



NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY
TABLE RONDE NATIONALE SUR L'ENVIRONNEMENT ET L'ÉCONOMIE

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NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY



NRTEE

National Round Table
on the Environment
and the Economy



TRNEE

Table ronde nationale
sur l'environnement
et l'économie



Annual Report
2002-2003

Canada

NRTEE MEMBERS

From April 1, 2002 to March 31, 2003

Dr. Stuart L. Smith (*Chair*) – Term ended June 21, 2002
Chairman
ENSYN Technologies Inc.

Harvey L. Mead (*Chair, NRTEE*)
Sainte-Foy, Québec

Patricia McCunn-Miller (*Vice-Chair, NRTEE*)
Vice-President, Environment and Regulatory Affairs
EnCana Corporation

Ken Ogilvie (*Vice-Chair, NRTEE*)
Executive Director
Pollution Probe Foundation

Harinder P. S. Ahluwalia
President and CEO
Info-Electronics Systems Inc.

Paul G. Antle – Term ended April 22, 2002
President and CEO
Island Waste Management Inc.

Louis Archambault
President and CEO
Groupe-conseil Entraco Inc.

Jean Bélanger
Ottawa, Ontario

Katherine M. Bergman
Dean of Science
Professor, Department of Geology
University of Regina

William J. Borland
Director, Environmental Affairs
JD Irving Limited

Lise Brousseau – Term ended September 28, 2002
La Prairie, Québec

Patrick Carson – Term ended April 27, 2003
Nobleton, Ontario

Douglas B. Deacon
Owner
Trailside Café and Adventures

Terry Duguid
Chairman
Manitoba Clean Environment Commission

Sam Hamad, P.Eng. – Term ended July 14, 2002
Vice-President, Industry
Roche Ltée, Groupe-conseil

Michael Harcourt
Senior Associate
Sustainable Development Research Initiative
University of British Columbia

Marie-Claire Hélie
Vice-President
Financière Banque Nationale

Linda Louella Inkpen
St. Phillips, Newfoundland and Labrador

Cindy Kenny-Gilday – Term ended April 27, 2002
Senior Advisor, Community Affairs
Diavik Diamond Mines

Diane Frances Malley
President
PDK Projects Inc.

Cristina Marques
Co-Owner and Developer
Dreamcoast Homes

Joseph O'Neill – Term ended May 15, 2002
Hanwell, New Brunswick

Angus Ross – Term ended June 21, 2003
Chairman
L & A Concepts

Qussai Samak
Union Advisor
Confédération des syndicats nationaux

John Wiebe
President and CEO
GLOBE Foundation of Canada

Judy G. Williams
Partner
MacKenzie Fujisawa

NRTEE SECRETARIAT

President & CEO
David J. McGuinty

Senior Advisor to the President and CEO
Carolyn Cahill

Executive Assistant to the President and CEO
Juliana Bravo

Corporate Secretary & Director of Operations
Gene Nyberg

Executive Assistant to the Corporate Secretary
Hélène Sutton

Policy Advisors

Karen Hébert

David Myers

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Special Projects Manager

Sara Melamed

Lisa Woodward

Research Associate

Claire Aplevich

Manager of Communications

Moira Forrest

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Pierrette Guitard

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Michael Hammond

Finance & Administration Clerks

Marie-France Brassard

Denise Dinel-Larivière

Administrative Assistants

Lise Bélanger

Denise Johnston

Tania Tremblay

Receptionists/Secretaries

Carole Desjardins

Denise Wilson



Letter from the Chair and Chief Executive Officer

July 2003

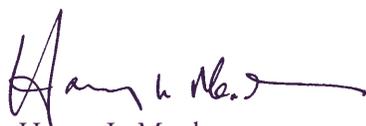
Dear Prime Minister:

We are pleased to submit to you the 2002–2003 Annual Report of the National Round Table on the Environment and the Economy (NRTEE).

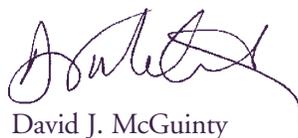
Our efforts over the last year have focused on facilitating discussion of the environmental and economic elements of a number of key issues of national and international interest. Stakeholders from a wide range of sectors have contributed to important debates on the development of environment and sustainable development indicators, the development of a national strategy on brownfield redevelopment, the conservation of natural heritage, urban sustainability, ecological fiscal reform, and recommendations on measures for inclusion in the federal budget.

Over the next fiscal year, the NRTEE will encourage similar discussion and debate in a number of program areas, with particular emphasis on ecological fiscal reform and energy, urban sustainability, conservation of natural heritage, and capital markets. As well, the Round Table will promote and champion the final set of environment and sustainable development indicators, developed over the past three years. We look forward to continuing to provide your office with current information and advice throughout 2003–2004.

Yours sincerely,



Harvey L. Mead
Chair



David J. McGuinty
President and Chief Executive Officer



Table of Contents

The NRTEE: An Overview.....	3
The Year in Review	4
Communications and Publications.....	6
A Look Ahead	7
Statement of Management Responsibility.....	8
Auditor's Report.....	9
Statement of Financial Position	10
Statement of Operations.....	11
Statement of Equity of Canada	12
Statement of Cash Flow	13
Notes to the Financial Statements	14



The NRTEE: An Overview

Who We Are

The National Round Table on the Environment and the Economy (NRTEE) is an independent agency of the federal government committed to providing decision makers and opinion leaders with reliable information and objective views on the current state of the debate on the environment and the economy.

The NRTEE's members are distinguished Canadians appointed by the Governor in Council. Members represent a broad range of sectors – including business, labour, academe, environmental organizations and First Nations.

What We Do

The NRTEE was legislated by an Act of Parliament in 1994 to serve as a catalyst in identifying, explaining and promoting the principles and practices of sustainable development. Working with stakeholders across Canada, the NRTEE carries out its mandate by identifying key issues with both environmental and economic implications, fully exploring these implications, and suggesting action designed to balance economic prosperity with environmental preservation.

Activities are organized into a series of programs, each of which is overseen by a task force or committee made up of one or more NRTEE members and selected representatives from business, government and non-profit organizations.

The responsible task force or committee commissions research, conducts national consultations, reports on areas of agreement and disagreement, and puts forward reasoned recommendations for change. The full NRTEE then reviews these reports and recommendations prior to approving and releasing them to the public. The NRTEE meets four times each year to review progress, establish priorities for the future and initiate new programs.

How We Work

A multistakeholder approach is the hallmark of the NRTEE's activities. By creating an atmosphere of trust in which all points of view can be expressed freely and debated openly, the NRTEE has established a process whereby stakeholders themselves define the environment/economy interface within issues, determine areas of consensus, and identify the reasons for disagreement and their implications for policy and decision making.

Each year, the NRTEE undertakes a strategic planning process to identify key issues to be addressed by programs over the short and medium term. Programs are developed that address pressing issues with both environmental and economic implications and that have potential for advancing sustainable development.

Making headway in sensitive areas while maintaining balance is a challenge for stakeholders. As a catalyst in the process, the NRTEE brings a “round table” format to each issue by:

- analyzing the environmental and economic facts and trends;
- actively seeking input from key stakeholders;
- drawing together the results of research and consultation, and clarifying the “state of the debate”; and
- pinpointing the consequences of action and inaction and making recommendations.

The round-table process is a unique form of stakeholder consultation, permitting progress on diverse issues with an environmental/economic interface. The process itself is of value in overcoming entrenched differences. At the same time, the products (reports) for each program emphasize broad policy development and provide specific recommendations for action.



The Year in Review

Corporate Activities

The members of the National Round Table meet as a round table four times a year to review and discuss the ongoing work of the agency, set priorities, and initiate new activities. This year, the members met in St. John's, Newfoundland and Labrador, in May; Vancouver, British Columbia, in August; Ottawa, Ontario, in November; and Kananaskis, Alberta, in February.

The Round Table's Executive Committee held four meetings over the year, convening as a group by conference call and in person in June, twice in October, and lastly in February 2003.

During 2002–2003, the NRTEE continued to develop and implement its Performance Measurement Framework. This framework, which is being implemented both at a strategic level and within each of the NRTEE's programs, ensures there is a clear focus on outcomes and that a performance measurement plan is developed to measure the achievement, or progress toward the achievement, of expected outcomes. By objectively and systematically measuring performance, the agency is able to provide parliamentarians and Canadians with sounder, more objective, results-based information.

In March 2002, the Social Sciences and Humanities Research Council (SSHRC) asked the NRTEE to organize "a high-level expert advisory process to advise on the design of a large-scale research program focused on the social, economic, legal and cultural aspects of environment and sustainability issues." In collaboration with SSHRC and Environment Canada, the NRTEE convened two meetings, bringing together stakeholders from government, industry and civil society along with sustainability research leaders from academe. The consultation identified two categories of human capital requiring development and investment: capacity building to generate a cadre of highly educated professionals, managers and researchers; and knowledge development to build the basis for sound, evidence-based decision making.

Program Areas

The NRTEE focused on six key program areas over the year. Each program is led by a member of the Round Table who acts as the chair of the program's task force. The task force is a multistakeholder group that assists in guiding and shaping the program's recommendations and highlighting areas where more work is needed. The program areas are described briefly below.



Environment and Sustainable Development Indicators

The goal of the NRTEE's three-year **Environment and Sustainable Development Indicators (ESDI)**

Initiative is to generate a national set of indicators that will integrate environmental considerations into economic decision making. These indicators will augment familiar economic data – such as gross domestic product and the consumer price index. It is intended that these indicators will be used by governments, business and civil society.

The initiative originated in the NRTEE's Greening the Budget 2000 recommendations and came to fruition through funding in the 2000 federal budget. The ESDI Initiative entered its final phase in this fiscal year, with an examination of the short list of indicators and selection of those that will be presented to the government in a *State of the Debate* report.



Conservation of Natural Heritage

The goal of the **Conservation of Natural Heritage** program is to encourage Canadians at all levels to undertake stewardship of the land and waters (publicly and privately owned) and to shape and support new tools

that will help Canadians to better conserve, restore and maintain the long-term health of ecosystems.

Results from the program indicate the need to establish a national¹ network of protected areas² nested within a larger, sustainably managed (working) landscape. This landscape-level approach to conservation – which will entail new research to understand the connectivity between core reserves – is based on the knowledge that protected areas, while fundamental to any conservation strategy, are not adequate in and of themselves to conserve biodiversity over time.

Working with key stakeholders, the program task force developed and tested draft recommendations that will ultimately form the basis of a *State of the Debate* report. As well, a series of eight case studies, which examined and highlighted valuable lessons on best practices from completed or ongoing Canadian projects, was compiled and posted on the NRTEE's Web site.



Urban Sustainability

The goal of the **Urban Sustainability** program is to catalyze momentum toward alternative or more coherent strategies, based upon sustainable development principles, that aim to improve the quality of life in and competitiveness of Canada's cities or urban regions. The work of the program takes place on two tracks: fiscal reform in support of urban sustainability (examining innovative fiscal measures that all three levels of government in Canada can use to support urban sustainability); and indicators of environmental quality (investigating indicators that might be used to produce a report on the state of Canadian cities).

Working with key stakeholders, the task force developed a case study on the Greater Toronto Area and tested a series of draft recommendations that will ultimately be published in a *State of the Debate* report.

1 *National* refers to initiatives by all levels of government.

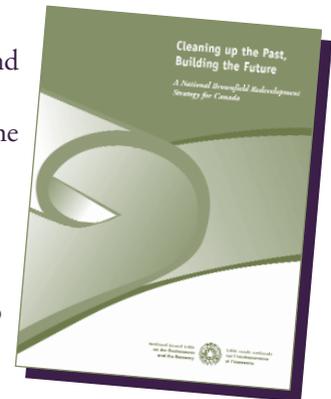
2 Recognizing that there are many different kinds of protected areas, from permanently protected parks to conservation easements.



National Brownfield Redevelopment Strategy

The goal of the **National Brownfield Redevelopment Strategy** program was to develop a national strategy that incorporates federal, provincial and municipal measures to facilitate the redevelopment of brownfields in Canada. The NRTEE's *National Strategy on Brownfield Redevelopment* was released in February 2003.

The vision of the strategy is to transform Canada's brownfields into economically productive, environmentally healthy and socially vibrant centres of community life, through the coordinated efforts of all levels of government, the private sector and community organizations. This strategy is designed to eliminate key barriers to brownfield redevelopment, including lack of access to capital, liability and risk problems, and low stakeholder awareness. The result is a realistic, practical and innovative blueprint for action that presents a coordinated, comprehensive national approach to cleaning up and redeveloping brownfields in Canada.



Economic Instruments and Green Budget Reform

The goal of this program is to advance the use of market-based approaches for environmental improvement in Canada. It has two key components:

1. Greening the Budget

The Economic Instruments and Greening the Budget Committee has continued its work on the use of economic instruments to improve the environment. Central to this program is the annual



Greening the Budget process, held to develop recommendations for consideration by the Minister of Finance in the ensuing year's budget. In developing this advice, the Round Table strives to achieve a consensus among stakeholders around sustainable development initiatives.

This year's submission was about achieving a "better balance." The NRTEE's Greening the Budget 2003 recommendations were aimed at producing a budget that balances economic prosperity and an enhanced environmental and social quality of life.



2. Ecological Fiscal Reform

Governments have traditionally used fiscal policy (taxation and expenditure policies) to generate revenues and stimulate economic growth, rather than

to achieve broad social and environmental objectives. The NRTEE's **Ecological Fiscal Reform** program is designed to demonstrate how governments can use fiscal policy as a strategic tool to achieve environmental and economic objectives simultaneously.

With the completion of a case study that examined heavy fuel oil and its uses, the program shifted its focus to study the role of fiscal policy in reducing the carbon emission intensity of Canadian energy systems. The new direction is motivated by a clear message from stakeholders that the program should focus on strategic issues of importance to Canada in the long term, as well as a realization that Canada's ratification of the Kyoto Accord will produce substantial changes in the Canadian energy marketplace.

Communications and Publications

In 2002–2003, the NRTEE continued its efforts to ensure that decision makers, the media and the public recognize it as a leader in providing objective views and analysis relating to the "state of the debate" on the environment and the economy in Canada. The NRTEE was extremely active this year, releasing a national strategy for brownfield redevelopment and other material. As well, the Round Table received extensive national media coverage throughout the year on a variety of issues including brownfield redevelopment, urban sustainability, domestic emissions trading, and climate change and the Kyoto Protocol.

The NRTEE Web site remains an important tool for disseminating key information to stakeholders and members of the public. In 2002–2003, the number of "unique" visitors to the Web site continued to grow, increasing by 20 percent over the 2001–2002 figure. The Web site was the primary information source for the Greening the Budget 2003 recommendations, the background material for the Environment and Sustainable Development Indicators Initiative, the NRTEE e-Brief (an

electronic e-mail update on current events and program information), and Executive Briefs and Program Updates (highlighting the work of NRTEE programs).

The Web site's Virtual Library feature enables people to easily access over 300 NRTEE documents on sustainable development. All NRTEE publications obtained through the Virtual Library are free of charge. The Round Table's signature series, the *State of the Debate* reports, continues to have strong brand recognition. The most popular reports downloaded in this fiscal year included: *Aboriginal Communities and Non-renewable Resource Development – A State of the Debate Report*, *Calculating Eco-efficiency Indicators: A Workbook for Industry*, *Greening Canada's Brownfield Sites – A State of the Debate Report*, and *Cleaning up the Past, Building the Future: A National Brownfield Redevelopment Strategy for Canada*. This last report was released and widely promoted during the year.

NRTEE publications also continued to be marketed and distributed on a partial cost-recovery basis through Renouf Publishing Co. Ltd.



A Look Ahead

The coming year, 2003–2004, will be an active one for the NRTEE. The following are the key initiatives planned for next year:

- The Environment and Sustainable Development Indicators Initiative will release its final set of indicators and key findings in a *State of the Debate* report in May 2003.
- The Ecological Fiscal Reform program, through a series of case studies, will seek to demonstrate how fiscal policy could shift Canadian energy production and consumption away from carbon-intensive fuels, processes and technologies.
- The Greening the Budget program will continue to make annual pre-budget submissions to the Minister of Finance and the Department of Finance.
- The Urban Sustainability program will release its *State of the Debate* report in May at the Federation of Canadian Municipalities' Annual Conference and Exposition in Winnipeg, Manitoba. The findings and recommendations in the report will be communicated throughout the fall during a cross-country tour. This tour will also feature the recommendations in the *National Brownfield Redevelopment Strategy* report.
- The Conservation of Natural Heritage (Phase One) program's *State of the Debate* report will be released in June. The findings and recommendations will be communicated during the upcoming winter and spring at three regional, day-long conferences.
- The NRTEE will launch a new program on capital markets to examine the relationship between financial performance and corporate activities to improve environmental and social performance.
- The Round Table will begin a second phase of the Conservation of Natural Heritage program to (potentially) examine ecological fiscal reform measures on public land allocated for use to resource companies.



National Round Table on the Environment and the Economy

Statement of Management Responsibility

For the Year ended March 31, 2003

The objectivity and the integrity of the financial statements and related information presented in this annual report are the responsibility of management and have been examined by the Executive Committee of the Round Table.

These financial statements have been prepared on an accrual basis of accounting in accordance with Treasury Board of Canada standards based on Canadian generally accepted accounting principles. These statements should be read within the context of the significant accounting policies set out in the notes.

Management has developed and maintains books, records, internal controls and management practices, designed to provide reasonable assurance that the Government's assets are safeguarded and controlled, resources are managed economically and efficiently in the attainment of the Round Table's objective and that transactions are in accordance with the *Financial Administration Act* and regulations as well as department policies and statutory requirements. Management also seeks to assure the objectivity and integrity of the information in the financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communications programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

The transactions and financial statements of the Round Table have been audited by the Auditor General of Canada, the independent auditor for the Government of Canada.

Approved by:



David J. McGuinty
President and
Chief Executive Officer



Eugene Nyberg
Corporate Secretary and
Director of Operations

Ottawa, Canada
June 26, 2003





Auditor General of Canada
Vérificatrice générale du Canada

Auditor's Report

To the National Round Table on the Environment and the Economy
and the Prime Minister

I have audited the statement of financial position of the National Round Table on the Environment and the Economy as at March 31, 2003 and the statements of operations, equity of Canada and cash flow for the year then ended. These financial statements are the responsibility of the Round Table's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Round Table as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'Sylvain Ricard'.

Sylvain Ricard, CA
Principal
for the Auditor General of Canada

Ottawa, Canada
June 26, 2003



National Round Table on the Environment and the Economy

Statement of Financial Position

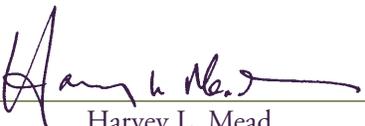
As at March 31

	2003	2002
	\$	\$
ASSETS		
Financial Assets		
Due from Consolidated Revenue Fund	239,831	850,733
Receivables (Note 4)	8,745	51,235
Publication inventory for resale	50,018	62,642
	298,594	964,610
Non-Financial Assets		
Prepayments	18,538	12,765
Capital assets (Note 5)	403,104	398,176
	421,642	410,941
TOTAL ASSETS	720,236	1,375,551
LIABILITIES AND EQUITY OF CANADA		
Current Liabilities		
Accounts payable and accrued liabilities (Note 6)	354,449	978,644
EQUITY OF CANADA	365,787	396,907
TOTAL LIABILITIES AND EQUITY OF CANADA	720,236	1,375,551

Commitments (Note 8)

The accompanying notes form an integral part of these Statements.

Approved by:


 Harvey L. Mead
 Chair


 David J. McGuinty
 President and CEO



National Round Table on the Environment and the Economy

Statement of Operations

For the Year ended March 31

	2003	2002
	\$	\$
REVENUES		
Funding from Other Government Departments (Note 3)	82,636	1,289,000
Donations and Cost-sharing Revenue	7,500	283,155
Sale of publications	3,857	9,184
TOTAL REVENUES	93,993	1,581,339
EXPENSES		
Operating		
Salaries and employee benefits	2,263,240	2,002,706
Professional and special services	1,706,469	2,493,589
Rentals	410,209	325,552
Transportation and communication	405,914	861,078
Publications	374,752	764,076
Amortization	109,680	47,056
Furniture and equipment	59,530	106,300
Utilities, materials and supplies	42,800	51,236
Repairs and maintenance	26,975	22,242
	5,399,569	6,673,835
Executive Committee		
Travel and living expenses	5,978	14,650
Honoraria	5,146	3,970
	11,124	18,620
Other Committees		
Travel and living expenses	204,360	189,800
Honoraria	140,440	130,405
	344,800	320,205
TOTAL EXPENSES	5,755,493	7,012,660
NET COST OF OPERATIONS	5,661,500	5,431,321

The accompanying notes form an integral part of these Statements.



National Round Table on the Environment and the Economy

Statement of Equity of Canada For the Year ended March 31

	2003	2002
	\$	\$
Equity of Canada, beginning of year	396,907	150,380
Net Cost of Operations	(5,661,500)	(5,431,321)
Services provided without charge (Note 3)	309,000	227,000
Net change in due from Consolidated Revenue Fund	(610,902)	(304,183)
Net Cash Provided by Government	5,932,282	5,755,031
Equity of Canada, end of year	365,787	396,907

The accompanying notes form an integral part of these Statements.



National Round Table on the Environment and the Economy

Statement of Cash Flow

For the Year ended March 31

	2003	2002
	\$	\$
Operating Activities		
Net Cost of Operations	5,661,500	5,431,321
Non-Cash items included in cost of operations:		
Less: Amortization of capital assets	(109,680)	(47,056)
Services provided without charge	(309,000)	(227,000)
Statement of Financial Position adjustments:		
Decrease in deferred revenue	—	73,774
Decrease in accounts payable and accrued liabilities	624,195	190,397
Decrease in receivables	(42,490)	18,345
Decrease in publication inventory for resale	(12,624)	(4,368)
Increase in prepayments	5,773	8,015
Cash used in operating activities	5,817,674	5,443,428
Investing Activities		
Acquisitions of capital assets	114,608	311,603
Cash used in investing activities	114,608	311,603
Net Cash Provided by Government	5,932,282	5,755,031

The accompanying notes form an integral part of these Statements.



National Round Table on the Environment and the Economy

Notes to the Financial Statements

For the Year ended March 31, 2003

1. Authority and Purpose

The National Round Table on the Environment and the Economy (Round Table) was established in 1994 under the *National Round Table on the Environment and the Economy Act* and is a departmental corporation named in Schedule II of the *Financial Administration Act*. The Round Table fulfils its objective of promoting sustainable development, and the integration of the environment and economy in decision making in all sectors, by conducting studies, organizing multistakeholder “dialogues” on specific issues and economic sectors, providing advice, carrying out educational and communication activities, and by acting as a catalyst for change. Its operating expenditures are funded mainly by a budgetary lapsing authority and, to a lesser extent, from cost recovery and cost sharing for specific activities. Employee benefits are in accordance with the related statutory authorities.

2. Summary of Significant Accounting Policies

These financial statements have been prepared on an accrual basis of accounting in accordance with Treasury Board of Canada standards based on Canadian generally accepted accounting principles. Significant accounting policies are as follows:

a) Parliamentary Appropriations

The Round Table is financed mainly by the Government of Canada through Parliamentary appropriations. Parliamentary appropriations are disclosed in the Statement of Equity of Canada. Appropriations provided to the Round Table do not parallel financial reporting according to Canadian generally accepted accounting principles, as they are based in a large part on cash flow requirements. Consequently, items recognized in the Statement of Equity of Canada are not necessarily the same as those provided through appropriations from Parliament.

b) Due from Consolidated Revenue Fund (CRF)

The Round Table operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by the Round Table is deposited to the CRF and all cash disbursements made by the Round Table are paid from the CRF. Due from the CRF represents the amount of cash that the Round Table is entitled to draw from the Consolidated Revenue Fund, without further Parliamentary appropriations, in order to discharge its liabilities.

c) Pension Plan

The Round Table’s employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The employees and the Round Table contribute equally to the cost of the Plan. The contributions represent the total obligations of the Round Table and are recognized in the accounts in the period that the contributions are made.



d) Receivables

These are stated at amounts ultimately expected to be realized. An allowance is made for receivables where recovery is considered uncertain.

e) Publication Inventory for Resale

An independent distributor sells the Round Table's publication inventory for resale. The distributor is entitled to a 50% commission fee on the sale price of each publication sold. Inventory for resale is valued at net realizable value, which is always less than cost.

f) Capital Assets

Capital assets with an acquisition cost of \$2,000 or more are capitalized at cost and amortized over their estimated useful lives on a straight-line basis. The estimated useful life of each capital asset class is as follows:

Asset Class	Useful Life
Informatics Equipment and Purchased Software	3 years
Furniture and Equipment	10 years
Leasehold Improvements	lower of lease term and 10 years

g) Services Provided Without Charge by Other Government Departments

Services provided without charge by other government departments are recorded as expenditures at their estimated cost. A corresponding amount is credited directly to the Equity of Canada.

h) Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are amortization of capital assets and write-down and write-offs of inventory of publications for resale.

3. Related Party Transactions

The Round Table is related in terms of common ownership to all Government of Canada departments and Crown corporations. The Round Table enters into transactions with these entities in the normal course of business and on normal trade terms.

During the year, the Round Table received funding in the amount of \$82,636 (2002 – \$1,289,000) from other government departments for specific projects.

The Round Table also incurred expenses of \$1,458,289 (2002 – \$1,055,853), including \$309,000 (2002 – \$227,000) for services provided without charge. Services provided without charge include \$269,000 (2002 – \$185,000) for the rental of space, \$38,000 (2002 – \$40,000) for audit services and \$2,000 (2002 – \$2,000) for payroll administration services.



4. Receivables

	2003	2002
Other Government Departments	8,076	34,991
External Parties	669	16,244
Total Receivables	8,745	51,235

5. Capital Assets

	Cost as at April 1, 2002	Acquisitions	Cost as at March 31, 2003
Leasehold Improvements	182,521	65,011	247,532
Informatics and Purchased Software	217,751	17,630	235,381
Furniture and Equipment	142,226	31,967	174,193
	542,498	114,608	657,106

	Accumulated Amortization	Net Book Value at March 31, 2003	Net Book Value at April 1, 2002
Leasehold Improvement	44,283	203,249	179,491
Informatics and Purchased Software	146,297	89,084	124,034
Furniture and Equipment	63,422	110,771	94,651
	254,002	403,104	398,176

Amortization expense for the year ended March 31, 2003 is \$109,680 (2002 – \$47,056).

6. Accounts Payable and Accrued Liabilities

	2003	2002
Trade	318,284	782,454
Other Government Departments	36,165	196,190
Total Accounts Payable and Accrued Liabilities	354,449	978,644

7. Pension Plan

The Round Table and its employees contribute equally in the Public Service Superannuation Plan. The Round Table's contribution during the year was \$248,061 (2002 – \$208,516).



8. Commitments

The Round Table entered into a long-term lease for an office photocopier with a remaining value of \$47,390. The future minimum payments are as follows:

2003/04	\$12,100
2004/05	\$12,100
2005/06	\$12,100
2006/07	\$11,090

9. Parliamentary Appropriations

The Round Table receives the majority of its funding through Parliamentary appropriations, which are based primarily on cash flow requirements. Items recognized in the Statement of Operations and Statement of Equity of Canada in one year may be funded through Parliamentary appropriations in prior and future years. Accordingly, the Round Table has different results of operations for the year on a government funding basis than on an accrual basis of accounting. These differences are reconciled below.

a) Reconciliation of net results of operations to total Parliamentary appropriations used:

	2003	2002
Net Cost of Operations	5,661,500	5,431,321
Adjustments for items not affecting appropriations:		
Less: Amortization	(109,680)	(47,056)
Services provided without charge	(309,000)	(227,000)
Vacation pay and compensatory time	(13,622)	(35,021)
Inventory used	(12,624)	(4,368)
Add: Increase in Prepayments	5,773	8,015
	5,222,347	5,125,891
Adjustments for items affecting appropriations:		
Add: Capital acquisitions	114,608	311,603
Expenses to produce publications for resale	3,857	9,184
	118,465	320,787
Total Parliamentary Appropriations Used	5,340,812	5,446,678



b) Reconciliation of Parliamentary appropriations voted to Parliamentary appropriations used:

	2003	2002
Parliamentary appropriation – voted:		
Vote 40 and 40(b) – Operating expenditures	5,064,600	5,331,500
Statutory appropriation – voted:		
Contributions to employee benefit plans	352,861	308,000
Publication revenue in accordance with section 29.1(1) of the <i>Financial Administration Act</i>	3,857	9,184
	5,421,318	5,648,684
Less: Lapsed appropriations – operations	(80,506)	(202,006)
Total Parliamentary appropriations used	5,340,812	5,446,678