

**NATIONAL ROUND TABLE  
ON THE ENVIRONMENT AND  
THE ECONOMY**

*Annual***Report**  
1997-98

National Round Table  
on the Environment  
and the Economy



Table ronde nationale  
sur l'environnement  
et l'économie

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Ottawa, Ontario

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Operating Engineers' (Local 115)  
Joint Apprenticeship and Training Plan

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*Strategic Planning Advisor*  
Loblaw-Weston Companies

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*Co-owner, P'lovers*

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International Institute for Sustainable Development

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Sustainable Development Research Institute

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Education and International Affairs  
Canadian Automobile Workers

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Carole Desjardins  
Anne-Marie Scott



## **Letter from the Chair**

July 1998

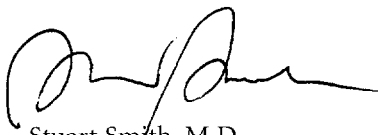
Dear Prime Minister:

I am pleased to transmit to you the 1997-98 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 such issues as economic instruments, sustainable ocean resource development, private woodlot management, sustainable transportation, and issues related to the development of contaminated sites in urban areas.

Over the next year, the NRTEE will encourage similar discussion and debate in a number of program areas, with particular emphasis on climate change, eco-efficiency and foreign policy. I look forward to continuing to provide your office with current information and advice throughout 1998-99.

Yours sincerely,



Stuart Smith, M.D.

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National Round Table  
on the Environment  
and the Economy



Table ronde nationale  
sur l'environnement  
et l'économie

## 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 Order-in-Council. Members represent a broad range of regions and 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 steps to be taken that will promote sustainability. 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.

In addition to program responsibilities, the NRTEE administers the Canadian component of Leadership for Environment and Development (LEAD), an international training program for promising individuals from various countries designed to further their understanding of, and ability to manage, issues related to sustainable development.

### How We Work

A multistakeholder approach, combined with impartiality and neutrality, are the hallmarks of the NRTEE's activities. By creating an atmosphere 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 in other areas.

Each year, the NRTEE undertakes a strategic planning process to identify key issues to be addressed over the short and medium term. Programs are selected which address pressing issues with both environmental and economic implications and which 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, clarifying the "state of the debate;"
- 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: Program Updates

### Climate Change

As a result of international negotiations in Kyoto (Japan) in December 1997, all developed countries, including Canada, have agreed to set targets to reduce greenhouse gas emissions. It will be a huge challenge to decide what action Canada should take and there is disagreement on what trade-offs or choices Canadians should be asked to face. This wide diversity of views on the very nature of the problem makes it difficult to raise public understanding and to obtain public support for whatever decisions Canada makes. With this in mind, the NRTEE has brought together a citizens' panel of 25 respected, objective Canadians in a **National Forum on Climate Change** to assist Canadians to better understand the climate change issue and all its implications.

The Forum consisted of 25 accomplished Canadians, all recipients of the Order of Canada. Unique, precisely because it was unbiased and began with no predetermined views on the potential impact of climate change, or on the most appropriate response, the Forum provided members with the full range of expert opinion and knowledge and examined all sides of the debate. The intention of the Forum was to issue a Declaration to assist Canadians by providing an objective and unbiased statement of the climate change challenge.

The Forum met in February and March at the Chateau Laurier in Ottawa. During these sessions, the Forum heard and debated a wide range of perspectives on the environmental and economic implications of climate change. The final session is scheduled for April, at which time the members will begin to work on the Declaration.

### 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. During 1997-98, the NRTEE presented a list of environmental tax reform initiatives to the Minister of Finance, the Honourable Paul Martin. The proposals were based on the results of two multistakeholder workshops held in October. The first workshop, "Greening the Budget 1998," saw over 60 managers and experts from a variety of fields explore two key topics: sustainability on private lands, particularly private woodlots in the Maritime provinces, and urban brownfield sites across the country. The second workshop, "Greening the Federal Budget 1999 and 2000," brought another 20 experts from industry, NGOs and government to discuss economic instruments that are practical, implementable and achievable over the medium term. The focus of the program in 1998-99 will be to assess design features of domestic emissions trading



systems aimed at reducing greenhouse gases and to further pursue fiscal measures regarding private woodlots and brownfield sites.

## Measuring Eco-efficiency

The NRTEE and leading North American companies are undertaking two feasibility studies in cooperation with the World Business Council for Sustainable Development (WBCSD). These studies, which are designed to develop eco-efficiency indicators, will test the feasibility and value of material and energy intensity indicators, as well as pollutant dispersion indicators. The program's ultimate objective is to develop wide acceptance of those indicators, and to build commitment to their routine inclusion in corporate annual reports. The NRTEE held a forum on eco-efficiency indicators attended by over 100 people in Vancouver in March, immediately preceding the GLOBE '98 conference.

## Foreign Policy and Sustainable Development

The Foreign Policy and Sustainable Development Program is charged with identifying and promoting ways for Canada's international commitments to take a greater account of environmental considerations and impacts. The theme of "sustainable cities" has continued to be the primary focus for its 1997-98 activities. The NRTEE and the Federation of Canadian Municipalities (FCM) co-hosted a workshop in May on sustainable cities targeting urban air quality and urban environmental management. The goal of the workshop was to develop recommendations for APEC officials and ministers. As well, a major workshop was held in January, which explored how Canada might better meet the growing foreign demand for sustainable cities solutions. Building on these workshops, the Committee is exploring means by which Canadian public and private sector expertise can be marshalled to address

the acute economic and environmental challenges of rapid population growth and urbanization.

## Private Woodlots

The goal of this program was to examine broad issues related to private woodlot management in the Maritimes, including stewardship, the calculation of resource inventories, federal taxation, certification of forest products, interprovincial trade, forestry regimes and best practices. On October 7, the NRTEE released the *State of Debate on the Environment and the Economy: Private Woodlot Management in the Maritimes* in Fredericton, New Brunswick. The report is the product of extensive research and consultation among many stakeholder groups. Following the Fredericton release, briefings were made to stakeholders and the media in Halifax, Nova Scotia, and Charlottetown, Prince Edward Island. Several of the recommendations stemming from this report have been used in the Green Budget Reform program's recommendations to the Minister of Finance, the Honourable Paul Martin.

## Financial Services: Brownfield Sites

This program explored the challenges and opportunities of brownfield sites and the improvement of site-specific data on the environmental condition of land. The NRTEE released the *State of the Debate on the Environment and the Economy: Greening Canada's Brownfield Sites* on February 24, 1998, in Toronto. The result of multistakeholder consultations with developers and representatives from the financial service sector, insurance industry, First Nations and ENGOs, the report outlines the factors that discourage redevelopment of brownfield sites and recommends actions that can be taken to promote their clean-up and redevelopment. As well, the NRTEE published two background papers titled: *Contaminated Site Issues in Canada* and *Improving*

*Site-Specific Data on the Environmental Condition of Land.* In addition, the NRTEE co-published two background papers in conjunction with the Canada Mortgage and Housing Corporation titled: *The Financial Services Sector and Brownfield Redevelopment*, and *Removing Barriers: Redeveloping Contaminated Sites for Housing*.

## Ocean Environment and Resources

The NRTEE undertook this program to provide policy advice in support of federal government initiatives aimed at conservation and development of ocean resources. As its contribution to the International Year of the Oceans, the NRTEE launched *Sustainable Strategies for Oceans: A Co-Management Guide* at an international workshop that it co-hosted with the Fraser Basin Council and Environment Canada in March. The guide sets out the principles behind co-management — a collaborative approach which draws together the expertise and experience of a variety of stakeholders, including resource users, environmentalists and representatives from all levels of government. As well, the guide is designed to help further the use of an integrated approach to managing coastal zones, both in Canada and abroad.

## Sustainable Transportation

The goal of this program is to define a course of action to promote sustainable transportation that can be coordinated with the strategies and actions emerging from other levels of government in Canada and internationally. The NRTEE released *The Road to Sustainable Transportation in Canada* at the National Forum on Passenger Transportation in Montreal in November. The culmination of a series of multistakeholder sessions across the country, the report outlines current knowledge and Canadian perspectives on the need for, and ways of achieving, sustainable transportation.

## Education

The mandate of this program is to develop, facilitate and deliver programs and materials to encourage awareness of environment and economy linkages in learning settings. To do so, the program has been working collaboratively with professional engineers and with Canadian business schools on sustainability issues. With a growing interest from Canadian business schools to collaborate with the NRTEE to integrate environmental issues into existing programs, the NRTEE hosted “Greening Business Curricula: Integrating Sustainability into the Core” in March. The workshop convened frontline business educators, students and professionals. As well, building on its work with professional engineers in British Columbia, the NRTEE is currently developing a training module for integrating sustainability into engineering practices in Quebec. *Tools of Change: Proven Methods for Promoting Environmental Citizenship*, a practical guide to helping communities promote environmentally responsible action, was published in February.



## Federal Green Procurement

In 1997-98, the NRTEE released a statement on federal green procurement practices and opportunities. It is available as a supplement to *Going for Green: Meeting Foreign Demand for Environmentally Preferable Products and Services through Federal Procurement* which was published last year. The statement recommends how and to what extent the federal government should use green procurement as a means to help Canadian firms respond to growing foreign demand for “green” products, services and means of production.



## LEAD Canada

LEAD (Leadership for Environment and Development) Canada is a training program that seeks to ensure that future decision makers understand the challenges of sustainable development and are equipped to meet them. Twelve LEAD chapters around the world each choose 15 promising mid-career professionals to take part in the program each year. Participants, (called "Associates") are exposed to a number of substantive issues related to sustainable development, and gain skills in a variety of areas including leadership, conflict resolution and

cross cultural communication. At the same time, Associates undertake a self-directed course of study that is designed to complement their professional activities. A new group of Associates, Cohort 6, joined LEAD Canada in May 1997. As well, LEAD Canada broke new ground this year, moving the second domestic training session to Vancouver and participating in the first LEAD Regional Session (with the Brazil and Mexico LEAD chapters) in Oaxaca, Mexico, in October. Recruitment has begun for LEAD Canada's fifth group of Associates, Cohort 7.

## Communications and Publications

In 1997-98, the NRTEE continued to ensure that decision makers, the media and the public recognize it as a leader in providing objective views and analytical information on the state of the debate on the environment and the economy in Canada. The NRTEE was extremely active this year releasing three *State of the Debate* reports, several *Backgrounder* reports, and other material. All publications were marketed and distributed on a cost-recovery basis through Renouf Publishing Co. Ltd. The NRTEE's Web site has continued to disseminate key information to stakeholders and members of the public, and is the primary source for information on, and stemming from, the National Forum on Climate Change.

Following is a selection of NRTEE publications produced over the year:

- *State of Debate on the Environment and the Economy: Private Woodlot Management in the Maritimes*

- *State of the Debate on the Environment and the Economy: The Road to Sustainable Transportation in Canada*
- *State of the Debate on the Environment and the Economy: Greening Canada's Brownfield Sites*
- *Sustainable Strategies for Oceans: A Co-Management Guide*
- *Backgrounder: Measuring Eco-efficiency in Business*
- *Backgrounder: Contaminated Site Issues in Canada*
- *Backgrounder: The Financial Services Sector and Brownfield Redevelopment*
- *Backgrounder: Removing Barriers: Redeveloping Contaminated Sites for Housing*
- *Backgrounder: Improving Site-Specific Data on the Environmental Condition of Land*
- *Tools of Change: Proven Methods for Promoting Environmental Citizenship*

## Looking Ahead

1998-99 will be an active year for the NRTEE, with the final session of the National Forum on Climate Change planned for April 1998 and the anticipated launch of a Declaration on climate change. Following are some of the initiatives planned for next year:

- The NRTEE's National Forum on Climate Change will draw to a close in the summer of 1998 with the third and final forum session in April. The Forum members will begin the task of writing a Declaration identifying areas of certainty and uncertainty, agreement and disagreement, and making general recommendations for possible actions. The Declaration is due to be launched at a press conference and reception on Parliament Hill in June. Following the launch, the Declaration will be distributed as widely as possible across the country.
- The key focus for the Economic Instruments Program in 1998-99 will be to assess design features of domestic emissions trading systems aimed at reducing greenhouse gases, and to further pursue fiscal measures regarding private woodlots and brownfield sites. The Economic Instruments Task Force has been given the mandate to initiate a program to analyze alternative approaches for incorporating emissions trading into a potential Canadian program to limit emissions of greenhouse gases. The task force will draw together a multistakeholder expert group to consider the possible designs and key issues of a domestic emissions trading program.
- The NRTEE's Sustainable Transportation Program will focus its attention on greenhouse gas reduction in urban areas. A *Backgrounder* report is being developed to estimate the greenhouse gas impacts that can be achieved in Canadian urban areas by various transportation policy measures such as gasoline fuel taxes, increased vehicle efficiency standards, and road vehicle inspection and maintenance (I&M) programs. The *Backgrounder* will be available in the fall of 1998. As well, the NRTEE will participate in the "Transportation Issue Table," which is part of the national consultative process to examine the consequences of the Kyoto Protocol. This issue table will examine the contribution the transportation sector can make to achieving Canada's Kyoto commitment to reduce greenhouse gas emissions by 6 percent with respect to 1990 levels, to be achieved between the years 2008 and 2012.
- The members of the Measuring Eco-efficiency Program will continue to work with the World Business Council for

Sustainable Development and others to select, design and implement a core set of eco-efficiency performance indicators. As well, the NRTEE is planning to partner with a variety of organizations on a North American workshop on Environmental Performance Measurement and Shareholder Value.

- The NRTEE's Education Program will host a workshop in Quebec City entitled "Sustainable Development Applications in Engineering" in April 1998. Participants will discuss sustainability issues in engineering and help develop materials for a training session aimed at professional engineers, which will be held on September 25, in Quebec City. This session will be part of the 1998 Environmental Colloquium organized by the Quebec regional association of the Quebec Order of Engineers. An annotated bibliography on sustainability materials for business schools will be published and ready for distribution by the fall of 1998.
- The NRTEE's Foreign Policy and Sustainable Development Program is in the process of developing a report on sustainable cities that will be presented to the government in the fall of 1998.
- LEAD Canada's Cohort 5 Associates will be joining over 150 other LEAD Associates at the graduation session in Harare, Zimbabwe, in May. Fifteen members of LEAD Canada's newest group of Associates, Cohort 7, will begin their training program in June, followed by their first international session in China in October. Cohort 6 forges into the second half of its training with its second domestic training session in Vancouver in mid-August. LEAD Canada will also be hosting a regional training seminar focusing on regional integration in August, to be attended by Canadian, Mexican and Brazilian Associates. Recruitment for LEAD Canada's next training cycle will begin in the fall of 1998.
- Representatives from native groups, industry and government will be convened in June 1998 to explore the feasibility of launching a new NRTEE program that will address the sustainability of non-renewable resource development on or near Aboriginal land.

June 17, 1998

**National Round Table on the Environment and the Economy**

**MANAGEMENT REPORT**

for the year ended March 31, 1998

We have prepared the accompanying financial statement of the National Round Table on the Environment and the Economy in accordance with the reporting requirements and standards of the Receiver General for Canada. This financial statement was prepared in accordance with the significant accounting policies set out in note 2 of the statement on a basis consistent with that of the preceding year.

The responsibility for the integrity and objectivity of data in this financial statement rests with the management of the Round Table. In order to assure maximum objectivity and freedom from bias, the financial data contained in this financial statement has been examined by the Executive Committee of the Round Table.

The information included in the financial statement is based on management's best estimates and judgments with due consideration to materiality. To fulfill this accounting and reporting responsibilities, the Round Table maintains a set of accounts which provides a centralized record of the Round Table's financial transactions. Financial information contained in the ministerial statements and elsewhere in the *Public Accounts of Canada* is consistent with this financial statement, unless indicated otherwise.

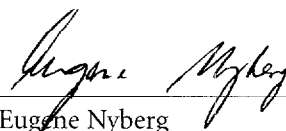
The Round Table's directorate of financial services develops and disseminates financial management and accounting policies, and issues specific directives which maintain standards of accounting and financial management. The Round Table maintains systems of financial management and internal control which give due consideration to costs, benefits and risks. They are designed to provide reasonable assurance that transactions are properly authorized by Parliament and are executed in accordance with prescribed regulations, and are properly recorded so as to maintain accountability of Government funds and safeguard the Round Table's assets. The Round Table also seeks to assure the objectivity and integrity of data in its financial statement by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

Management presents this financial statement to the Auditor General of Canada who audits and provides an independent opinion which has been appended to this financial statement.

Approved by:



David McGuinty  
Executive Director and  
Chief Executive Officer



Eugene Nyberg  
Corporate Secretary and  
Director of Operations



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL 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 operations of the National Round Table on the Environment and the Economy for the year ended March 31, 1998. This financial statement is the responsibility of the Round Table's management. My responsibility is to express an opinion on this financial statement based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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, this financial statement presents fairly, in all material respects, the results of operations of the Round Table for the year ended March 31, 1998 in accordance with the accounting policies set out in Note 2 to the financial statement.

A handwritten signature in black ink, appearing to read 'R. Flageole'.

Richard Flageole, FCA  
Assistant Auditor General  
for the Auditor General of Canada

Ottawa, Canada  
June 17, 1998

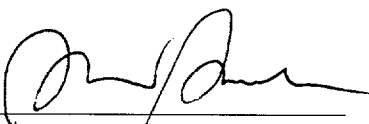
# National Round Table on the Environment and the Economy

## Statement of Operations for the Year Ended March 31, 1998

	1998	1997
	\$	\$
Expenditures		
Operating		
Salaries and employee benefits	1,258,688	1,051,498
Professional and special services	952,506	1,256,055
Transportation and communications	348,706	333,503
Publications	352,179	178,025
Rentals	207,341	147,908
Acquisitions of capital assets	108,839	42,493
Utilities, materials and supplies	102,381	78,258
Repairs and maintenance	34,180	4,429
Other subsidies and payments	467	0
	3,365,287	3,092,169
Executive Committee		
Honoraria	17,396	7,963
Travel and living expenses	12,747	9,523
	30,143	17,486
Other Committees		
Travel and living expenses	143,525	139,768
Honoraria	92,216	78,615
	235,741	218,383
	3,631,171	3,328,038
Non-tax revenue		
Sale of publications	13,368	10,777
Refund of previous years' expenditures	10,783	7,497
Sale of surplus Crown assets	1,625	144
	25,776	18,418
Net cost of operations (Note 3)	3,605,395	3,309,620

The accompanying notes are an integral part of this financial statement.

Approved by:

  
 Stuart Smith  
 Chair

  
 David McGuinty  
 Executive Director and  
 Chief Executive Officer

# **National Round Table on the Environment and the Economy**

## *Notes to the Statement of Operations for the Year Ended March 31, 1998*

### 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 under Schedule II of the *Financial Administration Act*. The Round Table fulfills its objective of promoting sustainable development, and the integration of 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 lapsing authority, and to a lesser extent, from cost recovery and cost sharing for specific activities. Employee benefits are authorized by statutory authorities.

### 2. Significant Accounting Policies

The statement of operations has been prepared in accordance with the reporting requirements and standards established by the Receiver General for Canada for departmental corporations. The most significant accounting policies are as follows.

#### a) Expenditure recognition

All expenditures are recorded on the accrual basis with the exception of vacation pay which is recorded on cash basis.

#### b) Revenue recognition

Revenue is recorded on the cash basis.

#### c) Capital purchases

Acquisitions of capital assets are charged to operating expenditures in the year of purchase.

#### d) Services provided without charge by Government Departments

Estimates of amounts for services provided without charge from Government Departments are included in expenditures.

#### e) Refunds of previous years' expenditures

Refunds of previous years' expenditures are recorded as revenues when received, and are not deducted from expenditures.

#### f) Public Service Superannuation Plan

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 Round Table's contributions are recorded as expenditure in the year they are made and they represent the total pension obligation of the Round Table under the plan.



3. Parliamentary Appropriations

	1998	1997
	\$	\$
Privy Council – Vote 30	3,118,000	3,106,000
Supplementary Vote 30b	167,370	189,650
	3,285,370	3,295,650
Lapsed	27,674	251,756
	3,257,696	3,043,894
Statutory contributions to employee benefit plans	192,000	164,000
Spending of revenues from the sale of publications in accordance with Section 29.1 (1) of the FAA	13,368	5,000
Spending of proceeds from the disposal of surplus Crown assets	1,625	144
Total use of appropriations	3,464,689	3,213,038
Add: Services provided without charge by other Government Departments	166,482	115,000
Less: Non-tax revenue	25,776	18,418
Net cost of operations	3,605,395	3,309,620

#### 4. Specified Purpose Account

When the Round Table was created, a specified purpose account was established pursuant to section 21 of the *Financial Administration Act*, to record grants and donations received from third parties, and expenses incurred to do various studies related to the principles of sustainable development in Canada and internationally. This account is also used to reflect financial transactions of the Canadian chapter of the LEAD (Leadership for Environment and Development) International training program. These receipts and expenses are not included in the statement of operations of the Round Table. The unspent balance in this account is carried forward for future use.

	1998	1997
	\$	\$
Balance at beginning of year	43,957	70,594
Receipts	666,755	353,677
	710,712	424,271
Expenses	464,513	380,314
Balance at end of year	246,199	43,957

#### 5. Inventory of Publications Intended for Sale

Effective May 28, 1996, the Round Table began a cost-recovery program for its publications. Canadian distribution is done through a distributor who is entitled to a 50 per cent commission fee on the sale price of each publication sold. Inventory of publications intended for sale is valued at net realizable value.

	1998	1997
	\$	\$
Inventory at beginning of year	140,243	82,348
Add: New publications produced	124,491	68,672
Less: Sales	13,368	10,777
Inventory at end of year	251,366	140,243

#### 6. Capital Assets and Accumulated Amortization

The accounting policies of the Government of Canada do not require the capitalization of capital assets. However, internal controls are maintained to safeguard assets and they are amortized over their useful lives of five years using the straight-line method.

<b>Capital assets at cost</b>	March 31, 1997	Acquisitions	Disposal	March 31, 1998
	\$	\$	\$	\$
Informatics Equipment	208,638	24,397	3,049	229,986
Office Furniture and Equipment	30,956	84,442	2,705	112,693
	239,594	108,839	5,754	342,679
<b>Accumulated Amortization</b>	March 31, 1997	Amortization	Disposal	March 31, 1998
	\$	\$	\$	\$
Informatics Equipment	105,197	31,290	152	136,335
Office Furniture and Equipment	18,395	13,019	2,707	28,707
	123,592	44,309	2,859	165,042

7. Liabilities

As of March 31, liabilities are as follows:

	1998	1997
	\$	\$
a) Accounts payable and accrued charges		
Accounts payable	407,459	444,726
Accrued salaries	37,907	41,142
	<u>445,366</u>	<u>485,868</u>
b) Other liability		
Accrued vacation pay	<u>44,889</u>	<u>27,405</u>

The cost represented by the accounts payable and accrued charges are reflected as expenditures in the statement of operations or as expenses of the specified purpose account wherever they are applicable.

The costs associated with accrued vacation pay are not included in the statement of operations. These costs are recognized only when paid (see note 2 a).

8. Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000 and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Round Table, including those related to the efforts of suppliers, federal Government, or other third parties, will be fully resolved.