



National Round Table on the Environment and the Economy

Annual Report 2010-2011



National Round Table
on the Environment
and the Economy

Table ronde nationale
sur l'environnement
et l'économie

Canada



National Round Table
on the Environment
and the Economy

Table ronde nationale
sur l'environnement
et l'économie

NATIONAL ROUND TABLE

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ON THE ENVIRONMENT

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AND THE ECONOMY

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LETTER FROM THE INTERIM CHAIR AND PRESIDENT AND CEO

July 2011

Dear Minister:

We are pleased to submit to you the 2010-2011 Annual Report of the National Round Table on the Environment and the Economy. This year's report brings together the results of the NRTEE's continued focus and research on the critical issue of climate change and the Round Table's contribution to Canada's sustainable development.

Much has been achieved in 2010-2011, beginning with the May release of the first report under the Round Table's *Climate Prosperity* research program. The report, *Measuring Up: Benchmarking Canada's Competitiveness in a Low-Carbon World*, assesses Canada's low-carbon competitiveness against other G8 nations in areas such as emissions and energy, skills, investment, innovation, and governance.

The second report released later in the winter, *Degrees of Change: Climate Warming and the Stakes for Canada*, featured a unique illustration of how climate change could impact Canada over the 21st century if global warming trends continue and summarized what we can expect from climate change across eight major categories of impacts.

In parallel with our work on climate change, the NRTEE launched a new collaborative initiative with the Royal Canadian Geographical Society to present the original *Degrees of Change* diagram in the October editions of the *Canadian Geographic* and *Géographica* magazines. Numerous resources in support of this initiative were developed, including interactive websites and lesson plans on climate change destined for hundreds of thousands of young Canadian students.

Parallel Paths: Canada-U.S. Climate Policy Choices is the third report of the *Climate Prosperity* series released this year. The report offered new analysis, insight, and advice on the implication of harmonizing climate policies in Canada with those in the United States despite uncertainty in the U.S. In the report, the Round Table recommended consideration of a Transitional Policy Option – a “made-in-Canada” climate policy approach to pave the way for eventual harmonization with the United States.

Throughout 2010-2011, The Round Table also continued its focus on its other major policy research program, *Water Sustainability and the Future of Canada's Natural Resource Sectors*. Building on extensive consultations with industry and other stakeholders, a first report, *Changing Currents*, was released in June and described the key water issues for those sectors and highlighted areas for recommendations and action.

In July, the NRTEE also fulfilled its obligations under the *Kyoto Protocol Implementation Act*, undertaking a review and assessment of the government's 2010 KPIA Action Plan. The report represents the fourth response of the Round Table.

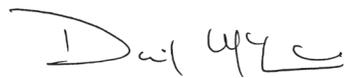
Aside from our published work, NRTEE members and staff participated in a number of conferences and hosted several joint meetings with stakeholders. The NRTEE was more engaged in such external activities than ever before in 2010-2011, either by hosting or participating in over 60 stakeholder sessions and speaking engagements throughout Canada and abroad.

Since 1988, the NRTEE has developed expertise that positions us well to provide a unique and substantial contribution to Canada's sustainable development. We look forward to continuing to provide you, the Government of Canada, and Parliament with useful, timely and relevant policy advice throughout 2011-2012.

Yours sincerely,



R.W. Slater, CM, Ph.D.
Interim Chair



David McLaughlin
President and Chief Executive Officer

NRTEE MEMBERS

(April 1, 2010, to March 31, 2011)

NRTEE Chair

Bob Page
Calgary, Alberta

David Bishop
Regina, Saskatchewan (from August 6, 2010)

The Honourable
Pauline Browes, P.C.
Toronto, Ontario

Elizabeth Brubaker
Toronto, Ontario (to January 29, 2011)

Angus Bruneau
*St. John's, Newfoundland and Labrador
(to April 2, 2011)*

Dianne Cunningham
London, Ontario

Anthony Dale
Toronto, Ontario (to January 29, 2011)

Francine Dorion
Saint-Bruno-de-Montarville, Québec (to June 4, 2010)

John Hachey
Lachine, Québec

Timothy Haig
Oakville, Ontario

Christopher Hilken
Toronto, Ontario

Franklin Holtforster
Ottawa, Ontario

Robert Kulhawy
Calgary, Alberta (from April 22, 2010)

Donald MacKinnon
Toronto, Ontario

Ken McKinnon
Whitehorse, Yukon (to April 2, 2010)

Bob Mills
Red Deer, Alberta

Mark Parent
Canning, Nova Scotia (from May 14, 2010)

Richard Prokopanko
Vancouver, British Columbia

Wishart Robson
Calgary, Alberta (to June 27, 2010)

Robert Slater
Ottawa, Ontario

NRTEE President and CEO

David McLaughlin

NRTEE SECRETARIAT (as of March 31, 2011)

President and CEO
David McLaughlin

Executive Assistant to the President and CEO
Hélène Botelho

Director, Policy and Research
René Drolet

Senior Policy Advisors
Jill Baker
John Cuddihy
Jimena Eyzaguirre

Policy Advisors
Dale Beugin
Suzanne Loney
Sandeep Pandher

Research Associates
Joëlle Boutin
Liza Campbell
Isabella Kavafian

Director, Communications & Public Affairs
Marie-Josée Lapointe

Communications Advisor
Tony Bégin

Website Communications Officer
Edwin Smith

Communications Coordinator
Tania Tremblay

Communications Administrator
Richard Pilon

Corporate Secretary and Manager, Member Services
Sara Melamed

Director, Corporate Services
Jim McLachlan

Records and Information Management Specialist
Fosca Omara

Head of IT and Security
Kevin Trudeau

Manager, Finance and Contracts
Duane Wilson

Finance Officer
Claude Simard

Finance Assistants
Linda Charbonneau
Bonnie Klein

Procurement and Contracting Officer
Denise Johnston

Manager of Human Resources and Administrative Services
Hélène Sutton

Office and Facility Coordinator
Kim Laforge

Administrative Assistants
Denise Edwards
Nadra Meigag

THE NATIONAL ROUND TABLE: ABOUT US

Emerging from the famous Brundtland Report, *Our Common Future*, the National Round Table on the Environment and the Economy (NRTEE or Round Table) has become a model for convening diverse and competing interests around one table to create consensus ideas and viable suggestions for sustainable development. The NRTEE focuses on sustaining Canada's prosperity without borrowing resources from future generations or compromising their ability to live securely.

The NRTEE is in the unique position of being an independent policy advisory agency that advises the federal government on sustainable development solutions. We raise awareness among Canadians and their governments about the challenges of sustainable development. We advocate for positive change. We promote credible and impartial policy solutions that are in the best interest of all Canadians.

We accomplish that mission by fostering sound, well-researched reports on priority issues and by offering advice to governments on how best to reconcile and integrate the often divergent challenges of economic prosperity and environmental conservation.

The NRTEE brings together distinguished sustainability leaders active in businesses, universities, environmentalism, labour, public policy, and community life from across Canada. Our members are appointed by the federal government for a mandate of up to three years. They meet in a round table format that offers a safe haven for discussion and encourages the unfettered exchange of ideas leading to consensus.

We also reach out to expert organizations, industries, and individuals to assist with conducting our work on behalf of Canadians.

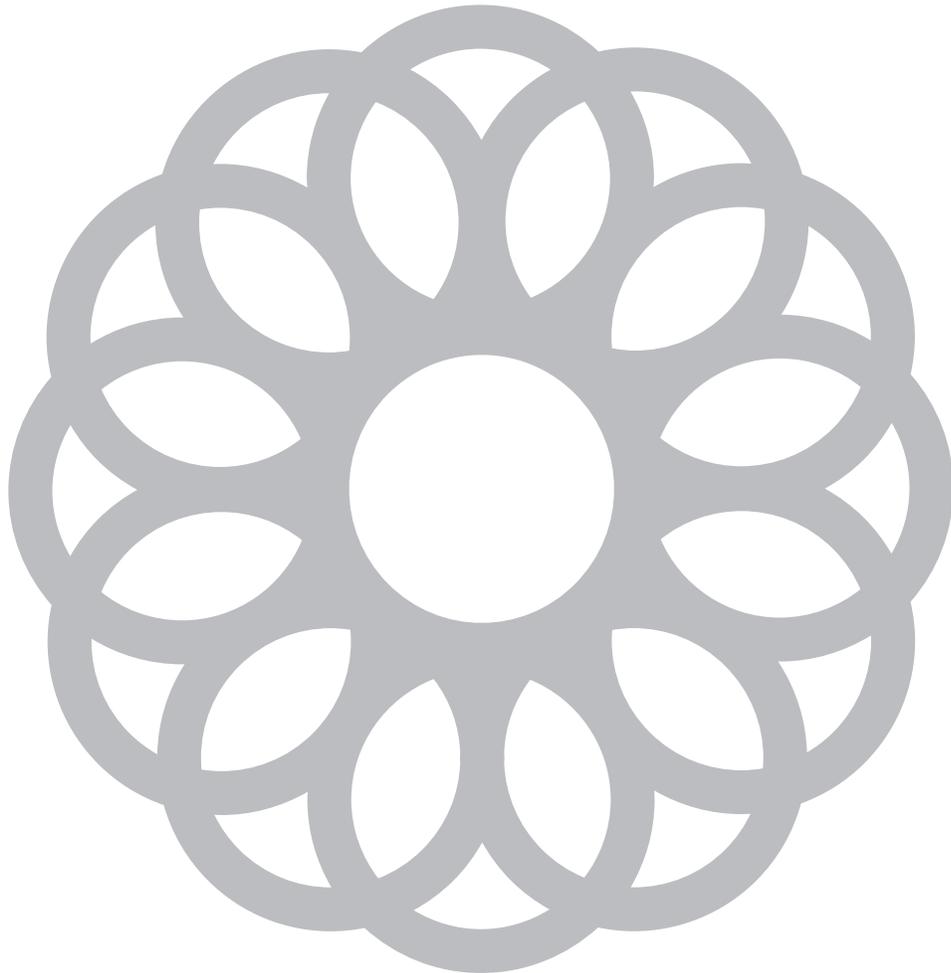
The *NRTEE Act* underlines the independent nature of the Round Table and its work. The NRTEE reports, at this time, to the Government of Canada and Parliament through the Minister of the Environment. The NRTEE maintains a secretariat, which commissions and analyzes the research required by its members in their work.

TABLE OF CONTENTS

1.0 / THE YEAR IN REVIEW	09
2.0 / A LOOK AHEAD	21
3.0 / FINANCIAL STATEMENTS AND ACCOMPANYING NOTES.....	27

1.0

/ THE YEAR IN REVIEW



THE YEAR IN REVIEW

The Round Table strives to ensure its activities are directly relevant to Canada's national interest. In order to deliver sound recommendations and policy advice to governments, the NRTEE relies on two main strengths: the high quality of its research and its strong and unique convening power.

Through its research and convening activities, the Round Table is a catalyst for innovative and effective public policy in sustainability. The NRTEE offers independent advice to governments on how best to address the challenges and seize the opportunities associated with creating a sustainable, 21st century economy for Canadians.

POLICY AND RESEARCH PROGRAMS

In terms of its policy initiatives in the 2010–2011 fiscal year, the NRTEE has focused its attention on a number of critical issues and research areas:

- The economic risks and opportunities of climate change;
- Water sustainability and Canada's natural resource sectors;
- Oil sands dialogue;
- Partnership with the Royal Canadian Geographical Society; and
- Review of the Government of Canada's implementation of the Kyoto Protocol.

Climate Prosperity – The Economic Risks and Opportunities of Climate Change for Canada

Building on its previous work on climate change, the NRTEE launched its *Climate Prosperity* program in 2009–2010, focusing on the economic risks and opportunities for Canada related to climate change.

Climate Prosperity is a two-year policy initiative focusing on two principal research streams:

- 1) The economic implications for Canada resulting from a changing climate, how we should adapt, and its associated costs.
- 2) The economic implications for Canada resulting from the transition to a low-carbon economy, what this means for our future competitiveness, and what strategies are needed to succeed.

Work continues on both streams. The NRTEE has launched an ambitious research agenda involving original economic modelling and analysis, as well as extensive consultations with key environmental, industry and expert stakeholders.



Climate Prosperity: The Economic Risks and Opportunities of Climate Change for Canada was released in April 2010.

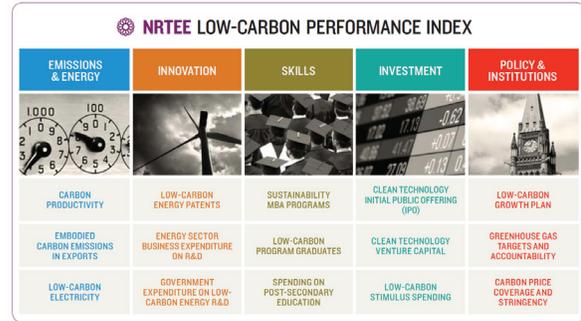
In 2010–11, the Round Table published the first three reports of its *Climate Prosperity* initiative:



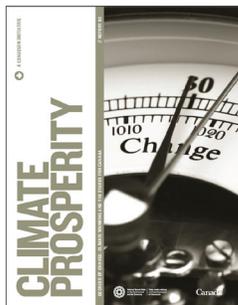
Report 01 (Released May 20, 2010)
Measuring Up: Benchmarking Canada's Competitiveness in a Low-Carbon World

Knowing where we stand is a key component in determining where we must focus if Canada is to compete and win in this new reality. This is the

purpose of the first report entitled *Measuring Up: Benchmarking Canada's Competitiveness in a Low-Carbon World*, released in May 2010. It assesses Canada's low-carbon competitiveness against other G8 nations in areas such as emissions and energy, skills, investment, innovation, and governance.



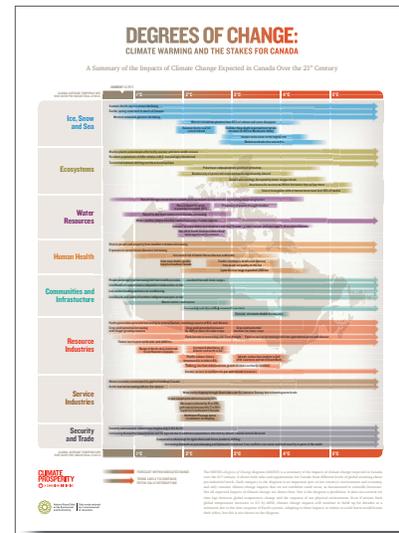
The NRTEE's Low-Carbon Performance Index measures and compares not just progress but capacity for achieving low-carbon competitiveness.



Report 02 (released on December 16, 2010)
Degrees of Change: Climate Warming and the Stakes for Canada

Climate change will affect Canada and Canadians differently depending upon where they live. Understanding what those impacts could be and planning ahead can help us all adapt and prosper through decades of climate change to come. The second report, *Degrees of Change: Climate Warming and the Stakes for Canada*, contains a unique illustration of how climate change could impact Canada over the 21st century if global warming trends continue.

The diagram highlights 60 potential impacts of a changing climate, plotted at levels of warming ranging from today's global temperature increase of 0.78 degrees Celsius above pre-industrialized levels, to 5 degrees Celsius over the course of this century. This report explains what we can expect from climate change across eight major categories of impacts ranging from ecosystems to water resources to human health and much more. It adds to the necessary conversation about what we can and must do to adapt to it, ensuring Canadians, communities and our economy are resilient through climate change.



The Degrees of Change diagram summarizes a body of scientific literature on the expected effects of climate change in Canada associated with a rise in global average temperatures over the 21st century.



Report 03 (released on January 25, 2011)
Parallel Paths: Canada–U.S. Climate Policy Choices

Parallel Paths: Canada–U.S. Climate Policy Choices is the third report of the *Climate Prosperity* series that was released this year. The report offers new analysis, insight, and advice on the implications of harmonizing climate policies in Canada with those in the United States. It shows that

harmonizing carbon targets is not the same as harmonizing carbon prices; each has different and important implications for Canada’s environment and economy. And it shows how we can still move forward even if there is delay and uncertainty in U.S. climate policy direction. In the report, the NRTEE recommended consideration of a Transitional Policy Option — a “made-in-Canada” climate policy approach that paves the way for eventual harmonization with the United States.

In 2010–2011, the Round Table worked extensively on three other reports of the *Climate Prosperity* series. A report on the economic impacts of climate change for Canada will be released in fall 2011. This report will provide, for the first time, national economic costings of the impact of climate change on Canada, together with a detailed look at three key sectors: coastal zones, human health, and forests, and the cost-benefits of adaptation measures.

Work has also started on an advisory report that will spur Canadian businesses to prepare more and act further to adapt to climate change. The NRTEE has undertaken initial research this year and will engage further with businesses during fiscal year 2011–2012.

The NRTEE has also undertaken a comprehensive initiative aimed at developing a low-carbon growth plan for Canada. This report will provide analysis on Canada’s global low-carbon opportunity and consider policy pathways and actions necessary for Canada’s economy to be resilient through the inevitable global low-carbon transition. It will focus on such areas as energy, innovation, skills, investment, and governance. Efforts in 2010–2011 have focused on preliminary research and the initial engagement of regional partner organizations that will work with the NRTEE to ensure that the report benefits from regional strengths and insights resulting in recommendations of true national relevance.

Copies of the published reports, as well as more information on the *Climate Prosperity* program can be found at www.climateprosperity.ca

Water Sustainability and Canada's Natural Resource Sectors

The NRTEE program on Water Sustainability and Canada's Natural Resource Sectors is designed to examine the relationship between the energy, mining, forestry, and agriculture sectors and water sustainability. It evaluates the best policies, approaches, and mechanisms that governments, industry, and water-management authorities can use to manage water and foster both ecosystem health and the economic sustainability of the various resource sectors.

Building on extensive consultations with industry and other stakeholders, a first report, *Changing Currents: Water Sustainability and the Future of Canada's Natural Resource Sectors*, was released on June 17, 2010, in conjunction with the inaugural Canadian Water Summit in Mississauga, Ontario. This report described the key water issues for those sectors and highlighted areas for recommendations and action.

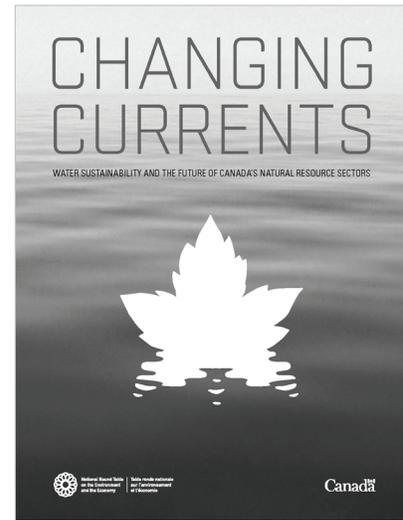
In 2010–2011, the NRTEE investigated those key issues further, which will lead to the publication of a second report in fall 2011. This report will focus on policy recommendations to improve water governance and management in Canada and foster long-term sustainable use of water by the natural resources sectors.

Specifically the Round Table has examined the following:

- forecasts of future water demands by natural resource sectors;
- policy instruments for water, including pricing;
- water use information and accounting; and
- governance structures and processes including collaborative governance.

A sub-committee of members of the NRTEE played a strategic guidance role for the program and was deeply involved throughout 2010–2011. This group was complemented by an Expert Advisory Committee, made up of leading Canadian water experts and a Technical Advisory Committee including representatives from the natural resources sectors. The NRTEE's research was also supplemented by a number of discussions with key industry organizations, a series of watershed-based workshops in British Columbia, Alberta, Québec, and Nova Scotia, and a final round of regional consultations.

Information on the Water Sustainability and Canada's Natural Resource Sectors can be found at <http://www.nrtee-trnee.ca/eng/issues/water.php>



Changing Currents: Water Sustainability and the Future of Canada's Natural Resource Sectors was released in June 2010.

Oil Sands: From Debate to Dialogue

In the late summer of 2010, a ground-breaking meeting was held in Fernie, British Columbia, organized by the NRTEE and the Public Policy Forum (PPF). A small group of thoughtful Canadian leaders from all sides of the oil sands debate met to exchange views and perspectives on creating the conditions for a positive dialogue on the sustainable development of the industry. Essentially, it was a meeting to consider whether and how a more positive form of dialogue could occur among all parties.

The Fernie meeting led to the publication of *Oil Sands: From Debate to Dialogue* in November 2010. In this report, the NRTEE and PPF recommend that industry, government, ENGOs, and the First Nations communities proceed now on advancing a dialogue on the issue of oil sands performance. Acknowledging the multiple facets of the oil sands issue and different scales at which they have an impact, what became clear is that the proposed “dialogue” is not one but actually three related and ultimately linked dialogues: oil sands performance, Canada’s clean energy strategy and the role of oil sands within it, and Canada’s climate change policy. There are clear policy linkages between them, and the timing and progress of each dialogue could have effects on the others.



In their report, the NRTEE and PPF stress the need for these dialogues to start taking shape: in fact, the dialogues are imperative if Canada is to better position itself globally for both climate change and a clean-energy future. And, properly done, the dialogues will reinforce progress on the oil sands performance. Doing so would enable

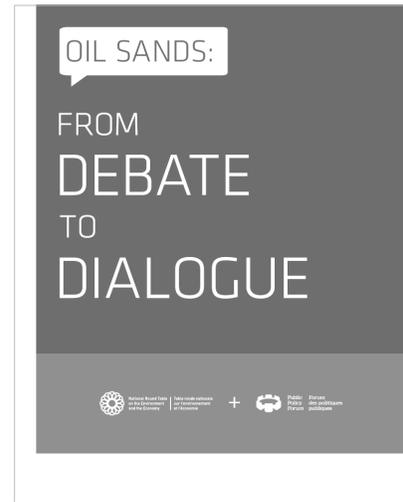
action on the ground immediately and help build trust and momentum.

Copies of the report can be found at: <http://www.nrtee-trnee.com/eng/publications/oil-sands-debate-dialogue/Oil-Sands-From-Debate-to-Dia-logue-eng.pdf>

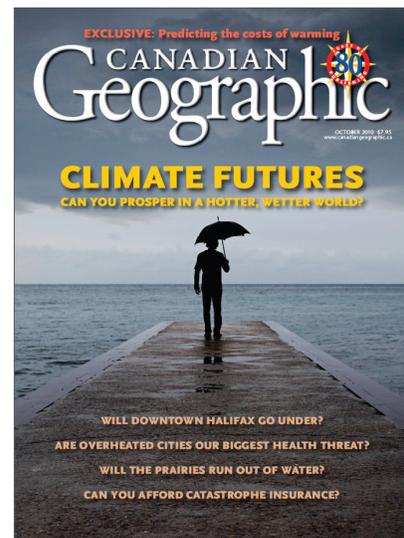
NRTEE/Royal Canadian Geographical Society (RCGS) collaboration

In October 2010, the National Round Table on the Environment and the Economy launched a new collaborative initiative with the Royal Canadian Geographical Society raising awareness of the physical impacts of climate change in Canada.

Central to this initiative was a unique national poster-diagram called *Degrees of Change* that was included in the October editions of the *Canadian Geographic* and *Géographica* magazines. The diagram illustrates the likely physical impacts of climate change on our country from today’s levels of warming to over 5 degrees Celsius.



Oil Sands: From Debate to Dialogue was released in November 2010.



Canadian Geographic – October 2010

You can see in one place, for the first time, how and where Canada and Canadians could be affected by warming temperatures and changing precipitation across a spectrum of impact areas, ranging from ecosystems to human health to water resources and more.

The website features videos and photos from the official events, including video remarks by His Excellency the Right Honourable David Johnston, Governor General of Canada, the honourable Jim Prentice, Minister of the Environment, and astronaut Dr. Robert Thirsk.

The NRTEE and RCGS also initiated a national conversation on what climate change could mean to Canada and how we could successfully adapt. We held six national and regional expert panel discussions in October 2010 in Ottawa, Halifax, Montréal, Toronto, Vancouver, and Saskatoon to engage Canadians on this important topic.

In addition, the NRTEE collaborated with the Royal Canadian Geographical Society's Canadian Council for Geographic Education to develop 13 lesson plans — one for each province and territory — which are being taught to hundreds of thousands of young Canadians in over 12,000 schools. The RCGS Canadian Atlas Online (CAOL) also dedicated a module to the NRTEE's *Climate Prosperity* program complete with videos, interactive maps, and diagrams.

In support of this initiative, the National Round Table developed a new website where visitors can learn more about how Canada can prosper in the face of global climate change. To learn more about the NRTEE's *Climate Prosperity* program and *Degrees of Change*, visit www.climateprosperity.ca.

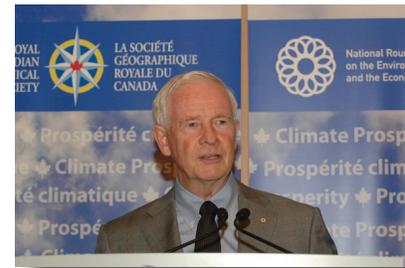
Kyoto Protocol Implementation Act

The *Kyoto Protocol Implementation Act* (KPIA) was passed by Parliament in June 2007 and calls on Canada to meet its international commitment under the Kyoto Protocol by reducing greenhouse gas emissions to six per cent below 1990 levels by 2012.

Every year, the government must prepare a Climate Change Plan describing the measures and policies it enacted to ensure that Canada meets its obligations under the Protocol. This plan must also detail the expected emission reductions resulting from the government's measures and policies.

Subsection 10(1) of C-288 requires the NRTEE to

- a) Undertake research and gather information and analyses on the Plan or statement in the context of sustainable development; and
- b) Advise the Minister on issues that are within its purpose, including the following:
 - i) The likelihood that each of the proposed measures or regulations will achieve the emission reductions projected in the Plan or statement;



His Excellency the Right Honourable David Johnston, Governor General of Canada and Founding Chair of the National Round Table on the Environment and the Economy joined the NRTEE and the Royal Canadian Geographical Society (RCGS) at the Canadian Museum of Nature on October 5, 2010, for his first public activity.



"We need to all think and act like astronauts to maintain a planetary life-support system that can support us as well as the generations that will follow. This is why initiatives like Climate Prosperity are so important: to enlighten us about the intricate issues of climate change, and to encourage us to be proactive about the future."

- Canadian astronaut Robert Thirsk

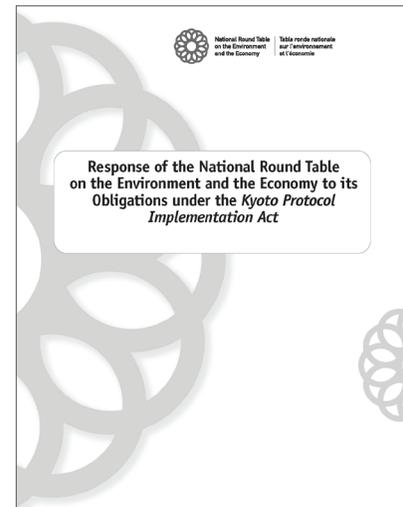
- ii) *The likelihood that the proposed measures or regulations will enable Canada to meet its obligations under Article 3, paragraph 1, of the Kyoto Protocol, and*
- iii) *Any other matters that the Round Table considers relevant.*

The NRTEE undertook the required analysis to comply with our obligations under the KPIA and our findings were provided in our fourth written response to the Minister of the Environment in July 2010.

In its 2010 report to the Minister, the NRTEE applauded the continued improvement in forecasting, methodology, and additional transparency provided by the government in the 2010 Plan. The integrated modelling in the 2010 Plan uses a consistent definition for emissions reductions and more transparently accounts for provincial policies by including them in the reference case. These changes led the NRTEE to conclude that the integrated modelling in the Plan is a reliable estimate of likely emissions reductions in the KPIA period. To continue this cycle of improvement, the NRTEE made the following recommendations:

- That emissions reductions projections for each program and measure in the Plan be consistently estimated as the difference in expected GHG inventory emissions between a reference case without the measure in place and a policy case with the measure in place.
- That consistent assumptions be used to define the reference case across all estimates.
- That the government make publicly available the details and underlying assumptions for both a consistent reference case and a policy scenario. These forecasts should be updated regularly and include details such as sector-level emissions projections.
- That the current public process for evaluating climate policies be broadened beyond the context of the KPIA and focus on progress toward the government's stated 2020 emissions reductions targets based on a set of actual emission milestones. This is consistent with previous NRTEE recommendations that recognized that emissions reductions are a long-term policy goal and that policy measures need to be judged over time in terms of their effectiveness in delivering desired emission levels.
- That the federal government continue to cooperate with provincial and territorial governments in determining how the Trust Fund dollars are being invested and that provinces and territories provide necessary details, so it may be more fully determined how those investments and provincial policies are contributing to Canada's national emissions reductions objectives.

Copies of the NRTEE's KPIA reports can be found at <http://www.nrtee-trnee.ca/eng/issues/programs/KPIA/KPIA.php>



The Response of the National Round Table on the Environment and the Economy to its Obligations under the Kyoto Protocol Implementation Act was released in July 2010.

NRTEE CONVENING ROLE

The NRTEE's independent role and credibility make it a natural and effective convener for matters related to sustainable development. In 2010–2011, the NRTEE used its convening ability on a regular basis, generating lively and productive roundtable discussions on a broad range of interests across sectors and regions of Canada. NRTEE staff and members are regularly asked to meet with or present to various government officials, industry groups, and other stakeholders. The NRTEE exercises its convening power through consultation sessions, outreach on published materials, and a number of other events that include a speaking or facilitating role.

We released several reports related to our work in 2010–2011. We also held a number of consultation sessions across the country on various issues. These consultations were held to ensure stakeholder engagement in various phases of our initiatives (program scoping, sharing of information, review of results, and discussion of recommendations).

The NRTEE was more engaged in such external activities than ever before in 2010–2011, either by hosting or participating in over 60 stakeholder sessions and speaking engagements in Canada and abroad. Most of these events were organized as part of the NRTEE's main research programs. On a few occasions, the NRTEE convened stakeholders to roundtable discussions on other related topics. In late February and early March, the NRTEE collaborated with the Water Policy and Governance Group on a series of workshops designed to explore the changing landscape of water governance in Canada, focusing on implications for industries in the natural resource sectors.

During the same period, the National Round Table also hosted a series of half-day dialogue sessions across the country that brought together thought leaders to review the NRTEE's recent *Parallel Paths* report and discuss its findings and their implications for Canadian climate policy. The insights and advice generated through these sessions were combined into a synthesis report submitted to the Minister of the Environment in June 2011.

In April 2010, the NRTEE, along with other Canadian think tanks, convened a unique group of individuals in Banff to discuss whether Canada needs an Energy Strategy now and if so, what would it look like. Representatives of major Canadian corporations involved with all forms of energy, members of the Energy Policy Institute of Canada, the Energy Framework Initiative, the Canada Council of Chief Executives, and the Canadian Chamber of Commerce all participated.



*Workshop on Water Use Information
Ottawa, Ontario - May 5, 2011*



*Canada-U.S Climate Policy Outreach Session
Montreal, March 1, 2011.*

The NRTEE also travelled to Calgary, London (ON), and Halifax in late May and early June as part of a national initiative looking into the sustainable use of water by the natural resource sectors, namely energy, agriculture, forest products, and mining. The purpose of these meetings was to seek input into the NRTEE's research findings and conclusions, with a view to inform the recommendations in its upcoming water report this fall.

In June 2010, the NRTEE collaborated with the Standards Council of Canada (SCC) to host a one-day workshop with representatives from the federal and territorial governments, as well as some representatives from the standards industry. The overarching goal for the session was to determine demand and promising avenues for the SCC to move forward on the NRTEE's *True North* report's recommendation to lead efforts to ensure integration of climate risks into codes, standards, and related instruments.

Additional information about the NRTEE's convening role, meeting photos and lists of participants can be found on the NRTEE website at: www.nrtee-trnee.com/eng/news-media/events/events.php



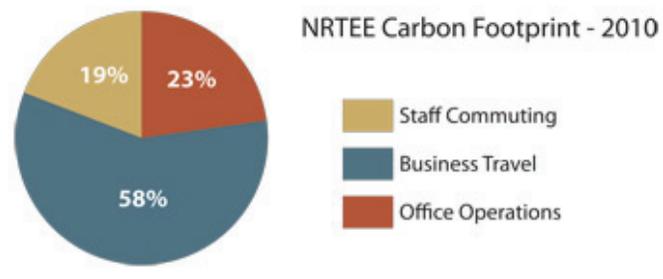
Water Governance Workshop - Sydney, Nova Scotia - March 2, 2011.

CORPORATE MANAGEMENT INITIATIVES

Greening the NRTEE

The Secretariat completed its third assessment of the NRTEE's carbon footprint as part of its *Think Green; Act Green* initiative. The Secretariat has instituted a process to conduct an annual inventory of the GHG emissions from its operations, calculating its carbon footprint according to recognized standards and methods, and making it public on its website.

From January 1 to December 31, 2010 (inclusive), the NRTEE's carbon footprint was 159 metric tonnes CO₂e (carbon dioxide equivalents). This represents a reduction in emissions from 2009 levels.



The NRTEE is committed to operating in an environmentally responsible way by reducing its carbon footprint and greening its operations.

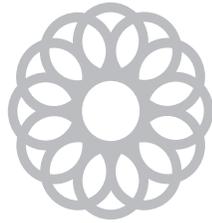
Summary of NRTEE GHG Inventory – 2008 to 2010

Activity	2008		2009		2010	
	Carbon Footprint (tonnes CO ₂ e)	% of Total	Carbon Footprint (tonnes CO ₂ e)	% of Total	Carbon Footprint (tonnes CO ₂ e)	% of Total
Office Operations	46	18%	46	26%	37	23%
Business Travel	187	75%	111	63%	91	58%
Staff Commuting	18	7%	18	11%	31	19%
Total	251	100%	175	100%	159	100%

More information about this initiative can be found on the NRTEE website at <http://www.nrtee-trnee.ca/greening-the-nrtee>.

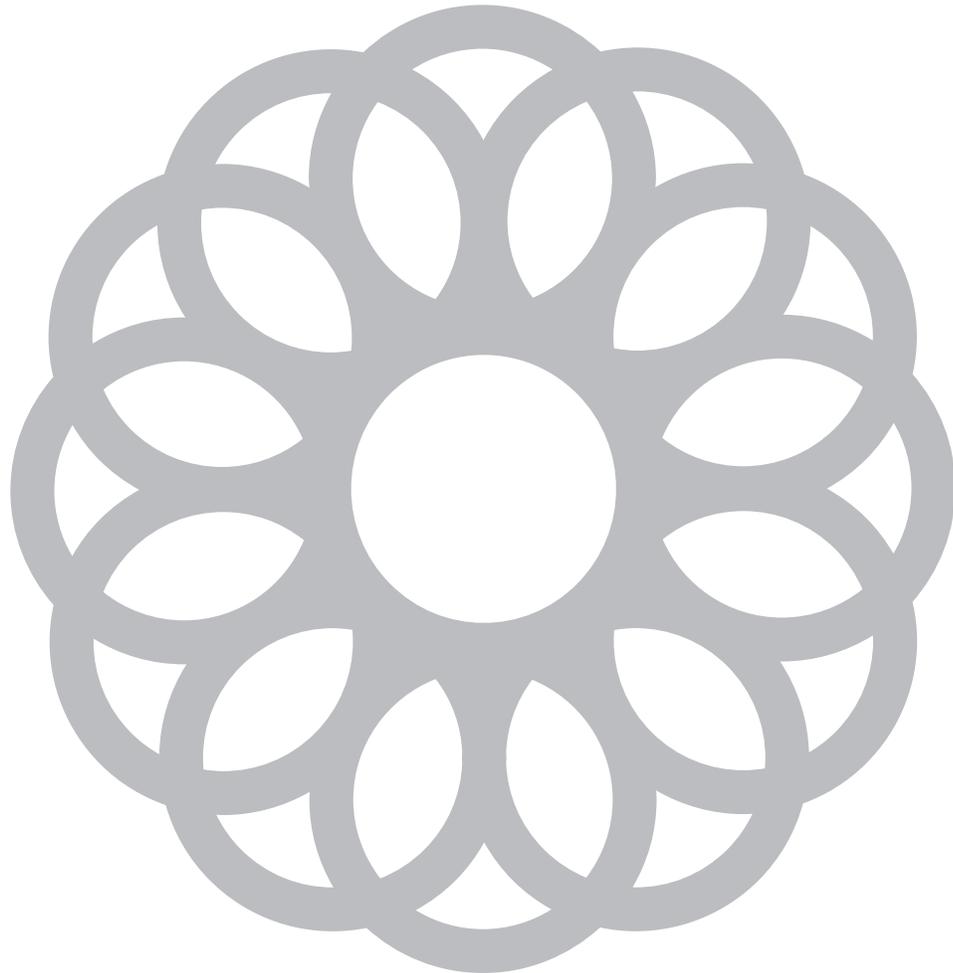


NATIONAL ROUND TABLE ON THE ENVIRONMENT AND THE ECONOMY



2.0

/ A LOOK AHEAD



A LOOK AHEAD

CURRENT MAJOR RESEARCH PROGRAMS

Water Sustainability and Canada's Natural Resource Sectors

The Water Sustainability and Canada's Natural Resource Sectors Program had an ambitious research agenda in fiscal year 2010–2011, releasing its initial report *Changing Currents* in June. A second report will be released in the fall of 2011, providing options, solutions, and recommendations for improving water management and governance in Canada. The report will look at water use forecasts for the natural resource sectors, the expected effects of water pricing on water use, water policy instruments, water use information, and collaborative governance.

Climate Prosperity – The Economic Risks and Opportunities of Climate Change for Canada

Climate change and Canada's response to it have profound economic implications for our nation's future. Ensuring Canada is well prepared to adapt and prosper in an increasingly carbon-constrained global economy is the focus of this comprehensive policy research initiative by the NRTEE, which began in 2009–2010 and which will continue to be a priority over the next year.

In 2011–2012, the NRTEE will release two reports in its *Climate Prosperity* series.

The first report will examine the economic impacts of climate change on Canada, together with a detailed look at three key impact areas: coastal zones, human health, and forests, and adaptation strategies in each of these areas will be assessed to determine the cost-benefits of climate change adaptation.

Building on the first three *Climate Prosperity* reports, the NRTEE will also finalize the development of a range of policy pathways and actions to help Canada take advantage of its potential to adapt to a changing climate, with a specific focus on the private sector. This work will lead to the release of a policy report in the last quarter of 2011–2012.

Work will also continue on charting Canada's path to a low-carbon economy, including development of a low-carbon growth plan for Canada, with most of the research and convening activities being conducted in 2011–2012. The report release is expected for the next fiscal year.

Ministerial References

In March 2011, the Honourable Peter Kent, Minister of the Environment, requested that the NRTEE provide advice to the Government of Canada in support of its environmental agenda. Specifically, advice was sought in two important areas, namely provincial and territorial climate change plans and policies, and potential life cycle approaches to enhance environmental sustainability. In 2011–2012 the Round Table will prepare its response to these requests from the Minister of the Environment. The deadline for providing the advice is March 2012.

On the first request, the NRTEE will engage discussions with provinces and territories in order to better understand their current and planned climate policies and programs. The NRTEE will then seek to analyze these plans, assess their potential for emissions reductions to meet the Government of Canada's 2020 targets. We will provide advice to the Minister with respect to how these provincial and territorial measures can complement federal efforts toward emission reductions.

On the second request, the NRTEE will undertake research and engage with stakeholders on the topic of life cycle approaches to sustainable development. The NRTEE will provide advice to the Minister on how a life cycle approach can support the government's environmental agenda. In particular, the Round Table will identify how the government can enhance the private sector's efforts in this field and how life cycle approaches can support government decision makers in the development of governmental programs and policies.

COMMUNICATIONS AND PUBLIC AFFAIRS

Communications Program

Over the past fiscal year, the NRTEE's communications and public affairs agenda has focused on the development and implementation of a strong, integrated strategic communications strategy that will guide the Round Table's communications activities and initiatives for the next two years. In addition to supporting the release of the Round Table's reports, the communications strategy provides clear directives for improving our capacity to be more strategic in how we communicate, with whom we communicate, and when we communicate.

The Round Table's website continued to evolve during the year — both technologically and with respect to content. These enhancements, when coupled with the continued shift to electronic publishing, saw more than 360,000 visitors to the website during 2010–2011. The NRTEE's communications and outreach efforts continue to be marked by an evolution to electronic publishing, with three reports — *Progress through Process*, *Climate*

Forward, and *Oil Sands Dialogue* — being released in purely electronic form. This has resulted in a reduction in the number of printed copies produced, generally from the thousands to hundreds.

To further maximize the effectiveness and reach of its online communications activities, the NRTEE will undertake a visual and functional redesign and rebranding of its website during 2011–2012. This work will be informed by the NRTEE’s communications strategy, social media strategic assessment, web analytics reports, and a web development vision and strategy document.

Media Outreach and Presence

Media presence and relations are a key aspect of the work of the NRTEE communications team, and a measure of the influence and reach of the Round Table. In 2010–2011, the Round Table achieved significant presence in national and regional media, particularly in support of its key reports and initiatives.

Media coverage following the launch of *Parallel Paths* was exhaustive with over 30 media outlets from across Canada reporting on the latest addition to the NRTEE’s *Climate Prosperity* series. *Degrees of Change*, the NRTEE/RCGS collaborative initiative, drew coverage from over 100 media outlets from across Canada and abroad, with major global news agencies, national and regional radio programs, television outlets and influential newspapers in Canada reporting on the widespread impacts expected in Canada as the climate changes over the coming century. In addition to media attention garnered following the launch of its latest reports, the NRTEE continued to receive national media coverage on a number of issues including emissions reductions, energy, and climate change.

Promoting NRTEE Advice

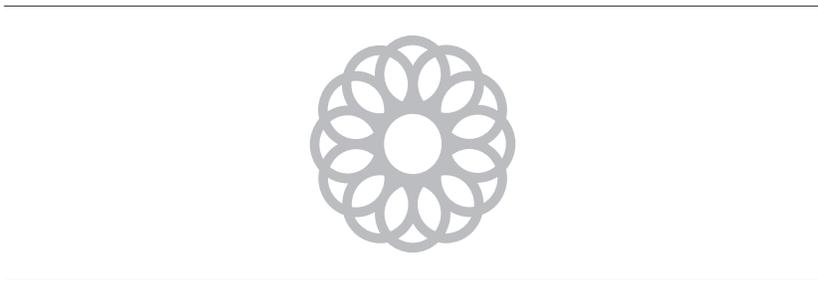
Promoting the research and policy advice of the Round Table is essential to raising awareness and influencing government. The NRTEE promotes its advice through media relations, its website, direct electronic distribution to stakeholders, as well as by undertaking outreach activities, speaking engagements, and collaborative activities with non-governmental sectors, stakeholders, academia, and other organizations. Each targeted audience and activity is critical to the agency’s efforts to reinforce its acknowledged reputation as a credible and trustworthy source of research and advice.

Report Download Statistics:

Electronic publishing has helped to extend the NRTEE's outreach to its stakeholders and reduce the number and cost of hard-copy reports. Access to publications via the website has not only permitted immediate access to our stakeholders, it has significantly increased the distribution levels.

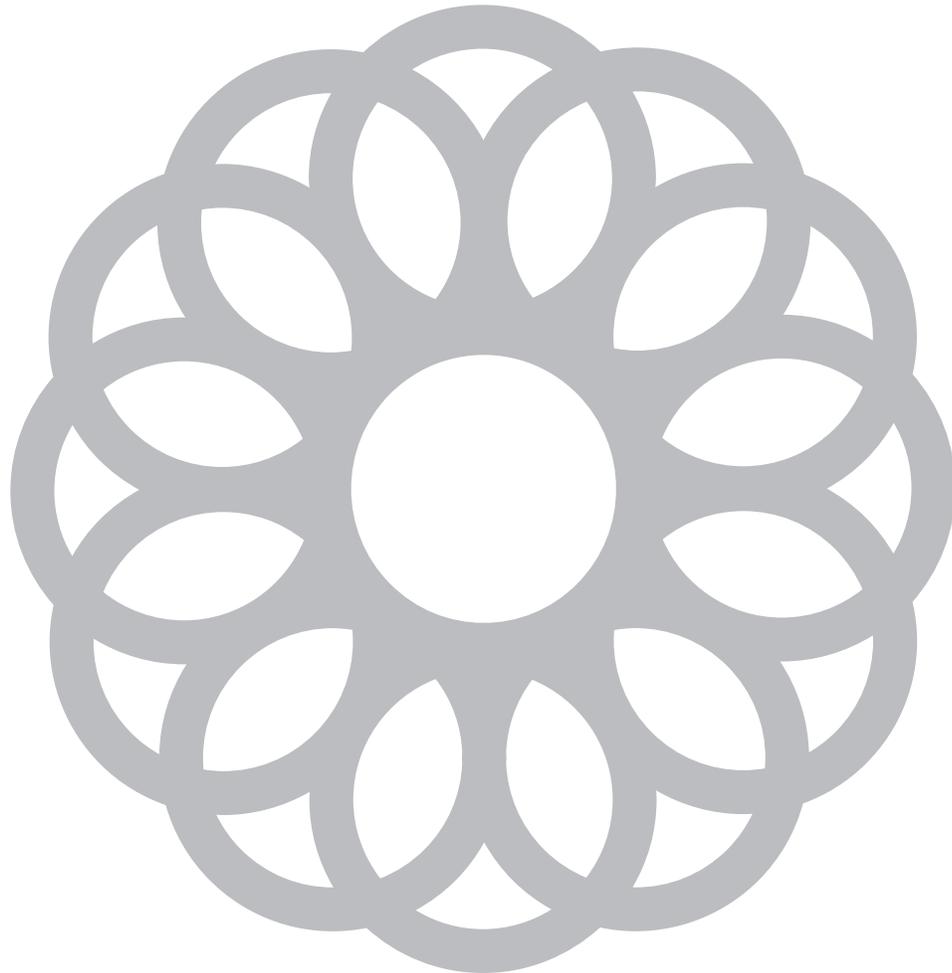
REPORTS	Downloads to July 13, 2011
<i>Parallel Paths: Canada-U.S. Climate Policy Choices</i>	6,573
<i>Degrees of Change: Climate Warming and the Stakes for Canada</i>	3,328
<i>Changing Currents: Water Sustainability and the Future of Canada's Natural Resource Sectors</i>	29,056
<i>Measuring Up: Benchmarking Canada's Competitiveness in a Low-Carbon World</i>	5,307
<i>NRTEE Response to its obligation under the Kyoto Protocol Implementation Act</i>	915

Website content from the NRTEE/RCGS Collaboration "Degrees of Change" has garnered over 300,000 page views since October 5, 2010.



3.0

/ FINANCIAL STATEMENTS AND ACCOMPANYING NOTES



STATEMENT OF MANAGEMENT RESPONSIBILITY INCLUDING INTERNAL CONTROL OVER FINANCIAL REPORTING

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2011, and all information contained in these statements rests with the management of the National Round Table on the Environment and the Economy (NRTEE). These financial statements have been prepared by management in accordance with Treasury Board accounting policies, which are based on Canadian generally accepted accounting principles for the public sector.

Management is responsible for the integrity and objectivity of the information in these financial statements. Some of the information in the financial statements is based on management's best estimates and judgment, and gives due consideration to materiality. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the NRTEE's financial transactions. Financial information submitted in the preparation of the Public Accounts of Canada, and included in the NRTEE's Departmental Performance Report, is consistent with these financial statements.

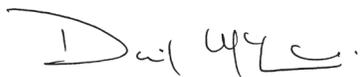
Management is also responsible for maintaining an effective system of internal control over financial reporting designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are properly authorized and recorded in accordance with the Financial Administration Act and other applicable legislation, regulations, authorities and policies.

Management seeks to ensure the objectivity and integrity of data in its financial statements through careful selection, training, and development of qualified staff; through organizational arrangements that provide appropriate divisions of responsibility; through communication programs aimed at ensuring that regulations, policies, standards, and managerial authorities are understood throughout the NRTEE; and through conducting an annual assessment of the effectiveness of the system of internal control over financial reporting (ICFR).

An assessment for the year ended March 31, 2011 was completed in accordance with the Policy on Internal Control and the results and action plans can be found on the NRTEE website (<http://www.nrtee-trnee.ca/eng/publications/annual-report-2010-2011-eng.php>).

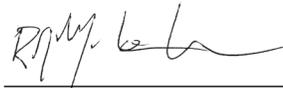
The system of ICFR is designed to mitigate risks to a reasonable level based on an on-going process to identify key risks, to assess effectiveness of associated key controls, and to make any necessary adjustments.

The Office of the Auditor General, the independent auditor for the Government of Canada, has expressed an opinion on the fair presentation of the financial statements of the NRTEE which does not include an audit opinion on the annual assessment of the effectiveness of the NRTEE's internal controls over financial reporting.



David McLaughlin
President and Chief Executive Officer

Ottawa, Canada
June 29, 2011



Jim McLachlan
Director, Corporate Services and
Chief Financial Officer

AUDITOR'S REPORT



Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the National Round Table on the Environment and the Economy, which comprise the statement of financial position as at 31 March 2011, and the statement of operations, statement of equity of Canada and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the National Round Table on the Environment and the Economy as at 31 March 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

John Rossetti, CA
Assistant Auditor General
for the Interim Auditor General of Canada

29 June 2011
Ottawa, Canada

240 rue Sparks Street, Ottawa, Ontario K1A 0G6

STATEMENT OF FINANCIAL POSITION

As at March 31

	2011 (\$)	2010 (\$)
ASSETS		
Financial Assets		
Due from Consolidated Revenue Fund	586,456	472,674
Receivables (Note 4)	13,225	17,611
	599,681	490,285
Non-Financial Assets		
Prepaid expenses	4,277	7,222
Tangible capital assets (Note 5)	160,960	219,748
	165,237	226,970
TOTAL ASSETS	764,918	717,255
LIABILITIES AND EQUITY OF CANADA		
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	598,356	486,758
Vacation pay and compensatory leave	136,562	126,312
Employee future benefits (Note 7)	544,958	516,474
	1,279,876	1,129,544
EQUITY OF CANADA	(514,958)	(412,289)
TOTAL LIABILITIES AND EQUITY OF CANADA	764,918	717,255

Contractual obligations (Note 8)

The accompanying notes form an integral part of these financial statements.

Approved by:



David McLaughlin
President and Chief Executive Officer



Jim McLachlan
Director, Corporate Services and
Chief Financial Officer

STATEMENT OF OPERATIONS

For the year ended March 31

	2011 (\$)	2010 (\$)
EXPENSES		
Program Advisory	3,494,681	2,945,850
Internal Services	2,180,933	2,367,238
TOTAL EXPENSES	5,675,614	5,313,088
REVENUES		
Program Advisory	88,770	-
Internal Services	1,572	947
TOTAL REVENUES	90,342	947
NET COSTS OF OPERATIONS	5,585,272	5,312,141

Segmented information (Note 11)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF EQUITY OF CANADA

For the year ended March 31

	2011 (\$)	2010 (\$)
Equity of Canada, beginning of year	(412,289)	(413,138)
Net Cost of Operations	(5,585,272)	(5,312,141)
Services provided without charge (Note 3)	380,746	433,976
Net change in due from Consolidated Revenue Fund	113,782	40,773
Net Cash Provided by Government	4,988,075	4,838,240
EQUITY OF CANADA, END OF YEAR	(514,958)	(412,289)

The accompanying notes form an integral part of these financial statements.

STATEMENT CASH FLOWS

For the year ended March 31

	2011 (\$)	2010 (\$)
OPERATING ACTIVITIES		
Net Cost of Operations	5,585,272	5,312,141
Non-cash items included in cost of operations:		
Less: Amortization of tangible capital assets	(83,783)	(71,993)
Services provided without charge by other government departments	(380,746)	(433,976)
Variations in Statement of Financial Position:		
Decrease in receivables	(4,386)	(40,836)
Decrease in prepaid expenses	(2,945)	(9,193)
Increase in accounts payable and accrued liabilities	(111,598)	(7,803)
Increase in vacation pay and compensatory leave	(10,250)	(15,605)
Decrease (increase) in employee future benefits	(28,484)	15,732
Cash used in operating activities	4,963,080	4,748,467
CAPITAL INVESTMENT ACTIVITIES		
Acquisition of tangible capital assets	24,995	89,774
Cash used in capital investment activities	24,995	89,774
NET CASH PROVIDED BY GOVERNMENT OF CANADA	4,988,075	4,838,241

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2011

1. AUTHORITY AND OBJECTIVES

The National Round Table on the Environment and the Economy (NRTEE) 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 NRTEE 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 stakeholder “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 expenses are funded mainly by a budgetary lapsing authority and, to a lesser extent, from cost recovery and cost sharing for specific activities. The NRTEE is not subject to the provisions of the *Income Tax Act*.

The NRTEE has two program activities:

Advisory Program on Environment and Economy Issues (referred to as Program Advisory) - Raising awareness and understanding among Canadians and their governments about the challenges of sustainable development and promoting viable solutions that are vital to Canada’s environmental and economic future.

Internal Services - All services that support the operation of the NRTEE and act as enablers for the NRTEE’s other program activity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian generally accepted accounting principles, except as disclosed in Note 12 - Net Debt Indicator. Significant accounting policies are as follow:

a) Parliamentary Appropriations

The NRTEE is financed mainly by the Government of Canada through Parliamentary appropriations. Appropriations provided to the NRTEE do not parallel financial reporting according to Canadian generally accepted accounting policies for the public sector, as they are based in a large part on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through appropriations from Parliament. Note 9 provides a high-level reconciliation between the two basis of reporting.

b) Net Cash Provided by Government

The NRTEE operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the department is deposited to the CRF and all cash disbursements made by the NRTEE are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.

c) Due from Consolidated Revenue Fund

Amounts due from/to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Due from the CRF represents the net amount of cash that the NRTEE is entitled to draw from the CRF, without further Parliamentary appropriations, in order to discharge its liabilities.

d) Revenues

Revenues are accounted for in the period in which the underlying transaction or event occurred that give rise to the revenues. Revenues that have been received but not yet earned are presented as deferred revenues. Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.

e) Expenses

Expenses are recorded on the accrual basis:

Employees severance benefits are accrued as earned and are calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole. Employee severance benefits on cessation of employment represent obligations of the NRTEE that are normally funded through future year appropriations.

Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.

Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. The NRTEE's contributions to the plan are charged to expenses in the year incurred and represent the total NRTEE obligation to the Plan. Current legislation does not require the NRTEE to make contributions for any actuarial deficiencies of the Public Service Pension Plan.

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

f) Receivables

Receivables are stated at amounts expected to be ultimately realized; a provision is made for receivables where recovery is considered uncertain.

g) Contingent Liabilities

In the normal course of its operations, the NRTEE may become involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

h) Tangible Capital Assets

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

ASSET CLASS	USEFUL LIFE
Leasehold Improvements	lower of remaining term and 10 years
Informatics Equipment and Purchased Software	3 years
Furniture and Equipment	10 years

i) Measurement Uncertainty

The preparation of these financial statements in accordance with Treasury Board accounting policies, which are consistent with Canadian generally accepted accounting policies for the public sector and year-end instructions issued by the Office of the Comptroller General, requires management to make estimates and assumptions that affect the reported 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 the useful life of tangible capital assets, the liability for vacation pay and compensatory leave and assumptions underlying the employee severance liabilities. Actual results could differ significantly from those estimates. Management's estimates are reviewed periodically and, as adjustments becomes necessary, they are recorded in the financial statements in the year they become known.

3. RELATED PARTY TRANSACTIONS

The NRTEE is related in terms of common ownership to all Government of Canada departments, agencies, and Crown Corporations. The NRTEE enters into transactions with these entities in the normal course of business and on normal trade terms, with the exception of services provided without charge related to accommodations.

The NRTEE incurred expenses with related parties of \$1,103,535 (2010 - \$1,205,312). From this amount, \$380,746 (2010 - \$433,976) represent services provided without charge which includes \$378,746 (2010 - \$370,976) for the rental of space.

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included in the NRTEE's Statement of Operations.

4. RECEIVABLES

	2011 (\$)	2010 (\$)
Other Government Departments	11,900	14,064
External Parties	325	2,547
Employee Advances	1,000	1,000
Total Receivables	13,225	17,611

5. TANGIBLE CAPITAL ASSETS

	Cost as at March 31, 2010	Acquisitions	Dispositions	Cost as at March 31, 2011
Leasehold Improvements	\$198,343			\$198,343
Informatics Equipment and Purchased Software	\$250,303	\$22,610		\$272,913
Furniture and Equipment	\$172,491	\$2,385		\$174,876
	\$621,137	\$24,995		\$646,132

	Current Year Amortization	Accumulated Amortization	Net Book Value at March 31, 2011	Net Book Value at March 31, 2010
Leasehold Improvements	\$38,919	\$115,116	\$83,227	\$122,145
Informatics Equipment and Purchased Software	\$37,559	\$213,534	\$59,379	\$74,329
Furniture and Equipment	\$7,305	\$156,522	\$18,354	\$23,274
	\$83,783	\$485,172	\$160,960	\$219,748

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2011 (\$)	2010 (\$)
Trade and other payables	546,061	433,017
Other Government Departments	52,295	53,741
Total Accounts Payable and Accrued Liabilities	598,356	486,758

7. EMPLOYEE FUTURE BENEFITS

i) Severance Benefit

The NRTEE calculates its estimate for the liability for employee severance benefit by using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole. The employee severance benefit liability, including the current portion, is determined to be \$544,958 (2010 - \$516,474). The amount expensed to salary and benefits in the period was \$28,484 (2010 - (\$15,731)). No severance benefits were paid to employees in 2011 or 2010.

ii) Pension Benefits

The NRTEE's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

The NRTEE's and employees contribution to the Public Service Pension Plan for the year were as follows:

	2011 (\$)	2010 (\$)
NRTEE 's contributions	299,056	294,403
Employees contributions	176,267	173,820

The NRTEE's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

8. CONTRACTUAL OBLIGATIONS

The nature of the NRTEE activities can result in some large multi-year contracts and obligation whereby the NRTEE will be obligated to make future payments when the services are rendered. Significant contractual obligations that can be reasonably established are summarized as follow:

	2012 (\$)	2013 (\$)	2014 (\$)	2015 (\$)
Contractual Obligations	13,433	8,544	8,544	1,424

9. PARLIAMENTARY APPROPRIATIONS

The NRTEE 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 Financial Position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the NRTEE has different net 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 cost of operations to current year appropriations used:

	2011 (\$)	2010 (\$)
Net cost of operations	5,585,272	5,312,141
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Amortization of tangible capital assets	(83,783)	(71,993)
Services provided without charge	(380,746)	(433,976)
Adjustment to previous years' payable at year-end	29,940	33,535
Refund of prior years' expenditures	16,549	208
Other revenues	1,572	947
Decrease (increase) in employee future benefits	(28,484)	15,732
Increase in vacation pay and compensatory time	(10,250)	(15,625)
	(455,202)	(471,172)
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Acquisitions of tangible capital assets	24,995	89,774
Decrease in prepaid expenses	(2,945)	(9,193)
	22,050	80,581
Current year appropriations used	5,152,120	4,921,550

b) Appropriations provided and used:

	2011 (\$)	2010 (\$)
Parliamentary appropriation – voted:		
Vote 20 – Program expenditures	5,065,811	5,043,075
Statutory appropriation:		
Contributions to employee benefit plans	426,005	407,761
	5,491,816	5,450,836
Less: Lapsed appropriations – operations	(339,696)	(529,286)
Total appropriations used	5,152,120	4,921,550

10. CONTRIBUTIONS RECEIVED

The *NRTEE Act* allows the NRTEE to receive funds from external parties for specified purposes. In 2010-11 funds in the amount of \$105,000 (2010 - \$0) were received from a third party, and were used to convene a meeting to discuss an Oil Sands 'Dialogue'. Of the \$105,000, \$88,770 was spent on the meeting and \$16,230 was returned to the third party before March 31, 2011.

11. SEGMENTED INFORMATION

Presentation by segment is based on the NRTEE's program activity architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 2. The following table presents the expenses incurred and revenues generated for the main program activities, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

	Program Advisory (\$)	Internal Services (\$)	2011 (\$)	2010 (\$)
OPERATING EXPENSES				
Salaries and employee benefits	1,992,111	1,396,717	3,388,828	3,103,370
Professional and special services	965,616	70,456	1,036,072	1,095,179
Rentals	20,092	397,680	417,772	402,312
Transportation and telecommunications	206,554	120,805	327,359	315,757
Information and printing	303,679	22,531	326,210	115,344
Amortization of tangible capital assets	4,189	79,594	83,783	71,993
Repairs and maintenance	-	42,659	42,659	83,786
Utilities, materials and supplies	2,117	29,426	31,543	37,202
Acquisition of office equipment, furniture, informatics	323	21,065	21,388	88,145
TOTAL EXPENSES	3,494,681	2,180,933	5,675,614	5,313,088
REVENUES				
Contributions Received (Note 10)	88,770	-	88,770	-
Miscellaneous	-	1,572	1,572	947
TOTAL REVENUES	88,770	1,572	90,342	947
NET COST OF OPERATIONS	3,405,911	2,179,361	5,585,272	5,312,141

12. NET DEBT INDICATOR

The presentation of the net debt indicator and a statement of change in net debt is required under Canadian generally accepted accounting principles.

Net debt is the difference between a government's liabilities and its financial assets and is meant to provide a measure of the future revenues required to pay for past transactions and events. A statement of change in net debt would show changes during the period in components such as tangible capital assets, prepaid expenses and inventories. Departments are financed by the Government of Canada through appropriations and operate within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by departments is deposited to the CRF and all cash disbursements made by departments are paid by the CRF. Under this government business model, assets reflected on the NRTEE's financial statements, with the exception of the Due from the CRF, are not available to use for the purpose of discharging the existing liabilities of the department. Future appropriations and any spendable revenues generated by the NRTEE's operations would be used to discharge existing liabilities.

	2011 (\$)	2010 (\$)
LIABILITIES		
Accounts payable and accrued liabilities	598,356	486,758
Vacation pay and compensatory leave	136,562	126,312
Employee future benefits	544,958	516,474
TOTAL FINANCIAL LIABILITIES	1,279,876	1,129,544
FINANCIAL ASSETS		
Due from Consolidated Revenue Fund	586,456	472,674
Receivables	13,225	17,611
TOTAL FINANCIAL ASSETS	599,681	490,285
NET DEBT INDICATOR	680,195	639,259

13. COMPARATIVE FIGURES

Certain prior year's comparative figures have been reclassified to conform to current year's presentation.