

Document Profile

Title: Guiding Principles for the Management
of Crown Corporations*

Author/Information: Program Branch
Treasury Board of Canada Secretariat
Telephone: (613) 957-0156
facsimile: (613) 957-0160
Internet address: Greg.Bradbury@tbs-cts.x400.gc.ca

Last Revision: April 1995

For Print Copy: Treasury Board Distribution Centre
Telephone: (613) 995-2855
Facsimile: (613) 996-0518
Cost: No cost

For information on other electronic versions, please contact:

Planning and Communications Directorate
Treasury Board of Canada Secretariat
Telephone: (613) 957-2421
Fax: (613) 952-9998

Alternative Formats: This publication is available in alternative formats.

*© Minister of Supply and Services Canada 1996. All rights reserved. You may reproduce this publication in whole or in part provided you acknowledge the Treasury Board of Canada Secretariat, as source of all copies. However, to obtain permission to reproduce a work in whole or in part for purposes of resale or redistribution, please contact the Secretariat.

Guiding Principles for the Management of Crown Corporations

1. Crown corporations serve the public interest in a commercial environment:

This orientation requires Crown corporations to balance costs and benefits of public policy objectives against financial costs, given that the Crown corporation portfolio ranges from small appropriation-dependent corporations with limited commercial revenue, to large commercial corporations operating on a self-sustaining basis. Although Crown corporations respect the spirit of the government's broad socio-economic policies such as official languages, employment equity and wage restraint, they must deliver goods and services in an economic and efficient manner.

2. Crown corporations have managerial autonomy:

Crown corporations have greater managerial autonomy than departments. Their day-to-day operations are at arm's-length from both ministers and civil servants as provided for under the FAA by Parliament. As such, the role of the appropriate minister for a Crown corporation is to determine its broad orientations and to approve its corporate plan (recommending it to his/her colleagues), while respecting the corporation's operational autonomy from government.

3. Crown corporations operate in as commercial a manner as possible:

Because many of them compete with private sector firms, Crown corporations are expected to function like their private sector counterparts without undue interference from government administrative policies and without preferential treatment vis-à-vis private firms. Their use of private sector business practices often requires that general government policies and other measures be tailored specifically to their needs, often as guidelines rather than rules.

4. Crown corporations should operate on a level playing field:

Because many Crown corporations compete with private firms, they should be subject to the same regulatory requirements as the private sector, be they federal or provincial. To avoid overlap and duplication with processes in other jurisdictions, the point of reference is the private sector rather than the public sector. The application of broad government policies to Crown corporations should be clearly identified in the regime or legislation establishing them. Safeguards are also necessary to guard against the release of commercially-sensitive information in the key corporate plan approval process.