

GOVERNMENT OF ALBERTA

Annual Report

Forestry, Parks and Tourism 2022-2023

Alberta 

Forestry, Parks and Tourism, Government of Alberta | Forestry, Parks and Tourism Annual Report 2022-23

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Forestry, Parks and Tourism Annual Report 2022-23

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Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each Ministry.

On October 24, 2022, the government announced new Ministry structures. As such, responsibilities of the former Ministries of Agriculture, Forestry and Rural Economic Development; Jobs, Economy and Innovation; and Environment and Parks were transferred to the Ministry of Forestry, Parks and Tourism. The 2022-23 Annual Report reflects the 2022-25 Ministry business plans, the Government of Alberta Strategic Plan, as well as the Ministry's activities and accomplishments during the 2022-23 fiscal year, which ended on March 31, 2023.

The Annual Report of the Government of Alberta contains Budget 2022 Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Forestry, Parks and Tourism contains the Minister's Accountability Statement, the Ministry's Financial Information and Results Analysis, a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- the financial statements of entities making up the Ministry including the regulated funds, and the provincial agencies for which the Minister is responsible as of March 31, 2023;
- other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the Ministry has anything to report; and
- financial information relating to trust funds.

All Ministry Annual Reports should be considered along with the Government of Alberta Annual Report to provide a complete overview of government's commitment to openness, accountability and fiscal transparency.

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2023, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 12, 2023 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Original signed by Honourable Todd Loewen
Minister of Forestry and Parks

Message from the Minister



Albertans have a shared responsibility to care for and maintain our province's diverse natural environments and cultural experiences. Our province has recovered from the challenges experienced during the pandemic and we are focused on the expansion, enhancement, and diversification of our forestry, crown land and tourism sectors.

Our forest sector continues to be a strong contributor to Alberta's economy, supported by a forward-looking vision that secures reliable, long-term Crown timber access for forest companies in exchange for sustainable forest management. The Forest Jobs Action Plan is our roadmap to realizing our vision and creating environmental, social and economic benefits for

future generations. In 2022, we renewed three forest management agreements and awarded a new commercial timber permit that will support local economies and ensure sustainable forest management in areas across the province.

Expanding market access for Alberta's sustainably-produced wood products and enhancing the value-added wood product sector are key ways we've supported sector growth and innovation. This year, we joined our provincial and federal partners in standing behind Alberta-manufactured wood products by successfully advocating for our world-leading sustainable forest management practices and regulatory frameworks. We have and will continue to defend against misguided procurement legislation and unfair import duties imposed by the United States on our softwood lumber exports.

More people than ever are taking advantage of outdoor recreation opportunities and tourism experiences across our great province. To continue building momentum and cultivating exceptional experiences, the Ministry of Forestry and Parks developed and implemented a number of strategies, partnered with local communities and organizations to deliver amazing experiences, and grow our economy.

We are fortunate to work with organizations and societies who dedicate their time and energy to education, recreation and conservation initiatives. We invested \$750,000 over three years in the Friends of Fish Creek Provincial Park Society, \$225,000 in the Friends of the Eastern Slopes Association, \$100,000 in the Alberta Hiking Association and more than \$160,000 in the Great Divide Trail Association to enable them to continue providing services to Albertans. These organizations, and others with similar values and goals, are vital contributors to our province's environmental sustainability efforts and recreation offerings, benefiting every Albertan.

We're also focused on expanding recreation opportunities across the province. We formally established Big Island Provincial Park along the North Saskatchewan River in southwest Edmonton, entered into formal partnerships with our first Trail Managers under the *Trails Act* and, in March 2023, we announced an investment of more than \$210 million in campground and trails. This historic investment will create more than 900 new campsites over the next 10 years so that more Albertans can experience the great outdoors.

To support Alberta's growing tourism industry, we increased Travel Alberta's funding and expanded their mandate to include the development of tourism destinations, products and experiences. Travel Alberta is working to develop sustainable, year-round tourism experiences and products outside of Alberta's most popular destinations. Rural and Indigenous communities play a key role in Alberta's growing visitor economy, and I look forward to their growth and prosperity.

Our government is prioritizing rural economic development and innovation while improving access to government services. In total, we have delivered a 42.9 per cent reduction in red tape—9.9 per cent higher than our 2022-23 target.

I would also like to acknowledge the hard work and dedication on display from our wildfire response teams across the province in the midst of an unprecedented early wildfire season. Every individual working to put out fires and keep Albertans safe deserves our recognition and appreciation.

These are only a few of our accomplishments over the past year. Like everyone in our province, I take tremendous pride in our outdoor spaces and I look forward to continuing to balance economic growth, environmental stewardship and sustainable environmental planning to benefit all those who call Alberta home.

Original signed by Honourable Todd Loewen
Minister of Forestry and Parks

Management's Responsibility for Reporting

The Ministry of Forestry, Parks and Tourism includes the:

- *Department of Forestry, Parks and Tourism; and*
- *Travel Alberta.*

The executives of the individual entities within the Ministry have the primary responsibility and accountability for the respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying Ministry financial information and performance results for the ministry rests with the Minister of Forestry, Parks and Tourism. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry business plan, and performance results for all Ministry-supported commitments that were included in the *2022-25 Government of Alberta Strategic Plan*. The financial information and performance results, out of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- **Reliable** – Information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- **Understandable** – the performance measure methodologies and results are presented clearly.
- **Comparable** – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- **Complete** – outcomes, performance measures and related targets match those included in the Ministry's *Budget 2022*.

As Deputy Minister, in addition to program responsibilities, I am responsible for the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under Ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Forestry, Parks and Tourism the information needed to fulfill their responsibilities; and

- facilitate preparation of Ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities, I have relied, as necessary, on the executives of the individual entities within the Ministry.

Original signed by Deputy Minister Shannon Marchand
Deputy Minister of Forestry and Parks

June 12, 2023

Results Analysis

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Ministry Overview

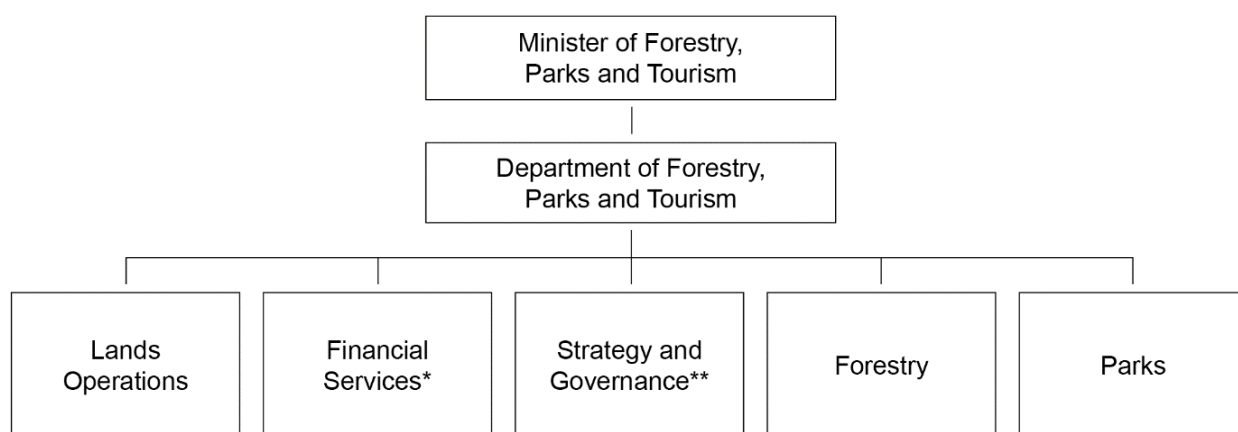
The Ministry of Forestry, Parks and Tourism stewards Alberta's parks, public lands and forests to provide environmental, economic and social benefits for current and future generations.

The ministry works with Albertans, other governments, Indigenous communities, non-profit and voluntary organizations, and the private sector to grow the visitor economy and maximize the benefits of Alberta Crown lands, including forests, and rangelands, and provides Albertans and visitors with opportunities to explore unique natural landscapes, engage in nature-based experiences and outdoor recreational activities, and learn about Alberta's natural heritage. The Ministry protects Alberta's forest resources through effective and efficient wildfire management, sustainable forest management, and maintenance of forest health.

The Ministry of Forestry, Parks and Tourism remains committed to regulatory approaches and program delivery that reduce unnecessary government oversight and emphasizes outcomes, improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

On October 24, 2022, the government announced new Ministry structures. As a result, part or all of Key Objectives 1.1, 1.3, 2.1, 3.2, and 3.4 (and related Supporting Initiatives) plus Performance Measures 2a and 3a from the 2022-25 Agriculture, Forestry and Rural Economic Development Business Plan became the reporting responsibility of the Ministry of Forestry, Parks and Tourism. Also, part or all of Key Objectives 1.1, 1.5, 3.1 and 3.2 (including Supporting Initiatives) from the 2022-25 Environment and Parks Business Plan, and Key Objective 1.3 from the 2022-25 Jobs, Economy and Innovation Business Plan became the reporting responsibility of the Ministry of Forestry, Parks and Tourism.

Organizational Structure as of March 31, 2023



* Shares joint reporting responsibility with Agriculture and Irrigation

** Shares joint reporting responsibility with Environment and Protected Areas

Note: Forestry, Parks and Tourism has 11 public agencies (listed below) that are classified as advisory, regulatory/adjudicative, and service delivery. It does not have any public agencies that are considered public trust or corporate enterprise.

Travel Alberta
Forest Resource Improvement Association of Alberta
Kananaskis Improvement District Council
Alberta Professional Outfitters Society
Alberta Conservation Association
Birch River Wildland Provincial Park Cooperative Management Board

Birch Mountains Wildland Provincial Park Cooperative Management Board
Richardson Wildland Provincial Park Cooperative Management Board
Dillon River Wildland Provincial Park Cooperative Management Board
Kazan Wildland Provincial Park Cooperative Management Board
Public Lands Appeal Board

Operational Overview

Department of Forestry, Parks and Tourism

The department represents the interests of Albertans in delivering a balanced and results-based approach to stewardship of Alberta's parks, public lands and forests to provide environmental, economic and social benefits for current and future generations.

Financial Services Division

The division provides leadership in financial planning, manages financial reporting and systems, and supports the achievement of financial outcomes for the Ministry.

Forestry Division

The division works to ensure that Alberta's Crown forests are sustainably managed and provides the programs and services to position the province's forest sector for growth and diversification. This includes monitoring for and managing pests like mountain pine beetle, ensuring harvest levels are sustainable, supporting reforestation, and helping create new markets and opportunities for Alberta's forest products. The division also works to manage the threat of wildfire through prevention, risk-reduction, and suppression.

Lands Operations Division

The division delivers an integrated approach to the management of provincial public land. Public land is a significant portion of the province and provides opportunities for economic development, recreation and conservation. The division's work reflects the range of uses of public land including conservation, recreation, tourism, energy, forestry, agriculture, traditional use and others. The division is responsible for the allocation and regulatory functions for the sustainable use of Alberta's game species and fisheries. Conservation Officers are responsible for ensuring appropriate and safe Crown land use through natural resource protection and public safety.

Parks Division

The division focuses on operating sites with high conservation, recreation, and tourism potential. Through passionate staff and reliable partnerships, the parks system delivers safe, sustainable, and enjoyable recreational experiences for Albertans and visitors, while setting key strategic policy in support of Alberta's tourism sector. The division works in close partnership with Travel Alberta to grow the tourism industry.

Strategy and Governance

The division provides integrated, coordinated and results-based business support services for continuous improvement, risk management, business continuity and agency governance. The division delivers intergovernmental, Indigenous collaboration and consultation, public engagement, and education activities.

Public Agencies

Public Agencies are arm's length entities that conduct work on behalf of the Alberta government. They are linked to ministries based on their mandate and are accountable to the responsible minister(s). Forestry, Parks and Tourism provides oversight of 11 [public agencies](#) that are classified, based on their mandate, as advisory, regulatory/adjudicative, and service delivery.

The Ministry of Forestry, Parks and Tourism shares responsibility with the Ministry of Environment and Protected Areas for the associations, boards and societies listed with an asterisk.

Service Delivery

Alberta Conservation Association*

Alberta Conservation Association (ACA) encourages all Albertans to enjoy the outdoors. Members of the Association study the wildlife, fish and plants that live in Alberta to find ways to help them flourish. A key aspect of the Association is sharing its learnings about fish, wildlife, and habitat with the public. ACA also provides funding and has awarded over \$16.7 million dollars through grants.

Alberta Professional Outfitters Society*

The Alberta Professional Outfitters Society is responsible for qualifying the province's guides and outfitters, the distribution, transfer, and leasing of game allocations and waterfowl privileges provided by the department, sale of licenses and permits for guide-outfitting activities, and discipline.

Forest Resource Improvement Association of Alberta

The Forest Resource Improvement Association of Alberta (FRIAA) serves the people of Alberta and is accountable to the Minister responsible for Forestry. For over two decades, FRIAA has helped Alberta continue to develop world-class forest management practices and a sophisticated understanding of the relationships between things like human activity, forest resources, species at risk, and wildfire.

Kananaskis Improvement District Council

The Kananaskis Improvement District (KID) Council provides direct public representation in the governance of the KID. Council is accountable to residents and ratepayers as well as to the Minister of Forestry, Parks and Tourism. Council is responsible for helping the Minister ensure the Improvement District delivers services to the constituents. It also provides policy input into the programs and services and monitors their delivery. KID Council is comprised of six individuals representing the Lower Kananaskis Lake Cabin Subdivision, non-commercial residents or ratepayers, large business, small business and Alberta citizens-at-large.

Travel Alberta

Travel Alberta was established in 2009, as the tourism-marketing agency of the Alberta government. It is the steward for the Alberta tourism brand and manages national and international tourism marketing programs, services and activities. Travel Alberta provides the Alberta tourism industry with the tools, resources and information necessary to market their businesses effectively, leverage strategic marketing partnerships and drive a return on their marketing investments.

Regulatory / Adjudicative

Public Lands Appeal Board*

The Public Lands Appeal Board is responsible to hear and, if possible, resolve appeals of specified decisions for the regulated entities or directly affected parties as authorized under the *Public Lands Act* and the Public Lands Administration Regulation.

Advisory

Birch Mountains Wildland Provincial Park Cooperative Management Board (CMB)*

Birch River Wildland Provincial Park CMB*

Dillon Wildland Provincial Park CMB*

Kazan Wildland Provincial Park CMB*

Richardson Wildland Provincial Park CMB*

The Boards were established to provide recommendations to the Minister on matters related to the development of park-specific management plans and implementation oversight. In addition to the government appointed positions, there are an additional twenty-three members and their alternates, representing many Indigenous communities.

Key Highlights

The following represents Forestry, Parks, and Tourism's significant achievements for 2022-2023 including progress toward commitments in the [2022-2025 Government of Alberta Strategic Plan](#).

Support and Expand Trade Opportunities for Alberta's Forest Sector

- Continued support of Canada's ongoing efforts to defend Alberta's forest sector against U.S. softwood lumber duties through the dispute appeal processes, including participation in an on-site verification of Alberta's submissions by the United States Department of Commerce officials and advocacy for a long-term, managed trade agreement with the United States for secure and predictable market access for Alberta forest companies.
- Continued grant funding to support market development activities in Asia, including efforts to expand purchases of Alberta oriented strand board in Japan. Alberta oriented strand board exports to Japan increased to \$84.9 million in 2022.
- Continued grant funding for [Wood WORKS! Alberta](#) to expand market access domestically and promote a culture of wood use.

Forest Management

- Ensured long term industry access to fibre through renewal of three forest management agreements under the [Forest Jobs Action Plan](#).
- Increased the amount of improved seed withdrawn from the provincial seed bank for reforestation purposes from 42 per cent to 46 per cent to support faster tree growth, more adapted trees and potentially better tree form resulting in increased fibre.
- Approved two 10-year strategic forestry plans under two different Forest Management Agreements to determine a sustainable forest harvest level that delivers environmental, social, and economic benefits for current and future Albertans.
- Aligned with the Forest Management Planning Standard, by developing a strategy to set an allowable annual harvest level at some 800,000 cubic meters of coniferous timber and 730,000 cubic metres of deciduous timber.
- Completed more than 1,100 inspections as part of the Forest Operations Monitoring program to provide oversight of Alberta's sustainable forestry practices.

Improve Business Environment through Streamlined Requirements

- With the Aboriginal Consultation Office, implemented the [Aboriginal Consultation Office Digital Service](#) system for Alberta forest companies to facilitate input of Indigenous consultation information and reduce review timelines.
- Improved the timeliness of park permitting approvals through the [Alberta Parks Permit Portal](#).
- Modernized [Crown land approvals](#) and addressed the public land sale backlog.
- Modernized and standardized the land use reservation system resulting in reducing reservations by a third.
- Implemented a service standard for [dispositions](#) and land sale applications and streamlined all land sales and exchanges applications into a single application called the [Electronic Disposition System](#), enhancing clarity and reducing review timelines.
- Established a 60-year [Tourism and Commercial Recreation lease](#), converted over one hundred leases to long-term disposition, and modernized renewals and digital surveys for low-risk projects to save industry time and funds.

Wildfire Management

- In 2022, contained 94.0 per cent of wildfires before 10 a.m. the day following assessment.

- Focused on prevention through education, changing the fire environment, and implementing prescribed fire and hazard reduction burning which contributed to lessening the wildfire impacts.
- A total of 1,246 wildfires burned 130,858 hectares, compared to the five-year average of 1,104 wildfires burning 209,928 hectares.
- Provided FireSmart Grants to help communities focus on wildfire preparedness and mitigation including a \$7.5 million grant to the Forest Resource Improvement Association of Alberta, \$300,000 to FireSmart Alberta and \$200,000 to the Canadian Interagency Forest Fire Centre.

Mountain Pine Beetle Management (MPB)

- Controlled 9,990 MPB-infested trees, a 58 per cent decline from the 24,000 MPB-infested trees controlled in 2021-22 due to lower rates of infestation. Populations in many parts of the province are now at low (potentially endemic) levels that suggest the high levels in the past have low probability of recurrence.
- Government of Canada provided \$19 million as part of a three-year, \$60 million cost-shared Federal Provincial agreement to enhance the MPB Management Program. Of this amount, \$13.4 million spent on control actions which was less than the previous year due to reduced rates of infestation.

Crown Land Management

- Advanced approximately 150 capital maintenance and renewal projects to refurbish and upgrade recreational opportunities across Crown lands.
- Ensured all recreational development on Crown land was subject to strict environmental and cultural reviews.
- Continued parks master development planning including for the Edmonton and Lake Country Regions.
- Worked with Enoch Cree Nation and the City of Edmonton to formally establish the [Big Island Provincial Park](#).

Trail Management

- Designated through ministerial order a suite of well-established trails, mostly in [Public Land Use Zones](#), to improve management.
- Allocated \$3 million recreation fees to trail development, management and maintenance through partnership agreements.

Conservation Enforcement

- Deployed 87 Conservation Officers across the province.
- Recorded 2,449 occurrences, 53,455 public contacts and 1,860 enforcement actions. Emphasis on education and collaboration as first approach to achieving public compliance.

Tourism Growth

- Expanded funding to Travel Alberta with grants totalling \$63 million.
- Travel Alberta's [Tourism Investment Program](#) provided \$15 million to support 173 tourism projects across 73 communities.
- Supported a 3-year grant between Travel Alberta and Indigenous Tourism Alberta with \$1.65 million in 2022-23.

Discussion and Analysis of Results

Actions that support the priorities of the [2022-25 Government of Alberta Strategic Plan](#)

Key Priority One

Enhancing Government services now and for the future

Objective 5 Ensuring Alberta's environment and ecosystems support Albertans' well-being

Advancing work with Indigenous communities and organizations on environmental issues to develop long-term, trust-based relationships, such as working with Enoch Cree Nation and the City of Edmonton to establish Big Island Provincial Park in southwest Edmonton in the North Saskatchewan River Valley. This will allow Albertans to experience the benefits of exploring the River Valley now and for generations to come

Detailed reporting found in [Key Objective 1.5](#) on page 24 of this report.

Key Priority Two

Growing Alberta's Economy

Objective 1 Attracting investment and growing the economy

Continuing to support Alberta's tourism industry by developing and implementing policies and programs that promote and stimulate growth of Alberta's tourism sector, including through the expanded role for Travel Alberta.

Detailed reporting found in [Key Objective 1.3](#) on page 27 of this report.

Targeted Reporting - Red Tape Reduction

The Ministry of Forestry, Parks and Tourism remains committed to regulatory approaches and program delivery that reduces unnecessary government oversight and emphasizes outcomes, to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

In 2022-23, Forestry, Parks and Tourism continued to review all program area forms, services and policies to identify administrative red tape reductions that would make the Ministry more effective and efficient. The Ministry has seen success in reducing administrative burden, and while this does not always count towards reducing government's counted regulatory requirements, it has been an important component of the Ministry's efforts. As of March 31, 2023, the ministry had reduced its red tape by 42.9 per cent as reported by the Ministry of Service Alberta and Red Tape Reduction, exceeding the Government of Alberta's 2022-23 target reduction of 33 per cent.

Digital Transformation

The ministry undertook several digital transformation initiatives to modernize legacy forestry applications, digitize Indigenous forestry consultation information, and delivered a consolidated online [Alberta Parks Permit Portal](#).

Smart Regulations

Red tape reduction efforts have resulted in streamlined forestry approval service standards, modernized scaling standards, and the establishment of long-term tourism commercial leases.

Improved Service Delivery

The focus on improved service delivery led to initiatives that resulted in grazing renewal backlogs being cleared by process improvements. Other service improvements included streamlined dispositions and a land sale applications service standard, modernized Crown land approvals, and a modernized and standardized [land use reservation system](#). These changes have simplified and streamlined how Albertans, the outdoor and forestry communities and system partners access Forestry, Park and Tourism services.

For more information on Forestry, Parks and Tourism's initiatives including Digital Transformation, Smart Regulations and Improved Service Delivery, please refer to the results analysis for [Key Objective 2.1](#) and [Performance Measure 2a](#).

2022-25 Agriculture, Forestry and Rural Development Business Plan

Outcome One: Alberta's economic growth and recovery are supported by increased investments, expanded trade in Alberta's agriculture and forest sectors, and by maximizing economic opportunities across Alberta

Under the responsibility of the Ministry of Forestry, Parks and Tourism, this outcome sets out to grow the economy and improve competitiveness for the forest sector. To achieve this outcome, the Ministry supported industry diversification, market access and development, and research and innovation.

Key Objectives

1.1 Provide trade services and prevent market disruptions for Alberta's agriculture and forest sectors

Alberta's ability to access trade/markets is dependent on our environmental reputation and our strict sustainable forest management regulatory framework. Alberta continued to work with its federal, provincial and industry partners to address existing trade barriers and open new markets for Alberta's forest products, as well as support industry-led market development activities.

Alberta is working with other provinces and the federal government to advance sustainable forest management practices and to advocate for clarity of implementation implications of various deforestation-free procurement regulations and legislation proposed in the United States and the European Union.

The ministry continued to support Canada in its ongoing efforts to defend Alberta's forest sector against U.S. softwood lumber duties through the dispute appeal processes, including timely submission of administrative reviews and supplemental questionnaire response documents, and participation in an on-site verification of Alberta's submissions by the United States Department of Commerce officials. In 2022, Alberta's forest industry paid countervailing and anti-dumping duties between 5.87 and 8.59 per cent. It is estimated that \$8 billion of softwood lumber duties have been accrued over the course of the softwood lumber disputes and appeals since 2017.

The ministry also worked with Alberta's Senior Representative to the United States and other provinces to advance all appeal opportunities and advocate for a long-term, managed trade agreement with the United States that provides secure and predictable market access for Alberta companies. Preparations are underway for the fifth administrative review, binational dispute

resolution panels, and sunset review of the softwood lumber investigations; all of which are scheduled to occur in 2023.

Grant funding continued to be provided to the [Canada Wood Group](#) to support market development activities in Asia, including efforts to expand purchases of Alberta oriented strand board in Japan. Alberta oriented strand board exports to Japan have increased from \$1.3 million in 2018 to \$42.0 million in 2020 and \$84.9 million in 2022. The Alberta Forest Products Association also received continued grant funding to support the [Wood WORKS!](#) program, aimed at expanding market access domestically and promoting a culture of wood use. From 2018 to 2022, the program delivered over 19,000 hours of education to construction and architecture professionals and influenced \$128 million in wood sales on 141 Alberta construction projects.

1.3 Ensure long-term access to a sustainable and secure fiber supply by implementing the Forest Jobs Action Plan

This objective aims to provide the forestry industry with secure access to wood fibre. Key actions accomplished in 2022-23 regarding the [Forest Jobs Action Plan](#) were:

- Renewed three forest management agreements to support long term access to fibre.
- Awarded Commercial Timber Permit for 2,500 hectares in the White Area. The permit supports forest management activities and maintains strong relationships with local Indigenous communities.
- Facilitated two new business arrangements between forestry tenure holders and biomass companies to enable access to residual fibre in harvesting areas.
- Increased the number of improved seed withdrawn from the provincial seed bank for reforestation purposes from 42 per cent in 2021-22 to 46 per cent in 2022-23. Improved seed promotes faster tree growth, more adapted trees and potentially better tree form. Benefits will be to future Albertans and to forest companies who will be able to have additional fibre available for harvesting.

Outcome Two: Alberta's competitive business environment provides a strong foundation for resilient agriculture and forest sectors and rural communities

Under the responsibility of the Ministry of Forestry, Parks and Tourism, this outcome seeks to create a business environment and improved infrastructure upon which the forest sector can thrive and achieve their business goals and full economic potential. Reporting under this outcome was expanded to include red tape reduction outcomes under the full scope of Ministry responsibility.

Key Objectives

2.1 Streamline agriculture and forest sector's regulatory requirements to reduce red tape

As of March 31, 2023, the ministry had reduced its overall red tape by 42.9 per cent, exceeding the Government of Alberta's 2022-23 target reduction of 33 per cent.

The ministry identified opportunities to streamline service standards and introduce new ones to shorten response times. These service changes promoted timelier reviews and decision-making processes. Streamlining forestry approval service standards and modernizing scaling standards generated time savings for industry and increased transparency and clarity, resulting in improved operational efficiency and accountability. The ministry also worked with the Aboriginal Consultation Office to implement an improved digital service system to help Alberta forest companies input Indigenous consultation information more easily and reduce review timelines. Work also continued with the Ministry of Technology and Innovation to modernize various forestry

legacy applications into a unified effective system with streamlined information technology applications.

Process improvements over the last year fully addressed and eliminated the grazing renewal backlog and now renewals are processed prior to expiry. These systematic changes are in place so no future backlogs will occur. Ongoing work is occurring to complete grazing lease assignments within seven days.

The [Alberta Parks Permit Portal](#) has improved the timeliness of park permitting approvals, resulting in a red tape reduction count of 545. The portal has consolidated access to many of the Alberta Parks permits into one location and standardized the approach to conditions and criteria, leading to better customer service and more efficient processing for applicants. The portal also produces instant data for reporting to assist with management of the volume of permit requests received.

The ministry modernized approvals on Crown land and addressed the public land sale backlog, which will be fully addressed within the next year. Process improvements resulted in clarifying requirements for the application and a shorter process time for disposition renewals and transfers. In addition, the ministry jointly with Environment and Protection Areas modernized and standardized the [Land Use Reservation Program](#) to remove unnecessary or overly complex reservations providing clarity for land-use decision makers and individuals regarding Crown lands. Reservations were reduced by a third, equating to the removal of approximately 8,500 reservations. Regulatory processes were also simplified for applications that intersect with land use reservations reducing application review timelines.

A service standard target was established for dispositions and land sale applications. Applications for all land sales and exchanges were streamlined into a single application. Applications for other non-land sale activities were more easily identified to ensure separate and clear processes and avoid unnecessary delays. As of March 31, 2023, the current reduced backlog of 257 outstanding land sale applications includes applications pertaining to land sales, land exchanges, and requests for new dispositions on vacant lands, among others.

The [Digital Regulatory Assurance System \(DRAS\)](#) is the online system designed to manage a project's lifecycle from application to closure. The ministry continues to work closely with Environment and Protected Areas on DRAS development and implementation related to regulatory requirements for commercial and industrial activities on public land. The system will enable enhanced stakeholder awareness and outcomes-based approaches to decisions, through clear accountabilities and a common risk management framework.

Another example of red tape reduction in 2022-23 was the establishment of a 60-year Tourism Commercial lease and the conversion of over one hundred leases to long-term disposition. In addition, the requirements for digital surveys for low-risk projects and those at renewal were modernized which is estimated to save industry over \$254 million over 10 years.

Performance Metrics

2.a Performance Measure: Percentage net reduction of red tape faced by the agriculture and forest sectors

This measure and target reflect government's annual performance expectation in a broader commitment to reducing red tape by one-third over four years (by the end of 2022-23). In 2022-23, the Ministry's red tape reduction efforts resulted in approximately 43 per cent regulatory reduction for the Ministry structure as reported by the Ministry of Service Alberta and Red Tape Reduction.

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
n/a	8.2%	12.1%	37.4%	33%	42.9%

Source: Service Alberta and Red Tape Reduction

Note: Results and targets are presented in cumulative format. This performance measure was introduced in 2019-20 and all results from prior years are reported as not applicable.

Description: The measure tracks the net reduction in red tape faced by the forest and tourism sectors, for which the Ministry of Forestry, Parks and Tourism had an oversight responsibility.

A regulatory requirement is an obligation for stakeholders to complete an action or provide information to access government services or programs, carry out business, or pursue legislated privileges. Regulation is any rule endorsed by government where there is an expectation of compliance. It includes legislation, regulations, quasi-regulations, and any other aspect of government or regulator behaviour that can influence or compel specific behaviour by business and the community.

Rationale: A reduction in the number of red tape requirements demonstrates a reduction in the overall regulatory burden imposed on Albertans. Reducing these requirements would drive innovation and competitiveness by reducing inefficient regulation and improving the delivery of Ministry services and programs.

Result and Variance Explanation: Significant work has been completed to reduce unnecessary red tape and streamline permit and license approval times and costs, as well as update the Scaling Standards of Alberta to modernize and streamline the scaling requirements saving industry time, money, and effort.

Outcome Three: Robust assurance systems and effective resource management practices support agriculture and forest sectors success and protect public safety in communities across Alberta

This outcome aims to improve systems designed to manage risks related to humans, animals, and plants for which the Ministry is accountable and has oversight responsibility. For the Ministry of Forestry, Parks and Tourism, this includes wildfire prevention, response and recovery, forest health monitoring and stewardship, and sustainable forest production.

Key Objectives

3.2 Develop and implement effective policies, grants, and innovative technologies for wildfire management

Every year, an average of over 1,000 wildfires occur in Alberta's forests. The financial impact can be considerable. Aside from the money the province spends on wildfire management, wildfires can cause hundreds of millions of dollars of damage, displacing people from their homes and disrupting businesses.

In 2022-23, Alberta's [wildfire management system](#) focused on prevention through education, changing the fire environment, and implementing prescribed fire and hazard reduction burning. These efforts contributed to lessening the impacts of wildfires in Alberta. A total of 1,246 wildfires burned 130,858 hectares, compared to the five-year average of 1,104 wildfires burning 209,928 hectares. An estimated 62 per cent of wildfires in 2022 were human caused.

Wildfire Initiatives

Wildfires can affect communities in forested or grassland areas including urban green spaces like ravines and parks. Individuals, families and groups were encouraged to learn about prevention through wildfire prevention and mitigation educational materials and programs the ministry developed and delivered.

Wildfire season officially starts March 1 and runs until October 31 annually. The ministry's key efforts focus on reducing and suppressing wildfire risk by changing the fire environment through community fireguards and vegetation management that reduces or removes fuel. Activities included:

- Compliance and enforcement of legislation to prevent human-caused, uncontrolled fires;
- Pre-suppression and preparedness planning to ensure resources are available for rapid deployment which will reduce impacts and exposure to long-term and large wildfires; and
- Suppression of wildfires through rapid detection, aggressive initial attack, and sustained action until extinguished.

Technologies and innovations were assessed to continue to advance wildfire management, including:

- Wildfire Detection Challenge - trialed and assessed advanced remote camera technology to detect smoke;
- Wildfire Predictive Modeling Program – use of artificial intelligence and machine learning to enhance wildfire prediction efforts and allocate resources more efficiently;
- Long Range Drone Technology - assessed drone technology to support wildfire management operations;
- Night wildfire detection and suppression using specially equipped helicopters and personnel night vision goggles;
- Wildfire prevention – developed a new tool for online fire permit application; and
- Mitigation and prevention – provided leadership on the development of a national wildfire mitigation and prevention strategy.

FireSmart Grants

FireSmart provides tools and approaches to help communities focus on wildfire preparedness and mitigation. In support of such FireSmart initiatives, Alberta Wildfire provides funding via grants through several channels. In 2022-23, a \$7.5 million grant was provided to the Forest Resource Improvement Association of Alberta. Alberta FireSmart Program's grant allowed them to help

communities and residents manage and reduce the threat of wildfire loss and damage, increasing public and firefighter safety, and enhancing wildfire suppression capability. The program supported community activities aimed at reducing the wildfire threat by promoting the seven disciplines of FireSmart: development controls, public education, legislation, interagency cooperation, cross-training, emergency planning and vegetation management.

In addition, grants were also provided to advance a long-term vision for FireSmart within Canada and the province including community responsibility, multi-agency collaboration and an outcome-based approach to implementing FireSmart.

- \$200,000 was provided to the Canadian Interagency Forest Fire Centre Inc. to support the FireSmart Canada program for fiscal years 2022-23 and 2024-25.
- \$300,000 was provided to FireSmart Alberta to support communities with implementing, maintaining, and evaluating FireSmart solutions.

3.4 Protect and enhance the health of Alberta's forest resources

Supporting Initiative

- In 2022-23, \$55.9 million is allocated to support the Mountain Pine Beetle Management Program

Mountain Pine Beetle Management

Mountain Pine Beetle (MPB) infestations in Alberta are a threat to the long-term sustainability of Crown forest resources. In 2022-23, provincial funding for the MPB Program was retained at \$28 million for aggressive survey and control activities to manage the spread of MPB. Additionally, the Government of Canada provided \$19 million as part of a three-year, \$60 million cost-shared Federal Provincial agreement to enhance the [MPB Management Program](#). Additional funding included \$505,000 from the Government of Saskatchewan, bringing the total funding allocation for control efforts to \$47.5 million in 2022-23. From this \$13.4 million was spent in direct control actions to limit the spread of MPB, less than required in previous years due to reduced rates of infestation.

In 2022-23, the ministry controlled 9,990 MPB-infested trees, a 58 per cent decline from the 24,000 MPB-infested trees controlled in 2021-22. Successful control of MPB may be attributed to a combination of increases in [overwinter mortality](#), reduced MPB reproduction and flight, rapid, regular, and concentrated control activities such as single-tree treatment.

- About \$140,000 was spent on aerial overview surveys (AOS) in June and July 2022 covering a vast majority of the province. These surveys are used to assess the occurrence, severity, and distribution of abiotic and biotic forest pest damaging agents to help determine whether control and treatment options may be required. AOS is an extensive broad-scale assessment of disturbances caused by biotic and/or abiotic damaging agents on the forested land base, and are typically undertaken each year in mid-summer using fixed-wing aircraft. These surveys contribute to informing forest planning/operations and research, guiding further pest detection and assessment, and are a critical part of Alberta's sustainable forest management system.
- [Heli-GPS surveys](#) detected 8,980 MPB-killed trees in more than 6.8 million hectares of forested area, down significantly from 27,395 MPB-killed trees in 2021-22 and 147,046 in 2020-21, across surveyed areas in those years. The significant reduction in the number of MPB-killed trees was supported by 3,168 hectares of ground surveys in 2022, down from 6,157 hectares in 2021. Populations in many parts of the province are now at low (potentially endemic) levels that suggest the exceptionally high levels experienced in the past have low probability of recurrence.

- Population monitoring occurred throughout the province and included areas of potential new MPB population spread, such as east of Banff National Park. The ministry continued to collaborate with Banff National Park staff to manage rising MPB populations and associated risks and continues to advocate with the federal government for more active control measures within the Park.
- In total, grants of about \$3.9 million were given to support control and prevention activities, research on MPB biology, and protection and restoration of endangered five-needle pines affected by MPB.
- A total of \$0.67 million in grant funds was provided to seven municipal partners to help mitigate damage to forest resources; \$3 million was granted to the Forest Resource Improvement Association of Alberta to assist the forest industry to survey, detect and control MPB, and protect orchards and genetic trials; and \$110,000 was granted to Whitebark Pine Ecosystem Foundation of Canada for the protection and restoration of endangered five-needle pines affected by MPB.

Research (supported by grants from the ministry) continues to investigate innovative management techniques for the control of MPB; techniques for detection and quantifying MPB damage; MPB spread modelling of climate change impacts; wildfire and whitebark pine resistance; and post-outbreak MPB biology. This project is a collaboration with the forest industry, oil and gas companies, and federal and provincial governments.

In addition to MPB and wildfire disturbance, nearly 1.2 million hectares of disturbance (excluding mountain pine beetle and wildfire) were identified, a 50 per cent decrease compared to 2021-22. Defoliators were responsible for just over 50 per cent of the total damage mapped in 2022 which is comparable to 2021. A complex of aspen defoliators, primarily leafrollers and leaf tiers, were responsible for 23 per cent of the total defoliation, compared to the assessment of 65 per cent in 2021. Conifer mortality caused by bark beetles other than mountain pine beetle decreased by 50 per cent, primarily due to a deep decline in spruce beetle activity which dropped by 82 per cent and a decline of 63 per cent for Douglas-fir beetle. We continue to monitor long-term trends of survey results through increased forest ecology risk assessments, and work to develop intervention measures to develop management strategies and tools aimed to reduce the damage by forest insects, diseases and climate/weather related events and improve forest health resiliency.

Setting sustainable harvest levels

Two 10-year strategic forestry plans were approved by the ministry in July 2022. The plans are required to determine a sustainable forest harvest level that delivers environmental, social, and economic benefits for current and future Albertans. Based on adherence to the [Alberta Forest Management Planning Standard](#), a preferred forest management strategy was developed to set an allowable annual harvest level at some 800,000 cubic meters of coniferous timber and 730,000 cubic metres of deciduous timber.

Regulatory Compliance

The ministry enforces provincial forestry laws and regulations to ensure industry acts in compliance with legislation. The [compliance and enforcement system](#) focuses on education, continuous improvement, and corrective action by Alberta's forest companies. Ministry oversight activities include [timber production monitoring](#) through timber scaling, auditing, revenue analysis, and applicable enforcement. The ministry completed more than 1,100 inspections as part of the Forest Operations Monitoring Program to provide oversight of Alberta's sustainable forestry practices. Of these inspections:

- 1,004 were conducted on active forest harvest operations. Of these, more than 720 inspections were completed on watercourse crossings.
- 150 reforestation programs were audited under the Reforestation Standards of Alberta.

- Nine timber production audits were completed in combination with education and corrective action to build industry capacity to secure long-term access to fibre through compliance with legislated requirements.

Department inspections naturally fluctuate from year to year based on a number of inputs. Primarily, the monitoring program is risk-based, meaning that upcoming inspection targets are based on previous years' inputs. These inputs include the level of company activity (by area), higher risk activities (watercourse crossings, steep slopes, species at risk, etc.), and previous compliance performance. As each of these inputs vary yearly, so do the inspection targets that are generated.

Performance Metrics

3.a Performance Measure: Percentage of wildfires contained before 10 a.m. the day following assessments

Prior Years' Results				2022 Target	2022 Actual
2018	2019	2020	2021		
96.9%	95.3%	99.4%	95.3%	97%	94.0%

Source: FIRES database

In 2022, the ministry contained 94.0 per cent of wildfires before 10 a.m. the day following assessment.

Description: This performance measure reports how successful Forestry, Parks and Tourism is in containing wildfire events by 10 a.m. the day following assessment.

Rationale: Prompt containment reduces rapid spread and intensity of wildfires, protecting Albertans and minimizing losses and suppression costs. The protection of lives and communities will always be the top priority when responding to wildfires

Result and Variance Explanation: In 2022, many wildfires occurred in remote locations in northern portions of Alberta and the eastern slopes of the province. Many of these fires were managed and allowed to continue to burn naturally across the landscape, providing ecological benefits. These managed wildfires were not considered contained by 10 a.m. following the initial assessment and therefore contributed to the variance of this performance measure. The variance in performance did not increase the risk to the public or communities as specific strategies and tactics were used to protect the values across the landscape while providing for ecological benefits. This reflects a deliberate change in wildfire suppression goals in some areas such as:

- The Fort McMurray Wildfire Management Plan identified areas north of Fort Chipewyan that could tolerate wildfire to achieve ecological goals in returning wildfire to the landscape.
- The [R11 Management Plan](#), west of Rocky Mountain House identified areas where wildfire is beneficial to the landscape and provides for natural fire breaks in the eastern slopes. The local Forest Area established prescribed burn plans to achieve goals in habitat improvement and wildfire prevention and mitigation.
- The Calgary wildfire management plan identified several objectives including opportunities to manage wildfires less aggressively where landscape objectives can be achieved.
- Several forest areas are preparing prescribed burning plans that may be suitable for a limited wildfire management approach, once the containment lines are established and the risk to spread to adjacent areas is reduced.

2022-25 Environment and Parks Business Plan

Outcome One: Environment and ecosystem health and integrity support Albertans' well-being

This outcome, which is shared with the Ministry of Environment and Protected Areas, focuses on Alberta's environment and ecosystem health and integrity which are indispensable to the well-being of Albertans. Achieving this requires the leveraging of effective consultation, engagement, collaboration and partnerships to implement regional and sub-regional land use plans, environmental frameworks, and complementary strategies.

Key Objectives

1.1 Effectively balance environmental, economic and social concerns through Crown land management modernization, integrated policy development and collaborative and integrated regional, sub-regional environmental and parks management planning

As Albertans spend \$2.3 billion on Crown land recreation annually, a focus on appropriate planning for the present and future use is key. Key actions in 2022-23 were:

- Initiated development of a new strategic camping framework to examine camping services and direct campground expansion efforts and provide strategic guidance in the allocation of capital funding.
- Maintained an environmentally responsible policy framework by ensuring that all recreational development on Crown lands is subject to strict environmental and cultural reviews.
- Continued parks master development planning, including for the Edmonton and Lake Country Regions.

1.5 Advance environmental issues work with Indigenous communities and organizations to develop long-term, trust-based relationships

The ministry worked with Enoch Cree Nation and the City of Edmonton to formally establish the [Big Island Provincial Park](#) in southwest Edmonton in the North Saskatchewan River Valley via Order-in-Council on February 16, 2023. This establishment was a result of active collaboration through a tri-government partnership with the City of Edmonton and Enoch Cree Nation. This will allow Albertans to experience the nature and history of the River Valley now and for generations to come.

In addition, the ministry allocated \$319,000 in grant funding to the project since 2021. Enoch Cree Nation received \$189,000 for capacity building and to conduct cultural and traditional land use assessments, while the City of Edmonton received \$130,000 to conduct environmental and historic assessments. Public legal land access to Big Island Provincial Park will be available by early 2025 and the site is currently accessible via the North Saskatchewan River.

Alberta is also advancing discussions with twenty-three Indigenous communities regarding cooperative management of five northeast [wildlands parks](#) (Birch River, Birch Mountains, Kazan, Richardson, and Dillon River). Cooperative management allows for traditional knowledge to inform management planning and operation and is a commitment towards reconciliation through respecting the roles of different worldviews in stewarding these lands.

Outcome Three: Albertans and visitors have enjoyable and safe experiences where they live, work and play in Alberta's outdoors

This outcome, which is shared between the Ministries of Forestry, Parks and Tourism and Environment and Protected Areas, focuses on the well-being and safety of Albertans and visitors where they live, work and play in Alberta's outdoors which can be met by educational and recreational experiences that positively contribute the public's well-being.

Key Objectives

3.1 Improve recreational access with integrated Crown land modernization management, the Alberta *Trails Act* and the Crown Land Vision implementation plus a sustainable recreation funding framework and partnerships

Supporting Initiative

- \$50.8 million in operating and capital funding is allocated in 2022-23 for capital programs to refurbish and enhance outdoor recreational opportunities, natural features, and buildings on Crown lands
- \$15.4 million is allocated to Crown land environmental enforcement in 2022-23

Crown Land Modernization and Vision Implementation

The value of provincial Crown land recreational infrastructure is approximately \$2.5 billion. There are approximately 150 capital maintenance and renewal projects underway to refurbish and upgrade recreational opportunities, including projects for trails, campgrounds, and day-use areas across Crown lands. These projects will be constructed or completed between 2022 and 2026.

In 2022-23, Park master development planning progressed through \$3.7 million paid in capital grants and \$55.7 million spent on capital facility upgrades for Crown land recreation and camping enhancements in provincial parks.

On December 12, 2022, government announced an investment over three years in the Friends of Fish Creek Provincial Park Society to continue their preservation and conservation work. The Society educates visitors, restores trails, plants trees, removes invasive plants, hosts field trips, and builds a sense of pride and community. There are more than 250 active volunteers working with the society, dedicating more than 12,000 hours annually.

Alberta *Trails Act* and Trail Planning

The *Trails Act* was proclaimed in February 2022 along with amendments to the *Public Lands Act* and regulations. As trails are utilized extensively by Albertans and visitors, a suite of well-established trails, mostly in Public Land Use Zones, was designated through a ministerial order in April 2022 to improve management and better enable trail managers to do work on these trails. A trail management plan is required to designate new trails on public land. Trail planning is also underway for several trails and trail networks of interest on public lands in the eastern slopes including the West Bragg Creek, Nordegg and Wapiti Trail Plans.

Recreation fees, like Off-Highway Vehicle registration fees, help the Alberta's government implement important conservation commitments, such as for trail maintenance and \$3.6 million for watercourse crossing maintenance. The department also allocated funding to trail development, management, and maintenance through Partnership Agreements, including:

- Supporting recreation partners with the appointment of new two Trail Managers, the Alberta Off-Highway Vehicle Association and Alberta Snowmobile Association. Both Trail Managers will receive \$1 million in grant funding over the next four years to build and grow the trail system.
- \$2 million in grants were provided to organizations to improve and expand recreation access.
- Modernizing the recreation and trails framework on public lands that provided recreational/social opportunities while it was ensured that environmental standards were met.

This trail management approach will help protect and maintain landscapes that Albertans love for years to come. It also forms a plan for sustaining some of the province's most popular trails while

conserving the landscape and protecting the environment. Outdoor activity on trails systems provides economic benefits through travel and tourism. Alberta offers exceptional outdoor recreation experiences for residents and visitors from around the world.

Conservation Enforcement and Public Safety

To provide conservation enforcement services on all public land, parks, and protected areas, the Ministry deployed 87 Conservation Officers across the province. These highly trained, specialized peace officers enforce a variety of environmental and criminal statutes. Core activities include public education, proactive presence, response to public complaints, emergency response and rescue, resource stewardship, and comprehensive wildlife management.

The Forestry, Parks and Tourism and Public Safety and Emergency Services cross-Ministry Conservation Enforcement Steering Committee provided operational direction to ensure the delivery of a cohesive conservation enforcement program within Alberta.

In 2022-2023, conservation officers recorded 2,449 occurrences, 53,455 public contacts, and 1,860 enforcement actions (warning or summons) related to illegal activity on Crown land. Formal enforcement actions represent 3.5 per cent of all public contacts and reflects the emphasis on an education and a collaboration first approach to achieving public compliance.

3.2 Enhance angling and hunting opportunities through effective fish and wildlife program management

This objective aims to enhance angling and hunting opportunities and experiences for Albertans and visitors. Key actions in 2022-23 include:

- updating the Ministers Special Licence (MSL) by adding moose, pronghorn, and turkey to the MSL suite, extending the length of season and removing certain weapons restrictions;
- maximizing sustainable hunting opportunities for Albertans by using the mandatory game harvest reporting which has been in place for three years;
- facilitating opportunities for rights-based harvesters with the implementation of the 2018 Métis Harvesting Policy and associated agreements;
- extending cougar boot seasons to March 31 (yearly);
- removing the Cypress Hills archery elk licence requirement to hunt elk in the Cypress Hills; and
- simplifying elk hunting regulations including increased opportunities for the number of elk licences an individual can purchase and allowing undersubscribed antlerless elk licences to be purchased by an individual who also holds a general elk licence.

2022-25 Jobs, Economy and Innovation Business Plan

Outcome One: Alberta's economy is recovered and growing

This outcome focuses on Alberta's economic recovery efforts in the wake of the COVID-19 pandemic and the global economic recession that followed. The priority is getting Albertans back to work. Travel Alberta works with the ministry to support communities, businesses and entrepreneurs to restore investor confidence in Alberta, increase investment and support economic diversification.

Key Objectives

1.3 Continue to support the recovery of Alberta's tourism sector by developing and implementing policies and programs with Travel Alberta to position the sector for growth

The ministry funded [Travel Alberta](#) in 2022-23 with grants totalling \$63 million to achieve its expanded mandate. Travel Alberta helped drive the growth of the visitor economy by creating and promoting must-visit destinations throughout the province. Travel Alberta promotes the province through:

- focused marketing to high-value travellers that spend more and stay longer;
- increasing air service access for international visitors; and
- supporting new and enhanced visitor experiences and accommodations across the province.

Travel Alberta's [Tourism Investment Program](#) provided \$15 million in annual funding to support tourism operators. In 2022-23, the Program supported 173 projects across 73 communities, of which about 75 per cent of the projects and 70 per cent of the funding were in smaller urban and rural areas of the province. Project funding ranged from \$5,000 to \$1.2 million with average funding of about \$90,000. In addition, Indigenous tourism was supported through a 3-year grant agreement between Travel Alberta and the Indigenous Tourism Alberta with \$1.65 million provided in 2022-23. Through Travel Alberta, \$17.5 million was allocated over five years to support the expansion of the Air Access Expansion Strategy with objectives to recover the air routes lost during the pandemic and help grow new routes into Alberta.

The ministry also initiated stakeholder re-engagement on a provincial tourism strategy for the province. The strategy will be considered for government approval in 2023-24.

Performance Measure and Indicator Methodology

2.a Performance Measure: Percentage net reduction of red tape faced by the agriculture and forest sectors

Results for this performance metric is determined by dividing the net change in the red tape baseline count as of March 31, 2023, by the red tape baseline count as of May 1, 2019. The result is expressed as a percentage. This calculation accounts for changes in or elimination of legislation, policies, or forms. It also includes the red tape imposed by the Government of Alberta's procurement, grants, and cost-recovery frameworks. Information sheets, questions and answers, explanatory manuals, guidelines, or standards are not included in the calculation.

A red tape baseline count in Government of Alberta's statutes, regulations, policies, and forms as of May 1, 2019, was completed in February 2020. The baseline count represents the benchmark that is used to measure annual reduction targets and the final one-third reduction.

Counters within the ministry followed a common count methodology and guidelines developed by Treasury Board and Finance. Training and ongoing guidance were provided to ensure consistency in methodology across departments and agencies. The methodology identifies which types of reduction in red tape are in and out of scope, as well as specific instructions on how to count different kinds of in-scope requirements as they appear in different regulatory instruments.

As regulatory instruments are revised, added, or repealed, departments and agencies are required to update the count of regulatory requirements by counting and entering resulting net changes to the red tape count in that instrument.

Source: Agriculture and Irrigation and Forestry, Parks and Tourism

Performance Metrics

3.a Performance Measure: Percentage of wildfires contained before 10 a.m. the day following assessment

The result of this measure is derived by dividing the number of wildfires contained by 10 a.m. the day following assessment by all wildfires that occur during the fire season (March 1 to October 31). The result is expressed as a percentage. This includes all wildfires except for those occurring in areas identified in Wildfire Management Plans as needing a less aggressive response.

Wildfire events in the province are tracked for location, detection date and time, assessment date and time, control and containment time, cause of wildfire, and resources used. The results of the performance measure indicate how quickly the department controls wildfires. This information is aggregated and reported under this measure.

The data for this indicator is sourced from the department's Fire Information Resource System (FIRES); a database and application that captures much of Forestry, Parks and Tourism, wildfire management information. The system standardizes the collection and entry of data, provides data in a standard format for decision support systems, tracks the number of wildfire resources being utilized, and maintains historical records about wildfires and weather. Business rules are built into FIRES data entry and updates to ensure information is accurately entered. At year-end, data on wildfire events are extracted from FIRES and used to calculate results reported under this measure.

Source: Forestry, Parks and Tourism

Financial Information

Year Ended March 31, 2023

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Reporting Entity and Method of Consolidation

The financial information is prepared in accordance with government's stated accounting policies, which are based on Canadian Public Sector Accounting Standards.

The reporting entity is the ministry for which the Minister is accountable as of March 31, 2023. The accounts of the ministry, which includes the department and the entities making up the ministry, are consolidated using the line-by-line method.

Under this method, accounting policies of the consolidated entities are adjusted to conform to those of the government and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in government's results. Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

A list of the individual entities making up the ministry are shown on the "Management's Responsibility for Reporting" statement included in this annual report.

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

Year Ended March 31, 2023

	2023		2022		Change from	
	Budget	Actual	Actual		Budget	2022 Actual
	(Restated)		(Restated)			
	<i>In thousands</i>					
Revenues						
Government transfers	\$ 30,541	\$ 21,499	\$ 20,519	(9,042)	980	
Investment income	150	563	147	413	416	
Premiums, fees and licenses	306,796	278,276	594,370	(28,520)	(316,094)	
Other	5,479	13,117	17,059	7,638	(3,942)	
Ministry total	342,966	313,455	632,095	(29,511)	(318,640)	
Inter-ministry consolidation adjustments	(1,084)	(613)	(1,972)	471	1,359	
Adjusted ministry total	341,882	312,842	630,123	(29,040)	(317,281)	
Expenses - directly incurred						
Programs						
Ministry Support Services	1,706	1,909	1,483	203	426	
Forests	191,287	303,528	300,998	112,241	2,530	
Parks	120,340	102,411	97,259	(17,929)	5,152	
Lands	42,141	48,250	37,575	6,109	10,675	
Tourism	1,008	893	15,828	(115)	(14,935)	
Travel Alberta	59,925	67,985	64,506	8,060	3,479	
Ministry total	416,407	524,976	517,649	108,569	7,327	
Inter-ministry consolidation adjustments	(2,201)	(1,475)	(762)	726	(713)	
Adjusted ministry total	414,206	523,501	516,887	109,295	6,614	
Annual (deficit)/surplus	\$ (72,324)	\$ (210,659)	\$ 113,236	\$ (138,335)	\$ (323,895)	

Revenue and Expense Highlights

Revenues

Total revenue for the Ministry was \$313 million, \$30 million lower than budget and \$319 million lower than 2021-22.

Change from Budget 2022-23

- Revenue from Government transfer was \$9 million less than budget, largely due to less funding of \$14.4 million for Mountain Pine Beetle control due to declining beetle populations, partially offset by higher transfers for wildfire management of \$2.9 million and increased funding of \$2.3 million for Travel Alberta.
- Premiums, Fees and Licenses were \$28.5 million lower than budget, primarily due to lower than anticipated timber royalties of \$34 million due to decreasing prices and lower public land camping fees of \$3.4 million, partially offset by higher timber holding and protection, penalties and timber damage revenue of \$4.9 million and higher public lands grazing fees of \$4 million.
- Other Revenue was \$7.6 million higher than budget primarily due to higher than anticipated contributions of \$4.2 million for Parks Operations due to higher costs, higher revenue for forestry operations and prevention of \$1.4 million, unanticipated prior year revenue of \$1.2 million and higher Travel Alberta revenue from marketing partners of \$0.5 million.

Change from 2021-22 Actual

- Revenue from Government transfer was \$1 million higher than 2021-22, mostly due to higher support for Travel Alberta of \$2.3 million offset by a reduction in internal Government transfers.
- Premiums, Fees and Licenses decreased by \$316 million compared to last year, primarily due to lower timber royalties and fees of \$323.2 million resulting from falling lumber prices and lower camping fees of \$4.3 million, partially offset by higher lands and grazing revenue of \$8.9 million and higher K-pass revenue of \$1.9 million.
- Other Revenue decreased by \$3.9 million, primarily due to higher revenue related to prior year expenditure recoveries of \$5.7 million, partially offset by higher miscellaneous Parks revenue of \$0.7 million and higher non-asset and other sales revenue of \$1 million.

Expenses

Total expense for the Ministry was \$524.9 million, \$108.5 million more than budget and \$7.3 million more than 2021-22.

Change from Budget 2022-23

- Supplies and Services expenses were \$112 million higher than budget, predominantly due to costs for wildfire presuppression and response of \$147.8 million, operational pressures of \$7.6 million resulting from increased visitation to Alberta Parks facilities across the province and new operation costs resulting from the opening of multiple facilities. These costs were partially offset by lower costs for wildfire management of \$1.5 million and Mountain Pine Beetle control of \$39.9 million.
- Grants were \$11.6 million higher than budget, mainly due to additional funding of \$3.5 million provided to Travel Alberta for the Air Access Strategy and additional grants of \$4.1 million for Recreation Partnerships and \$3.4 million for wildfire prevention.
- Amortization expense was \$24.4 million lower than budget due to lower than anticipated amortization costs.

Change from 2021-22 Actual

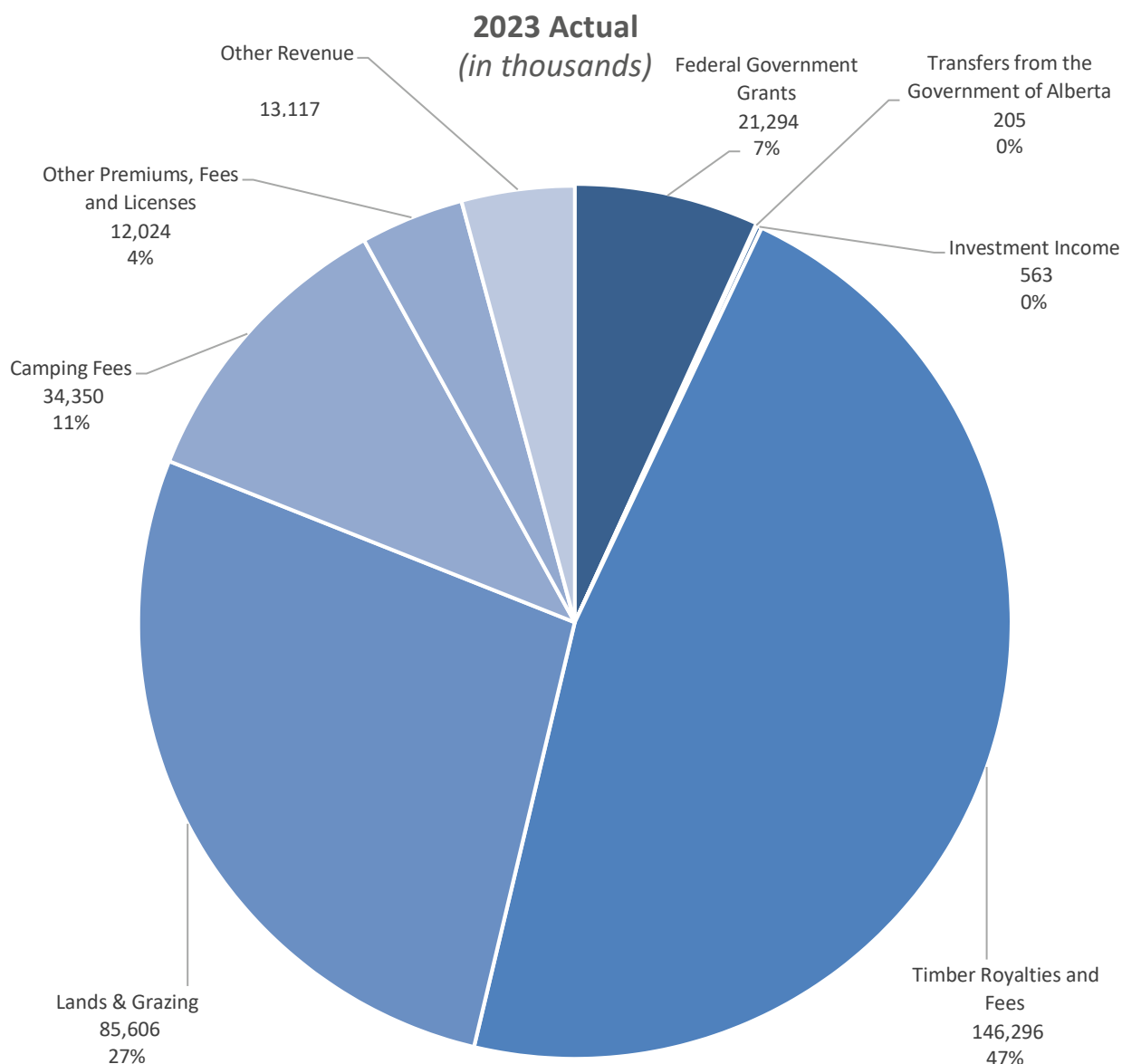
- Supplies and Services costs were \$27.1 million higher than the previous year due to higher costs for wildfire presuppression and response of \$17.4 million, higher operational pressures of \$7.6 million related to increased visitation to Alberta Parks facilities across the province and significant new operational costs of \$3.4 million resulting from the opening of multiple facilities.
- Grants were \$23.4 million lower than the prior year, primarily due to one-time grants in the previous year of \$15.1 million to Travel Alberta for the Tourism Levy Abatement, \$1 million for Mountain Pine Beetle control, \$6.5 million for Forest Program Management, \$1.5 million for the Wildland Urban Interface, and \$1.9 million for Wildfire prevention. These decreases were partially offset by grants in the current year for Recreation Partnership for \$4.1 million and higher Watercourse Crossing Program grants of \$1.6 million.

Breakdown of Revenues (unaudited)

	2023		2022
	Budget (Restated)	Actual	Actual (Restated)
	<i>In thousands</i>		
Government transfers			
Federal Government grants	\$ 30,541	\$ 21,294	\$ 18,545
Internal government transfers	-	205	1,974
	30,541	21,499	20,519
Investment income	150	563	147
	150	563	147
Premiums, fees and licenses			
Timber Royalties and Fees	175,430	146,296	469,504
Lands and Grazing	82,782	85,606	76,726
Camping Fees	33,344	34,350	38,690
Other	15,240	12,024	9,450
	306,796	278,276	594,370
Other revenue			
Other	5,479	13,117	17,059
	5,479	13,117	17,059
Total ministry revenues	\$ 342,966	\$ 313,455	\$ 632,095

Breakdown of Revenues (unaudited) (cont'd)

The following information presents detailed revenues of the ministry. The objective of detailed revenues disclosure is to provide information that is useful in understanding and assessing the financial impact of government's revenue raising and for enhancing legislative control.

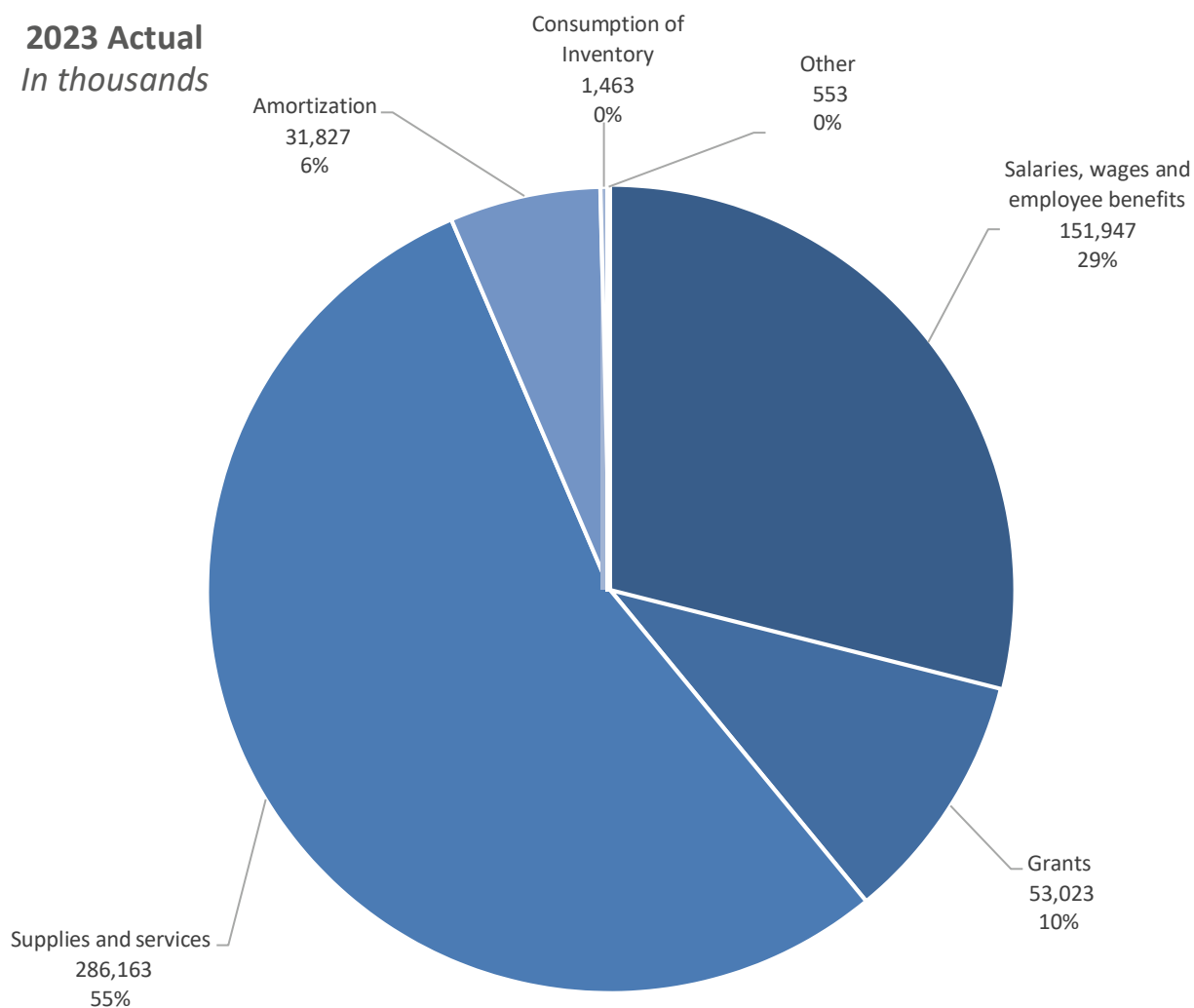


Expenses – Directly Incurred Detailed by Object (unaudited)

	2023		2022
	Budget (Restated)	Actual	Actual (Restated)
	<i>In thousands</i>		
Salaries, wages and employee benefits	\$ 143,671	\$ 151,947	\$ 147,022
Supplies and services	173,811	286,163	258,999
Grants	41,428	53,023	76,417
Amortization of tangible capital assets	56,187	31,827	32,275
Consumption of inventories of supplies	1,310	1,463	1,299
Other	-	553	1,637
Total ministry expenses	\$ 416,407	\$ 524,976	\$ 517,649

Expenses – Directly Incurred Detailed by Object (unaudited)

The following information presents expenses of the ministry that were directly incurred by object. The objective of disclosure of expenses by object is to provide information that is useful in evaluating the economic impact of government acquiring or consuming various types of resources.



Financial Statements of Other Reporting Entities

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Year Ended March 31, 2023****Table of Contents**

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Management's Responsibility for Financial Reporting

The management of the Travel Alberta is responsible for the performance of the duties delegated to it by the Board of Directors. These include the preparation of an Annual Report together with audited financial statements.

Management is responsible for preparation of these financial statements in accordance with Canadian public sector accounting standards and for the integrity and fair presentation of the information. Other financial and operational information appearing elsewhere in the Annual Report is consistent with that contained in the financial statements.

Management is responsible for maintaining effective internal accounting control systems designed to provide reasonable assurance that financial information is reliable and relevant.

Management is also responsible for maintaining financial and management control systems and practices designed to ensure transactions are properly authorized, assets are safeguarded and controlled, liabilities are recognized and that the operations of the Travel Alberta are carried out effectively.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Board of Directors exercises this responsibility through the Audit, Finance and Risk Committee, composed of Directors who are not employees of the Corporation. The Audit, Finance and Risk Committee meets with the external auditors, both in the presence and in the absence of management, to discuss their audit, including any findings as to the integrity of financial reporting processes and the adequacy of our systems of internal controls. The external auditors have full and unrestricted access to the Audit, Finance and Risk Committee.

The Auditor General of Alberta, Travel Alberta's external auditor appointed under the Auditor General Act, performed an independent external audit of these financial statements in accordance with Canadian generally accepted auditing standards, and has expressed an opinion in the accompanying Independent Auditor's Report.

Original signed by David F. Goldstein
Chief Executive Officer

Original signed by Kara Claypool
Senior Vice President, Chief Financial Officer



Independent Auditor's Report

To the Board of Directors of Travel Alberta

Report on the Financial Statements

Opinion

I have audited the financial statements of Travel Alberta, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, change in (net debt) net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Travel Alberta as at March 31, 2023, and the results of its operations, its change from net financial assets to net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of Travel Alberta in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Travel Alberta's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Travel Alberta's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Travel Alberta's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Travel Alberta's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Travel Alberta to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Original signed by W. Doug Wylie FCPA, FCMA, ICD.D.

Auditor General

May 11, 2023

Edmonton, Alberta

Travel Alberta
Statement of Operations
Year ended March 31, 2023

	2023		2022
	Budget	Actual	Actual
	<i>(in thousands)</i>		
	<i>(Note 4)</i>		
Revenues			
Government transfers			
Government of Alberta grants	\$ 59,680	\$ 62,848	\$ 64,691
Federal and other government grants		2,347	-
Investment income	150	550	111
Premiums, fees and licences		24	-
Revenue from partners		519	-
	59,830	66,288	64,802
 Expenses - (Note 2(b), Schedule 1)			
Programs			
Destination Promotion	23,963	26,213	24,228
Destination Development	26,952	32,605	31,979
Strategy and Research	3,265	2,965	2,868
Corporate Services	5,745	6,202	5,431
	59,925	67,985	64,506
 Annual operating (deficit) surplus	(95)	(1,697)	296
 Accumulated surplus at beginning of year	1,838	1,838	1,542
 Accumulated surplus at end of year	\$ 1,743	\$ 141	\$ 1,838

The accompanying notes and schedules are part of these financial statements.

Travel Alberta
Statement of Financial Position
As at March 31, 2023

	2023	2022
	<i>(in thousands)</i>	
Financial Assets		
Cash and cash equivalents (Note 5)	\$ 9,724	\$ 11,654
Accounts receivable (Note 6)	506	190
	<u>10,230</u>	<u>11,844</u>
Liabilities		
Accounts payable and other accrued liabilities (Note 7)	9,918	10,309
Debt (Note 8)	109	-
Unspent deferred contributions (Note 9)	332	-
	<u>10,359</u>	<u>10,309</u>
(Net debt) Net financial assets	<u>(129)</u>	<u>1,535</u>
Non-financial assets		
Tangible capital assets (Note 10)	250	205
Prepaid expenses	20	98
	<u>270</u>	<u>303</u>
Net assets	<u>\$ 141</u>	<u>\$ 1,838</u>
Net assets		
Accumulated surplus (Note 11)	<u>\$ 141</u>	<u>\$ 1,838</u>
Contractual obligations (Note 12)		

The accompanying notes and schedules are part of these financial statements.

Travel Alberta**Statement of Change in (Net Debt) Net Financial Assets****Year ended March 31, 2023**

	2023		2022
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Annual (Deficit) Surplus	\$ (95)	\$ (1,697)	\$ 296
Acquisition of tangible capital assets (Note 10)		(118)	(213)
Amortization of tangible capital assets (Note 10)	95	73	29
Decrease/(Increase) in prepaid expenses		78	(59)
(Decrease)/Increase in net financial assets	-	(1,664)	53
Net financial assets at beginning of year	1,535	1,535	1,482
(Net debt) Net financial assets at end of year	<u>\$ 1,535</u>	<u>\$ (129)</u>	<u>\$ 1,535</u>

The accompanying notes and schedules are part of these financial statements.

Travel Alberta
Statement of Cash Flows
Year ended March 31, 2023

	2023	2022
	<i>(in thousands)</i>	
Operating transactions		
Annual (deficit) surplus	\$ (1,697)	\$ 296
Non-cash items included in annual (deficit) surplus		
Amortization of tangible capital assets (Note 10)	73	29
	(1,624)	325
Contributions restricted for operating (Note 9)	332	-
(Increase)/Decrease in accounts receivable	(316)	59
Decrease/(Increase) in prepaid expenses	78	(59)
(Decrease)/Increase in accounts payable and other accrued liabilities	(391)	6,467
Cash (applied to) provided by operating transactions	(1,921)	6,792
Capital transactions		
Acquisition of tangible capital assets (Note 10)	(9)	(213)
Cash applied to capital transactions	(9)	(213)
(Decrease)/Increase in cash and cash equivalents	(1,930)	6,579
Cash and cash equivalents at beginning of year	11,654	5,075
Cash and cash equivalents at end of year	\$ 9,724	\$ 11,654

The accompanying notes and schedules are part of these financial statements.

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 1 AUTHORITY AND PURPOSE

Travel Alberta (the "Corporation") operates under the authority of the *Travel Alberta Act*, Chapter T-6.5, Statutes of Alberta 2008.

The purpose of the Corporation is to:

- market tourism assets, attractions and opportunities present in Alberta, in domestic, national and international markets;
- promote and support the development and growth of the tourism industry in Alberta to increase revenue and employment in, and the economic benefits generated by, the industry;
- promote Alberta as a destination for tourists and other visitors;
- assist Alberta communities and tourism industry operators to develop and market their products;
- provide visitor services, and
- exercise or perform any other powers, duties and functions as may be regulated from time to time by the Lieutenant Governor in Council.

The Corporation is an agent of the Crown in right of Alberta and as such has a tax exempt status.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is Travel Alberta, which is part of the Ministry of Forestry, Parks and Tourism (Ministry) and for which the Minister of Forestry, Parks and Tourism (Minister) is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Revenue from partners is received or receivable for specific destination promotion and marketing projects. The revenue is recognized as the projects take place.

Government transfers

Transfers from all levels of governments are referred to as government transfers.

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Revenues (Cont'd)

Government transfers and the associated externally restricted investment income are recognized as deferred contributions if the eligibility criteria for use of the transfer, or the stipulations together with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the Corporation meets the eligibility criteria (if any).

Investment income

Investment income includes interest income and is recognized as revenue as earned.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Grant expense

Grants are recognized as expenses when the transfer is authorized and eligibility criteria, have been met by the recipient and when a reasonable estimate of the amounts can be made.

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Accounts payable and other accrued liabilities	Cost
Debt	Amortized cost

The carrying value of these financial assets and liabilities approximates their fair value.

The Corporation does not have any transactions involving financial instruments that are classified in the fair value category, has not engaged in any significant foreign currency transactions, and has no remeasurement gains and losses; therefore a Statement of Remeasurement Gains and Losses has not been presented.

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Corporation's financial claims on external organizations and individuals, as well as cash at year end.

Cash and cash equivalents

Cash comprises of cash on hand. Cash equivalents are short term, highly liquid, investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents are held for the purpose of meeting short-term commitments rather than for investment purposes.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Debt

Notes, debentures, and mortgages are recognized at their face amount less unamortized discount, which includes issuance costs.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Statement of Financial Position date.

Travel Alberta**Notes to the Financial Statements****March 31, 2023****NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)****(b) Basis of Financial Reporting (Cont'd)****Non-Financial Assets**

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver government services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets. Capital lease liabilities are recognized at the present value of the minimum lease payments excluding executory costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Corporation's rate for incremental borrowing or the interest rate implicit in the lease. Note 12 provides a schedule of repayments and amount of interest on the leases.

The cost, less residual value, of the tangible capital assets is amortized on straight-line basis over their estimated useful lives as follows:

Furniture and equipment	5 Years
Computer hardware and software	3 Years
Leasehold improvements	Term of Lease
Leased vehicles	Term of Lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing existing tangible capital assets is \$5,000.

Prepaid expenses

Prepaid expenses is recognized at cost and amortized based on the terms of the agreement.

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Cont'd)**(b) Basis of Financial Reporting (Cont'd)****Funds and Reserves**

Certain amounts, as approved by the Corporation's Board of Directors, have been set aside in accumulated surplus for future operating purposes. Transfers from funds and reserves are an adjustment to the respective fund, when approved by the Corporation's Board of Directors and the Government of Alberta.

Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount, whenever estimates are used. The provision for doubtful accounts is recognized based on an assessment of collectability of accounts receivable. Amortization of tangible capital assets is based on the estimated useful lives of tangible capital assets. Other accrued liabilities are based on management estimates of expenses incurred but not invoiced to the Corporation at March 31, 2023. Other accrued receivables are based on management estimates of revenues earned but not received by the corporation at March 31, 2023.

NOTE 3 FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2023, the Corporation will adopt the following new accounting standards approved by the Public Sector Accounting Board:

- **PS 3400 Revenue**
This accounting standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions.
- **PS 3160 Public Private Partnerships**
This accounting standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner.

Management is currently assessing the impact of these standards on the financial statements

NOTE 4 BUDGET
(In thousands)

A preliminary business plan with a budgeted deficit of \$95 was approved by the Board of Directors on March 10, 2022 and the full financial plan was submitted to the Minister of Forestry, Parks and Tourism. The budget reported in the Statement of Operations reflects the original \$95 operating deficit.

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 5 CASH AND CASH EQUIVALENTS
(In thousands)

Cash and cash equivalents consist of:

	2023	2022
Cash ⁽¹⁾	\$ 9,610	\$ 11,603
Cash equivalents	114	51
	<u>\$ 9,724</u>	<u>\$ 11,654</u>

Cash and cash equivalents consists of cash funds held in operating bank accounts and demand deposits in the Consolidated Liquidity Solution (CLS). Effective July 4, 2022, the CLS replaces the Consolidated Cash Investment Trust Fund (CCITF) as the Province's cash pooling structure. The new CLS structure will enhance the effectiveness and efficiency from Province's cash management perspective. A CLS participant is paid interest on monthly basis on their cash balance at an interest rate based on 12 week rolling average of the Province's 3 month cost of borrowing.

(1) The Cash of \$9,724 includes an amount of \$0 (2022: \$1,633) that is Restricted Accumulated Surplus (Note 11).

NOTE 6 ACCOUNTS RECEIVABLE
(In thousands)

Accounts receivables are unsecured and non-interest bearing.

	2023	2022
Accounts receivable	\$ 70	\$ 183
Other receivable ⁽¹⁾	436	7
	<u>\$ 506</u>	<u>\$ 190</u>

(1) The Other receivable \$436 includes an amount of \$434 Federal grants that were earned but not received by the Corporation at March 31, 2023.

As of March 31, 2023, there is no provision for doubtful accounts.

NOTE 7 ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES
(In thousands)

	2023	2022
Accounts payable	\$ 3,344	\$ 2,900
Other liabilities	174	170
Other accrued liabilities	6,400	7,239
	<u>\$ 9,918</u>	<u>\$ 10,309</u>

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 8 DEBT*(In thousands)*

	2023		2022
	Maturity	Interest Rate	Book Value
Debentures ⁽¹⁾			\$ 109
	2027	5.93%	\$ -
			\$ 109
			\$ -

⁽¹⁾ The Debentures of \$109 are payable to ARI Financial Services Inc.

Interest expense on Debt is \$1.00 (2022: \$0.00) and is included on the Statement of Operations

Principal repayments in each of the next five years and thereafter are as follows:

2023-24	\$ 26
2024-25	27
2025-26	28
2026-27	28
Thereafter	-
	<u>\$ 109</u>

NOTE 9 DEFERRED CONTRIBUTIONS*(In thousands)*

	2023	2022
Unspent deferred contributions		
Deferred operating contributions ⁽ⁱ⁾	\$ 332	\$ -
	<u>\$ 332</u>	<u>\$ -</u>

(i) Deferred operating contributions

	2023		2022
	Government of Alberta	Other	Total
Balance at beginning of year	\$ -	\$ -	\$ -
Cash contributions received during year	63,180	-	63,180
Less: amounts recognized as revenue	(62,848)	-	(62,848)
Balance at end of year	<u>\$ 332</u>	<u>\$ -</u>	<u>\$ -</u>

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 10 Tangible Capital Assets*(In thousands)*

	Computer Hardware and Software	Leasehold Improvements	Furniture and Equipment	Leased Vehicles	2023 Total	2022 Total
Estimated Useful Life	3 years	Term of lease	5 years	Term of lease		
Historical Cost						
Beginning of year	\$ 395	\$ 433	\$ 92	\$ -	\$ 920	\$ 707
Additions ⁽¹⁾	7	-	-	111	118	213
	<u>402</u>	<u>433</u>	<u>92</u>	<u>111</u>	<u>1,038</u>	<u>920</u>
Accumulated Amortization						
Beginning of year	211	416	88	-	715	686
Amortization expense	52	17	2	2	73	29
	<u>263</u>	<u>433</u>	<u>90</u>	<u>2</u>	<u>788</u>	<u>715</u>
Net Book Value at March 31, 2023	<u>\$ 139</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 109</u>	<u>\$ 250</u>	
Net Book Value at March 31, 2022	<u>\$ 184</u>	<u>\$ 17</u>	<u>\$ 4</u>	<u>\$ -</u>		<u>\$ 205</u>

⁽¹⁾ \$111 of the tangible capital assets additions was financed through a capital lease. The lease amount paid during the year ended March 31, 2023 is \$2 (2022: \$0).

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 11 ACCUMULATED SURPLUS*(In thousands)*

Accumulated surplus is comprised of the following:

	Investment in Tangible Capital Assets	Restricted Accumulated Surplus ⁽¹⁾	Unrestricted Surplus	2023 Total	2022 Total
Balance at beginning of year	\$ 205	\$ 1,633	\$ -	\$ 1,838	\$ 1,542
Annual surplus (deficit)	-	(1,697)	-	(1,697)	296
Net investment in capital assets	(64)	64	-	-	-
Balance at the end of year	\$ 141	\$ -	\$ -	\$ 141	\$ 1,838

⁽¹⁾The usage of the internally Restricted Accumulated Surplus allowed sustainability of programs in future years when declines in funding would have otherwise required reductions in the program spending or supported investment in new strategically aligned initiatives. Transfers to and from this fund were approved by Corporation's Board of Directors and the Government of Alberta. As of March 31, 2023 the Corporation's Board of Directors discontinued the usage of the Restricted Accumulated Surplus.

NOTE 12 CONTRACTUAL OBLIGATIONS*(In thousands)*

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts or agreements are met.

	2023	2022
Operating leases	\$ 4,396	\$ 1,056
Capital leases	125	-
Service contracts	95,030	49,007
	<u>\$ 99,551</u>	<u>\$ 50,063</u>

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Operating leases	Capital leases	Service contracts	Total
2023-24	\$ 965	\$ 32	\$ 37,345	\$ 38,342
2024-25	958	32	32,117	33,107
2025-26	851	32	25,302	26,185
2026-27	811	29	134	974
2027-28	811	-	132	943
Thereafter	-	-	-	-
	<u>\$ 4,396</u>	<u>\$ 125</u>	<u>\$ 95,030</u>	<u>\$ 99,551</u>

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 13 BENEFIT PLANS

(In thousands)

The Corporation participates in the following multi-employer pension plans: the Management Employees Pension Plan (MEPP), Public Sector Pension Plan (PSPP) and Supplementary Retirement Plan for Public Service Managers (SRP). The expense for these pension plans is equivalent to the annual contributions of \$848 for the year ended March 31, 2023 (2022: \$837). The Corporation accounts for their multi-employer pension plans on a defined contribution basis. The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2022, the Management Employees Pension Plan reported a surplus of \$924,735 (2021: surplus of \$1,348,160), the Public Service Pension Plan reported a surplus of \$4,258,721 (2021: surplus of \$4,588,479) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$25,117 (2021: deficiency of \$20,982).

The Corporation does not have sufficient plan information on the MEPP/PSPP/SRP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the MEPP/PSPP/SRP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

NOTE 14 FINANCIAL RISK MANAGEMENT

The Corporation has the following financial instruments: accounts receivable, accounts payable and accrued liabilities.

The Corporation is exposed to a variety of financial risks associated with its use of financial instruments; interest rate risk, liquidity risk, other price risk, credit risk and foreign currency risk.

(a) Interest Rate Risk

Interest rate risk is the risk that the rate of return and future cash flows on the Corporation's cash and cash equivalents held in bank accounts will fluctuate because of changes in market interest rates. As the Corporation holds bank deposits that are interest bearing and accounts payable which are non-interest bearing, the Corporation is not exposed to significant interest rate risk relating to its financial assets and liabilities.

(b) Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Corporation's future net cash flows for the possibility of negative net cash flow. The Corporation manages the liquidity risk resulting from its accounts payable obligations by maintaining cash and cash equivalents resources in interest bearing bank deposits.

Travel Alberta

Notes to the Financial Statements

March 31, 2023

NOTE 14 FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Corporation's financial instruments are not exposed to changes in market prices.

(d) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the Corporation. The Corporation is not exposed to any significant credit risk from potential non-payment of accounts receivable. As at March 31, 2023, the balance of accounts receivable does not contain amounts that are uncollectible.

(e) Foreign Currency Risk

The Corporation is exposed to foreign currency risk associated with accounts payable that are denominated in currencies other than the Canadian dollar. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk relating to its liabilities.

NOTE 15 COMPARATIVE FIGURES

Certain 2022 figures have been reclassified, where necessary, to conform to the 2023 presentation.

NOTE 16 APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved the financial statements on May 11, 2023.

Travel Alberta**Schedule 1****Expenses – Detailed by Object
Year ended March 31, 2023**

	2023		2022
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, wages and employee benefits	\$ 9,790	\$ 8,937	\$ 8,789
Supplies and services	27,790	33,451	26,881
Grants ⁽¹⁾	22,250	25,523	28,786
Financial transactions and other	-	1	21
Amortization of tangible capital assets (Note 10)	95	73	29
Total expenses	<u>\$ 59,925</u>	<u>\$ 67,985</u>	<u>\$ 64,506</u>

(1) Grants include the Corporation's Co-operative Marketing Investment Program, Tourism Product Investment Program, Community Investment Program and other grants.

Travel Alberta
Salary and Benefits Disclosure
Year ended March 31, 2023

Schedule 2

	2023			2022	
	Base Salary (1)	Other Cash Benefits (2)	Other Non- Cash Benefits (3)	Total	Total
	(In thousands)				
Chair of the Board of Directors	\$ -	\$ 11	\$ -	\$ 11	\$ 14
Members of the Board of Directors (4)		33	6	39	37
Chief Executive Officer	249	15	47	311	308
Executive/Vice-Presidents:					
Senior Vice President, Chief Marketing Officer	204	13	40	257	214
Vice President, Destination Development (5)				-	372
Senior Vice President, Chief Financial Officer	204	13	42	259	213
Vice President, Economic Development and Community Relations (6)	-	-	-	-	260
Corporate Counsel (7)	189	-	40	229	171
Vice President, Strategy, Research and Communications (8)	170	-	34	204	148
Senior Vice President, Chief Commercial Officer (9)	235	-	49	284	14
	\$ 1,251	\$ 85	\$ 258	\$ 1,594	\$ 1,751

(1) Base salary includes regular salary.

(2) Other cash benefits include honoraria, vehicle allowance, severances and vacation payouts. There were no bonuses paid in 2023.

(3) Other non-cash benefits include the Corporation's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, professional memberships and tuition fees.

(4) The board consists of six independent members including the Chair, whose honorarium is disclosed separately. The seventh member resigned from the board as of September 13, 2022.

(5) The position was only partially occupied previous the year. As of November 3, 2021 the position was abolished and a severance payment was included in the 2022 Total.

(6) The position was only partially occupied during previous year. As of November 3, 2021 the position was abolished and a severance payment was included in the 2022 Total.

(7) The position was only partially occupied previous the year. The Corporate Counsel was hired on July 5, 2021.

(8) The position was only partially occupied previous the year. The Vice President, Strategy, Research and Communications was hired on May 3, 2021.

(9) The position was only partially occupied previous the year. The Senior Vice President, Chief Commercial Officer was hired on March 14, 2022.

Travel Alberta**Related Party Transactions****Year ended March 31, 2023***(In thousands)***Schedule 3**

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation.

The Corporation paid or collected certain taxes and fees set by regulation for premiums, licences and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

As at March 31, 2023, related parties included:

Three private companies that have directors and/or officers who also serve as Directors of Travel Alberta. One of these organizations received an Investment Program Grant from Travel Alberta amounting to \$20, during the year. This Grant was provided on normal commercial terms and in accordance with Grant program guidelines. All other transactions incurred with these organizations were conducted on normal commercial terms.

As at March 31, 2022 and March 31, 2023, there were no related parties transactions associated with:

- **Key management personnel and close family members of those individuals in the Corporation.**

The Corporation had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2023	2022
	<i>(in thousands)</i>	
Revenues		
Grants	\$ 62,848	\$ 64,691
Interest ⁽¹⁾	38	-
Other	-	-
	<u>\$ 62,886</u>	<u>\$ 64,691</u>
Expenses		
Grants	\$ 20	\$ 691
Other services	130	31
	<u>\$ 150</u>	<u>\$ 722</u>
Receivable from/(Payable to)		
	<u>\$ (100)</u>	<u>\$ -</u>

1) Interest earned on Consolidated Liquidity Solution (CLS)

Other Financial Information

Department of Forestry, Parks and Tourism

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Department of Forestry, Parks and Tourism
Statement of Credit or Recovery (unaudited)
Year Ended March 31, 2023
(In thousands)

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	Authorized ⁽¹⁾	Actual Revenue Recognized	Unearned Revenue/ Deferred Contributions	Total Revenue Received/ Receivable	(Shortfall)/ Excess ⁽¹⁾
EXPENSE AMOUNTS					
Trail Permit Fee	\$ 1,100	\$ 820	\$ -	\$ 820	\$ (280)
Parks Infrastructure Management	6,167	4,205	-	4,205	(1,962)
Parks Operations	46,655	50,621	-	50,621	3,966
Forest Stewardship and Trade	500	505	-	505	5
	<u>\$ 54,422</u>	<u>\$ 56,151</u>	<u>\$ -</u>	<u>\$ 56,151</u>	<u>\$ 1,729</u>

⁽¹⁾ Only expenditures are authorized.

Department of Forestry, Parks and Tourism

Statement of Lapse/Encumbrance (unaudited)

Year Ended March 31, 2023

(In thousands)

	Voted Estimate ⁽¹⁾	Adjust- ments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
EXPENSE VOTE BY PROGRAM					
Ministry Support Services					
1.1 Minister's Office	\$ -	\$ 384	\$ 384	\$ 219	\$ (165)
1.2 Deputy Minister's Office	-	334	334	390	56
1.3 Corporate Services	1,706	-	1,706	1,336	(370)
	1,706	718	2,424	1,945	(479)
Forests					
2.1 Wildfire Management	101,897	(1,363)	100,534	99,038	(1,496)
2.2 Forest Stewardship and Trade	75,850	(9,953)	65,897	31,177	(34,720)
2.3 Wildfire Presuppression and Response	-	-	-	-	-
	177,747	(11,316)	166,431	130,215	(36,216)
Parks					
3.1 Parks Operations	49,684	2,918	52,602	62,282	9,680
3.2 Parks Visitor Experience	7,943	-	7,943	7,960	17
3.3 Parks Conservation	5,628	-	5,628	3,319	(2,309)
3.4 Parks Public Safety and Security	2,411	-	2,411	1,255	(1,156)
3.5 Parks Infrastructure	9,122	770	9,892	7,054	(2,838)
	74,788	3,688	78,476	81,870	3,394
Lands					
4.1 Public Lands Operations	30,518	630	31,148	36,180	5,032
4.2 Rangeland Operations	6,141	(136)	6,005	7,076	1,071
	36,659	494	37,153	43,256	6,103
Tourism					
5.1 Tourism Policy and Strategy	1,001	-	1,001	885	(116)
5.2 Grant to Travel Alberta Corporation	59,680	3,500	63,180	63,180	-
	60,681	3,500	64,181	64,065	(116)
CAPITAL GRANTS					
Parks					
3.5 Parks Infrastructure	3,179	(3,119)	60	48	(12)
Lands					
4.1 Public Land Operations	4,000	(210)	3,790	3,587	(203)
	7,179	(3,329)	3,850	3,635	(215)
Credit or Recovery Shortfall	-	-	-	-	-
Total	\$ 358,760	\$ (6,245)	\$ 352,515	\$ 324,986	\$ (27,529)
(Lapse)/Encumbrance					\$ (27,529)
CAPITAL INVESTMENT VOTE BY PROGRAM					
Forests					
2.1 Wildfire Management	8,424	1,788	10,212	10,154	(58)
2.3 Wildfire Presuppression and Response	-	-	-	55	55
	8,424	1,788	10,212	10,209	(3)
Parks					
3.5 Parks Infrastructure	38,515	5,798	44,313	44,560	247
	38,515	5,798	44,313	44,560	247
Lands					
4.1 Public Land Operations	4,600	(600)	4,000	2,615	(1,385)
4.2 Rangeland Operations	3,000	(51)	2,949	-	(2,949)
	7,600	(651)	6,949	2,615	(4,334)
Credit or Recovery (Shortfall)	-	-	-	-	-
	-	-	-	-	-
Total	\$ 54,539	\$ 6,935	\$ 61,474	\$ 57,384	\$ (4,090)
(Lapse)/Encumbrance					\$ (4,090)

Department of Forestry, Parks and Tourism
Statement of Lapse/Encumbrance (unaudited) (Cont'd)
Year Ended March 31, 2023
(In thousands)

FINANCIAL TRANSACTIONS VOTE BY PROGRAM

	Voted Estimate (1)	Adjust- ments (2)	Adjusted Voted Estimate	Voted Actuals (3)	Over Expended (Unexpended)
Forests					
2.1 Wildfire Management	\$ 1,310	\$ -	\$ 1,310	\$ 1,310	\$ -
Total	\$ 1,310	\$ -	\$ 1,310	\$ 1,310	\$ -
(Lapse)/Encumbrance					\$ -

CONTINGENCY ⁽²⁾

Forests					
2.3 Wildfire Presuppression and Response	\$ -	\$ 173,400	\$ 173,400	\$ 161,407	\$ (11,993)
Contingency Total	\$ -	\$ 173,400	\$ 173,400	\$ 161,407	\$ (11,993)
(Lapse)/Encumbrance					\$ (11,993)

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transaction Vote by Program" page 31 of the 2022-23 Government Estimates, adjusted for program transfers as per Order in Councils (OC) 362/2022 and 373/2022 resulting from the government reorganization announced in October, 2022.

(2) Adjustments include encumbrances, capital carry over amounts, transfers between votes and credit or recovery increases approved by Treasury Board and credit or recovery shortfalls. An encumbrance is incurred when, on a vote-by-vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding voted estimate in the current year.

Adjustments also include supply vote transfers for "Contingency" as approved by the Lieutenant Governor in Council under the direction of the Minister of Finance. The Contingency supply vote consists of a provisional funding authority transferable to any ministry. Upon approval by the Lieutenant Governor in Council, the President of Treasury Board and Minister of Finance may either spend or transfer all or a portion of this supply vote to another minister for public emergencies, disasters or unanticipated costs. As per Order in Council (OC) 135/2023, contingency funding of \$173,400 was approved for emergency assistance for the 2022-23 wildfires.

(3) Actuals exclude non-voted amounts such as amortization, valuation adjustments, and other provisions as these amounts do not require any expenditure or payment of public money. Year-end expense accruals and payables which will immediately require a cash outlay (payment of public money) to settle or otherwise extinguish the liabilities are included in Actuals.

Department of Forestry, Parks and Tourism

Trust Funds Under Administration (Unaudited)

The ministry administers trust funds that are regulated and other funds consisting of public money over which the legislature has no power of appropriation. As the ministry has no equity in the funds and administers them for the purpose of various trusts, they are not included in the ministry's financial statements.

At March 31, 2023, trust funds under administration were as follows:

	2023	2022
	<i>In thousands</i>	
Performance Deposit Trust	\$ 3,674	\$ 3,069
Forests Act Securities General Trust	3,135	2,933
Miscellaneous General Trust	33,466	33,144
Parks General Trust	2,742	2,504
	<u>\$ 43,017</u>	<u>\$ 41,650</u>

In addition to the above trust funds under administration, the ministry holds bank guarantees in the form of letters of credit as follows:

	2023	2022
	<i>in thousands</i>	
Letters of Credit	\$ 117,446	\$ 117,922
	<u>\$ 117,446</u>	<u>\$ 117,922</u>

Department of Forestry, Parks and Tourism

Payments Based on Agreements (unaudited)

Year ended March 31, 2023

(In thousands)

The following has been prepared pursuant to Section 25(3) of the *Financial Administration Act*.

The Department has entered into agreements to deliver fire emergency services. Costs based on these agreements are incurred by the Department under the Mutual Aid Resource Sharing Agreement with other government organizations. Accounts receivable includes \$3,678 (2022: \$12,685) and accounts payable includes \$82 (2022: \$145) relating to payments under agreements.

Amounts paid and payable based on agreements with other government organizations are as follows:

	2023	2022
Canadian Government	\$ 3,104	\$ 8,150
United States Government	159	301,547
	<u>\$ 3,263</u>	<u>\$ 309,697</u>

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

- 32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
- (2) The report under subsection (1) must include the following information:
- (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
 - (b) the number of investigations commenced by the designated officer as a result of disclosures;
 - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There were no disclosures of wrongdoing filed with my office for your department between April 1, 2022 and March 31, 2023.