulation of the U.S. and Alberta power markets and the requirement to open Saskatchewan's transmission system to other power marketers and users have made confidentiality of commercial arrangements even more critical.
- ◆ setting aside the potential legal implications of breaching confidentiality clauses in existing contracts, restraining disclosure to an *in camera* process lessens the risk of public disclosure however counter-parties may still view this negatively and be less motivated to transact business with SaskPower which may result in significant negative consequences for SaskPower.
- ◆ SaskPower's legal counsel is of the opinion that disclosure of employee compensation may be viewed by the courts, even on an *in camera* basis, as breaching an implied promise of confidentiality as part of the contract of employment.
- ◆ *in camera* disclosure of individual employee names for those employees who received amounts in excess of a dollar value threshold appears to be less

harmful to the Corporation and its employees. SaskPower questions the usefulness of this information to the Standing Committee on Crown Corporations.

- ◆ SaskPower's understanding is that one of the basic principles of the Standing Committee on Crown Corporations is that of transparency, with information as to proceedings available to the public. Thus, the concept of *in camera* disclosure of information seems to be contradictory to this basic principle and, as a result, ultimately unworkable.
- ◆ evaluation of SaskPower's performance and meaningful disclosure should focus on its financial results, contribution to the Provincial economy, quality and cost of service and other governmental objectives. SaskPower does not believe that a simple list of payees provided to the Standing Committee on Crown Corporations *in camera* will contribute to the evaluation and governance of SaskPower.
- ◆ SaskPower would be willing *in camera* or otherwise, to disclose information that did not breach confidentiality arrangements, was viewed by the Corporation as not having an adverse effect on itself or its counter-parties or suppliers and excluded employee compensation. SaskPower also believes that it is important that SaskPower, acting reasonably, be the primary decision maker as what payee information disclosure would meet these requirements since it is the Corporation that has the most knowledge and is most affected in respect to these matters.
- ◆ alternatively, disclosure of a list of payees whose payments exceeded a certain dollar threshold could be provided, without disclosing the actual amounts, and, in the view of legal counsel, did not breach confidentiality arrangements. This would provide information as to which entities or employees were receiving payments from SaskPower. The threshold must be set low enough so as not to impair SaskPower's competitive position or its relationship with its counterparties and would not highlight key and higher paid employees.

#### *SaskTel*

- ◆ disclosure will hinder SaskTel's current and potential relationships with partners, suppliers and customers.
- ◆ many of SaskTel's business relationships are with privately held corporations that normally do not have any requirement to disclose their business affairs. The requirement for confidentiality agreements with many of these parties supports SaskTel's view that these parties prefer to keep their business affairs out of the public arena. SaskTel believes that many of these companies would choose not to do business with SaskTel if transactions were disclosed either publicly or *in camera*.

### Disclosure of payee information

- ◆ SaskTel is opposed to disclosure of payee information and believes that disclosure of this information will negatively impact its ability to compete and optimize shareholder value.
- ◆ SaskTel believes it is fulfilling public accountability via the current governance model. SaskTel has established appropriate business practices around tendering, internal controls, budgeting and financial reporting that are regularly reviewed by SaskTel's internal and external auditors.

#### *SGL*

- ◆ *in camera* disclosure may hinder SGI's growth strategy especially with respect to acquisitions. Where possible, when acquiring companies in new markets, SGI desires some portion of local ownership. By disclosing payee information, the opportunity for local owners may become more difficult.
- ◆ disclosure of salaries, goods, services and donations on an *in camera* basis is onerous and costly and will affect confidentiality agreements, competitiveness and strategic business initiatives.
- ◆ SGI does not support releasing payment information for goods and services on any basis.

#### *ISC*

- ◆ ISC is involved in strategic partnering agreements with Saskatchewan, Canadian and internationally based firms and there are discussions underway with potential partners for ongoing corporate relationships.
- ◆ ISC signs non-disclosure agreements (NDAs) with specific consultants and companies that have specialized expertise in discreet areas of technology and market know-how.
- ◆ consistent with best business practices, ISC signs NDAs to ensure intellectual property and trade secrets remain with ISC.
- ◆ revealing whom ISC contracts with, even on an *in camera* basis, would directly undermine the intent of such non-disclosure agreements and in fact may violate some.
- ◆ negotiations of future NDAs with specific consultants and companies may be more difficult if not impossible should *in camera* disclosure be necessary. As a result, important business relationships and best price arrangements could be jeopardized.
- ◆ sub-contracting and consulting contracts related to strategic partnering relationships or on-going corporate relationships are subject to NDAs, letters of intent, memoranda of understanding or formal partnership agreements. These would be impacted in the same manner as NDAs for consultants.

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- ◆ if information were provided *in camera*, controls to ensure that information disclosed remained confidential and was not referred to inadvertently or otherwise in other political forums would be necessary.
- ◆ questioning around the information provided would need to occur *in camera* as well.
- ◆ any type of disclosure of salaries for commercial enterprises may hinder attraction and retention of key employees.
- ◆ salary information is viewed as a personal, private affair by employees regardless of whether they work in the public or private sector and having the information available publicly or *in camera* is not viewed as desirable.
- ◆ the bulk of public concern normally surrounds executive compensation and this information is currently available to the public. ISC believes that disclosure made annually to the Standing Committee on Crown Corporations of executive compensation is sufficient. There are no bonuses paid under the current compensation structure (with the exception of temporary market supplements), therefore disclosure at an individual level beyond the executive level is not necessary.
- ◆ latitude to pay employees unreasonable amounts is non-existent as the salary of the President is set by CIC , the level of which dictates the ranges for all other employee groups.
- ◆ if *in camera* disclosure were assessed as desirable, the alternative of disclosing only names of individuals receiving remuneration in excess of a certain threshold would be the more acceptable alternative. As well, disclosure of only names of suppliers of goods and services over a certain threshold would be preferable over providing the exact dollar amount paid. A dollar value threshold would also avoid needless work and attention for insignificant matters.
- ◆ ability to compete is jeopardized if competitors can access information they can potentially use to determine what markets and partners are being targeted.
- ◆ disclosure could put the organization at a disadvantage in negotiating with suppliers or contractors as disclosure, in combination with other knowledge, will allow them to strengthen their bargaining position
- ◆ customers may be prejudiced against dealing with ISC if ISC has dealt with certain suppliers or contractors that they do not consider desirable.
- ◆ impact of *in camera* disclosure should not have a significant detrimental impact if it could be ensured that the information remained confidential.

### STC

- ◆ *in camera* disclosure of payee information would not impact STC's strategic business considerations, relationships with partners, suppliers, customers or

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shareholders and would not hinder the retention and attraction of key employees if the information were kept strictly confidential.

### *Sask Water*

- ◆ Sask Water is currently developing a business plan for the utility segment that will have it working in a competitive/commercial environment.
- ◆ disclosure of contents of agreements could impact Sask Water's commercial prospects and may hinder future partnerships with communities, small system partners and research partnerships.
- ◆ disclosure of salaries could hinder the retention and attraction of key employees because Crowns do not have the flexibility to pay employees as required to attract and retain them as do private organizations.
- ◆ classes of payee information should be limited to those of a potentially contentious nature. Currently Sask Water reports such information annually to the Standing Committee on Crown Corporations.

### *CIC*

- ◆ disclosure of payee information, publicly or *in camera* could severely hinder relationships with partners and clients and possibly lead to legal liability for CIC as it pertains to the investment activities.
- ◆ with respect to the investment activities conducted by CIC through CIC Industrial Interests Inc., business plan targets, investment strategy and the government priorities of economic growth and job creation could all be impacted if business partners could not be assured that their business information would be held in the strictest confidence.

**Appendix 10 – Supplementary request sent by CIC to CIC Crown corporations concerning the Committee seeking advice from the Information and Privacy Commissioner**

November 13, 2002

**RE: DISCLOSURE OF PAYEE INFORMATION**

On December 10, 2001, the Standing Committee on Crown Corporations (Committee) considered the Provincial Auditor's recommendations regarding public disclosure of payee information. At that meeting, Mr. Frank Hart, President and CEO of CIC, asked the Committee for time to consult with CIC subsidiary Crown corporations on the issue of public disclosure of payee information. The Committee then referred the Provincial Auditor's recommendation on a process for deciding what information government agencies should disclose and to whom to CIC and the Provincial Auditor with a request that we report back to the Committee in June of 2002.

In June, the Committee approved an extension to October 2002 to allow CIC and the Provincial Auditor's Office time to review the *in camera* alternative identified by the Provincial Auditor. CIC prepared a draft report in October incorporating your comments that we circulated for your review. At the same time, the Provincial Auditor also prepared his draft report on this matter. The process proposed by the Provincial Auditor now includes a recommendation that the Committee seek the Information and Privacy Commissioner's advice to help it determine whether payee information can be disclosed publicly. This process also includes the use of *in camera* disclosure when the reasons for not disclosing the information publicly override the need for public disclosure of payee information. The Provincial Auditor's recommendation is described in detail in the attachment to this letter.

Both CIC and the Provincial Auditor agreed that the issues surrounding the public disclosure of payee information have proven to be more complex and difficult than anticipated. CIC, with the Provincial Auditor's concurrence, requested that the Committee extend the October deadline to ensure that the Committee receives a comprehensive examination of the public disclosure of payee information issue, that all alternatives are explored, and that the Crown corporations have an opportunity to provide their views on these alternatives. We now plan to report to the Committee in January 2003.

Accordingly, please examine the impact, if any, of the Committee seeking advice from the Information and Privacy Commissioner on your organization and its subsidiaries. Please indicate in your response, using the same categories, whether and how this revised process would alter your response to CIC's July 3, 2002 letter regarding *in camera* disclosure.

The information you provide will be incorporated into a revised report that, in addition to the original recommendation by the Provincial Auditor, will also take account of the *in camera* alternative developed by the Provincial Auditor and the option described above. As before, CIC will circulate a draft of the revised report to you for review and comments.

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### **Appendix 11 – Summary of responses received from CIC Crown corporations concerning the Committee seeking advice from the Information and Privacy Commissioner**

The following summary was prepared by CIC from the responses received to the second supplementary request for comment. CIC agreed to the inclusion of this summary in our Report.

#### *SaskPower*

- ◆ SaskPower notes that *The Freedom of Information and Protection of Privacy Act* appears to focus exclusively on the relationship between the outside public and governmental bodies. Advising the Crown Corporations Committee is not one of the Information and Privacy Commissioner's stated responsibilities under the Act.
- ◆ SaskPower indicates that it may be inappropriate to involve the Information and Privacy Commissioner in this matter, without a change in legislation.
- ◆ SaskPower reiterates its concerns regarding confidentiality obligations embodied in most of its contracts and that are entered into for the mutual benefit and requirement of the Corporation and its counter-parties. In the view of SaskPower's legal counsel, the disclosure of any terms of a contract to any third party, including *in camera* disclosure to the Crown Corporations Committee, would breach these confidentiality commitments and potentially subject the Corporation to loss of reputation, litigation, and damages.
- ◆ SaskPower believes that a simple list of payees, together with amounts, does little in furthering the understanding of the Crown Corporations Committee of SaskPower's operations.
- ◆ a comprehensive review of SaskPower's revenues, expenses, capital expenditures, financial position, physical assets and operations and their inter-relationships is far more productive and meaningful for the Crown Corporations Committee.
- ◆ disclosure of individual employee compensation may be viewed by the courts, even in an *in camera* setting, as breaching an implied promise of confidentiality as part of the contract of employment.
- ◆ SaskPower notes that the Provincial Auditor's revised recommendations do not explicitly address confidentiality considerations and that these need to be adequately dealt with prior to finalization of policy, to avoid significant adverse consequences to SaskPower.
- ◆ As indicated in its previous response, if required, SaskPower would be willing, *in camera* or otherwise, to disclose information that 1) did not breach confidentiality arrangements; 2) was viewed by the Corporation as not having an adverse effect on itself or its counter-parties or suppliers; and 3) excluded employee compensation.
- ◆ Alternatively, SaskPower suggests that a list of payees, whose payments exceeded a certain dollar threshold for the year, could be provided without disclosing the actual amounts and, in the view of legal counsel, did not breach confidentiality arrangements. This amount would be set low enough, (e.g.

\$20,000) so as not to impair SaskPower's competitive position or its relationship with its counter-parties and not highlight key and higher paid employees.

*SaskTel*

- ◆ SaskTel remains opposed to the concept of disclosure for a fully competitive Crown Corporation and indicates that it does not matter how the information is released, rather it is the fact of the release that causes concerns.
- ◆ SaskTel believes that the proposal does not mirror *The Freedom of Information and Protection of Privacy Act* insofar as that Act deals with third party information. The Act provides for Third Party Intervention (Sections 34 to 37) and a decision to be made on that intervention. The process proposed by the Provincial Auditor does not allow for any Third Party participation.
- ◆ SaskTel indicates that even in the absence of Third Party Intervention, the proposed process will likely be very cumbersome and time consuming in that each payee for which issues arise will have to be reviewed at least once by SaskTel. In some cases, the circumstances of each individual payee may then need to be reviewed by the Crown Corporations Committee and the Information and Privacy Commissioner. SaskTel believes that a cost/benefit analysis will undoubtedly not support such a process.
- ◆ SaskTel believes that Appendix 1, which outlines the decision-making tree for the release of information, has a basic flaw. It seems to assume that *The Freedom of Information and Protection of Privacy Act* sets definitive black and white guidance on what can/cannot be released. While, in some cases, the Act is black and white, for the most part, payee information falls into the grey areas of the Act. SaskTel believes it would be more appropriate to determine the release of payee information via Freedom of Information requests and in accordance with the Act and the decisions made under the Act, rather than through the process proposed.
- ◆ SaskTel does not believe that releasing the information *in camera* would promote accountability. Effectively, the process would provide an MLA with a mountain of information but would at the same time preclude them from using it. This seems senseless and a waste of time, effort and money.
- ◆ SaskTel believes that the proposal is cumbersome, bureaucratic and cost ineffective.

*SaskEnergy*

- ◆ SaskEnergy indicates that the issues raised do not materially change their position.
- ◆ SaskEnergy cautions that each successive model presented only seems to add to the complexity of the issue without bringing resolution to the problem.
- ◆ SaskEnergy believes that the Information and Privacy Commissioner can only determine whether information can be released publicly, using the strict interpretation of law. The Commissioner does not resolve the issue of whether or not releasing payee information such as gas prices paid by suppliers is harmful to their competitive position.



### Disclosure of payee information

- ◆ SaskEnergy notes that its suppliers have clearly indicated that they do not want payee information released and an Information and Privacy Commissioner's decision would not fundamentally change their opinion.
- ◆ SaskEnergy notes that it fails to understand how presentation of information to MLAs in an *in camera* session fulfills the intended purpose of having commercially sensitive information scrutinized and that the notion of the two ideas seem at loggerheads to each other.
- ◆ SaskEnergy believes that the suggestions of closed-door *in camera* mechanisms and the involvement of the Information and Privacy Commissioner's Office will actually lessen the public and media confidence in the supposed transparency of the system and encourages a solution that arrives upon a defined set of go-forward rules regarding information release.

### *Saskatchewan Government Insurance (SGI)*

- ◆ SGI indicates that their previous comments regarding disclosure are unchanged.
- ◆ SGI believes that seeking the advice of the Information and Privacy Commissioner regarding the legality of public disclosure of information puts more onus on the various Crown corporations to get approval for information not to be disclosed. Once that approval is received, the Crown Corporations must also report to the Crown corporations Committee the number and value of payments not disclosed.
- ◆ SGI reiterates its previous concern that the disclosure of payee lists is onerous and costly. SGI believes that adding a further step in the process, seeking advice from the Information and Privacy Commissioner, adds more administrative effort and costs to the process.
- ◆ SGI believes the proposed processes will make it difficult to efficiently run competitive businesses with processes that result in higher costs for services.

### *Information Services Corporation (ISC)*

- ◆ ISC indicates that its response to the proposed recommendation is unchanged from its previous responses except to add that the need to manually go through all payees and contracts and determine which can be disclosed versus which should be kept confidential and justified as such to the Crown Corporations Committee is time consuming and costly.

### *Saskatchewan Transportation Company (STC)*

- ◆ STC indicates that their position remains unchanged and that it would prefer not to disclose payees.
- ◆ As indicated in STC's previous response, if payee information is required, STC believes it is appropriate to provide disclosure to the Crown Corporations Committee with respect to legal, consulting, out-of-province travel, advertising, Board of Director's expenses, executive and senior management expenses, design and printing of the annual report, transfers or grants in excess of \$1,000,

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sponsorships and donations of any kind in excess of \$1,000, and in most cases, the cost of capital or goods and services which have been tendered. STC believes that any other disclosure would not be valuable nor could possible impact STC negatively.

- ◆ STC believes *in camera* disclosure is unrealistic, but that there would generally be less concern about that level of disclosure to the Crown Corporations Committee. If *in camera* disclosure is required, STC would prefer to disclose employee and supplier names for those that exceed a specified amount (e.g. \$50,000). However, STC does not wish to disclose, publicly or *in camera*, the amount paid to each individual employee or supplier.
- ◆ STC would prefer not to have the Information and Privacy Commissioner involved. STC would rather disclose payee information as described in the preceding paragraphs as opposed to spending the time trying to justify reasons for non-disclosure of certain information.

### *Saskatchewan Water Corporation (SWC)*

- ◆ Sask Water indicates that its previous response regarding *in camera* disclosure is unchanged.
- ◆ Sask Water believes that the process under *The Freedom of Information and Protection of Privacy Act* is substantially different than the process of reporting to a legislative committee. The process outlined would seem to provide for the opportunity, even in the face of a ruling by the Information and Privacy Commissioner, to seek the Crown Corporations Committee's consent to the *in camera* disclosure.

### *Saskatchewan Government Growth Fund Management Corporation (SGGFMC)*

- ◆ SGGFMC indicates that its previous response is unchanged.

### *CIC*

- ◆ CIC's previous response is unchanged.

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**Appendix 12 – Disclosure of payee information by Crown agencies in other Canadian jurisdictions**

Jurisdiction	Publicly Disclose Payees	Type of Info Disclosed	Location of Info Disclosed	Future Plans to expand disclosure	Legislative Auditor Reports on Disclosure
British Columbia	Yes	Board member and employee salaries and expenses = \$75,000; Payments to suppliers of goods & services = \$25,000	Available from the corporation or the Legislative Library; some are available on the internet.	None	None
Alberta	Yes	Board member and executive employee salaries and benefits	With annual report or financial statements	None	None
Manitoba	Yes	Salaries = \$50,000	Available in annual reports or on request	None	None
Ontario	Yes	Salaries = \$100,000 unless exempted; Hydro One & Ontario Power Generation disclose Board member and executive employee salaries and benefits	With annual report or separately	None	None
Quebec	No	N/A	N/A	None	None
New Brunswick	Yes	Salaries > \$40,000	Public Accounts Vol. 5	None	None
Nova Scotia	No	N/A	N/A	None	Recommends that the government should establish compensation and other disclosure standards.
Prince Edward Island	No	N/A	N/A	None	None
Newfoundland and Labrador	No	N/A	N/A	None	None
Yukon	No	N/A	N/A	None	None
Northwest Territories	No	N/A	N/A	Salaries and travel	None
Nunavut	Response not received.				
Canada	No	N/A	N/A	N/A	None