

Business, Tourism, Culture
and
Rural Development

2015-2016 ANNUAL REPORT



Business, Tourism, Culture and
Rural Development

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MESSAGE FROM THE MINISTER



As the Minister responsible for the Department of Business, Tourism, Culture and Rural Development (BTCRD), I am pleased to submit the Annual Performance report for the 2015-16 fiscal year. It is submitted in accordance with the Department's obligation as a Category 1 entity under the *Transparency and Accountability Act*. It was prepared under my direction and I am accountable for the results reported herein.

BTCRD is responsible for programs and services that underpin building a diverse and sustainable economy. The Department remains committed to creating an environment that captures the full potential of our province's many riches, through diversification, job creation and growth.

Through investments and strategic supports of tourism, culture, ocean technology, research and development, broadband, advanced manufacturing, and emerging green and knowledge based sectors, we are positioning Newfoundland and Labrador to take advantage of emerging opportunities in a dynamic global economy. We are steadfast in our promise to foster a culture of innovation, productivity and creativity - an environment that spurs meaningful employment and enduring success.

Small businesses are the engine that drives the provincial economy and this Department is steadfast in its support of Newfoundland and Labrador's sustainable social and economic development. Developing new opportunities and new markets creates stronger regions and more diversified local economies and we are unwavering in this commitment.

Looking forward, the Department will continue its collaborative approach to social, economic and business development. Strong partnerships between government, academia, and industry will remain an important focal point of our mission.

Sincerely,

A handwritten signature in blue ink that reads "Christopher Mitchelmore".

Minister Christopher Mitchelmore,
MHA, St. Barbe - L'Anse aux Meadows
Department of Business, Tourism, Culture and Rural Development

DEPARTMENTAL OVERVIEW

The 2015-16 Annual Report presents progress on the second year objectives of BTCRD's three-year strategic plan. The 2014-17 Strategic Plan is available online at:

http://www.btcrcd.gov.nl.ca/publications/pdf/strategic_plan_2014_17.pdf

VISION: The vision of BTCRD is of a vibrant, diverse, and sustainable economy, with productive, prosperous and culturally-rich communities and regions, making Newfoundland and Labrador a business and tourism "destination of choice".

MISSION: By March 31, 2017, BTCRD will have stimulated economic, business and tourism development to foster regional and provincial prosperity, while preserving and promoting culture and heritage throughout the province.

MANDATE: BTCRD's mandate is to lead:

- (a) the creation and maintenance of a competitive economic environment that encourages and supports private sector business growth and innovation, leading to long-term sustainable employment opportunities for the people of the province;
- (b) the diversification of the economy on a provincial and regional basis, with particular attention to rural areas;
- (c) marketing the province as a tourism destination and work with industry stakeholders to identify opportunities to develop the tourism industry;
- (d) promoting, protecting and preserving the province's arts, culture and heritage, including leveraging its intrinsic value for economic growth, especially in rural areas;
- (e) partnering with communities, organizations and other governments to organize events and activities marking important wartime milestones, honouring the sacrifice of Newfoundland and Labrador's veterans;
- (f) the promotion and encouragement of increased trade and export of goods and services by provincial industries and businesses in the national and international marketplace;
- (g) the creation of a climate conducive to innovation in business through the facilitation of research and development, technology transfer and technology commercialization within provincial industries and individual business enterprises;
- (h) the provision of business information, counseling and financial support programs, and services to small and medium-sized enterprises; including private businesses, co-operatives, credit unions and community development corporations to stimulate economic and employment development within the province;
- (i) the negotiation and administration of comprehensive federal/provincial economic development agreements and other forms of collaboration;
- (j) a strategic approach to growth of the ocean technology cluster in Newfoundland and

Labrador; and,

- (k) identifying and pursuing opportunities in the Arctic by capitalizing on the province's location, expertise and capabilities in operating in northern and harsh environments, further positioning Newfoundland and Labrador as a leader in Arctic-related activities.

VALUES: At BTCRD, every person supports the values of respect, service excellence, creativity, collaboration, communication and leadership.

LINES OF BUSINESS: BTCRD is responsible for the following lines of business.

Regional Development. Building upon natural economic regional clusters which exist or potentially can exist, as well as strategic sector development, BTCRD focuses on the development and implementation of activities that will lead to enhanced or new business opportunities. The Department provides the necessary education and training, research and development (R&D), and industrial infrastructure to support regions, clusters, as well as growth and diversity in sector economies. Regional priorities are regularly identified and supported based on linkages to strategic sector and industry development. BTCRD works closely with industry, economic development groups, the Federal Government and other provincial departments to develop and implement ideas that support regional growth and diversification. BTCRD also provides supports to a diversity of initiatives in response to regional and industry downturns.

Tourism and Cultural Development. The Department works cooperatively with the tourism industry to foster sustainable high-quality products and experiences and to aid the development of a professional tourism sector. It provides accessible, timely, market intelligence to support the planning and continued growth of the tourism sector; and markets Newfoundland and Labrador as a tourism destination to national and international markets. The Department also seeks to protect, preserve, safeguard, interpret and promote the province's tangible and intangible cultural heritage while providing financial assistance to arts and heritage stakeholders who are working to support and sustain our dynamic and diverse cultural industries.

Small and Medium-sized Enterprise (SME) Development. SMEs are essential to the province's overall development and are integral to the growth of the provincial economy. BTCRD provides a broad spectrum of services and financial support to the SMEs developing and operating in the province. BTCRD delivers its programs and services to SMEs for business development; enterprise promotion; and export development and trade. The Department collaborates with public sector entities, industry associations, and private sector companies to help SMEs identify potential opportunities, assess initiatives, and navigate business processes.

National/International Business Development. The Department drives provincial economic growth by advancing trade and investment with national and international jurisdictions. It promotes its capabilities and strengths to provincial, national, and international audiences to benefit the clients. The Department encourages, promotes, and financially supports local firms that are seeking to expand their presence in international markets, explore new markets, and increase international business development activity. BTCRD supports and provides advice on increased transportation linkages and infrastructure expansion for business development. Outwardly, the Department proactively promotes the competitive advantages of the province in target markets for the purpose of attracting national and foreign direct investment.

Innovation and Industry Development. To foster an innovative culture across all businesses and sectors, the Department partners with industry, labour, academia, R&D institutions, and the business community to emphasize strategic industry/sector growth by supporting projects that advance innovation, R&D, and commercialization activity. The Department's Oceans Branch supports development in the province's ocean technology sector, and furthers the growth of an innovative environment for business and technology. Overseeing the Provincial Government's Arctic Opportunities Initiative (AOI), the Department works to position the province as the pathway to the Arctic by identifying opportunities for all stakeholders, building local knowledge and capacity, and creating international awareness about the province's Arctic expertise and capability.

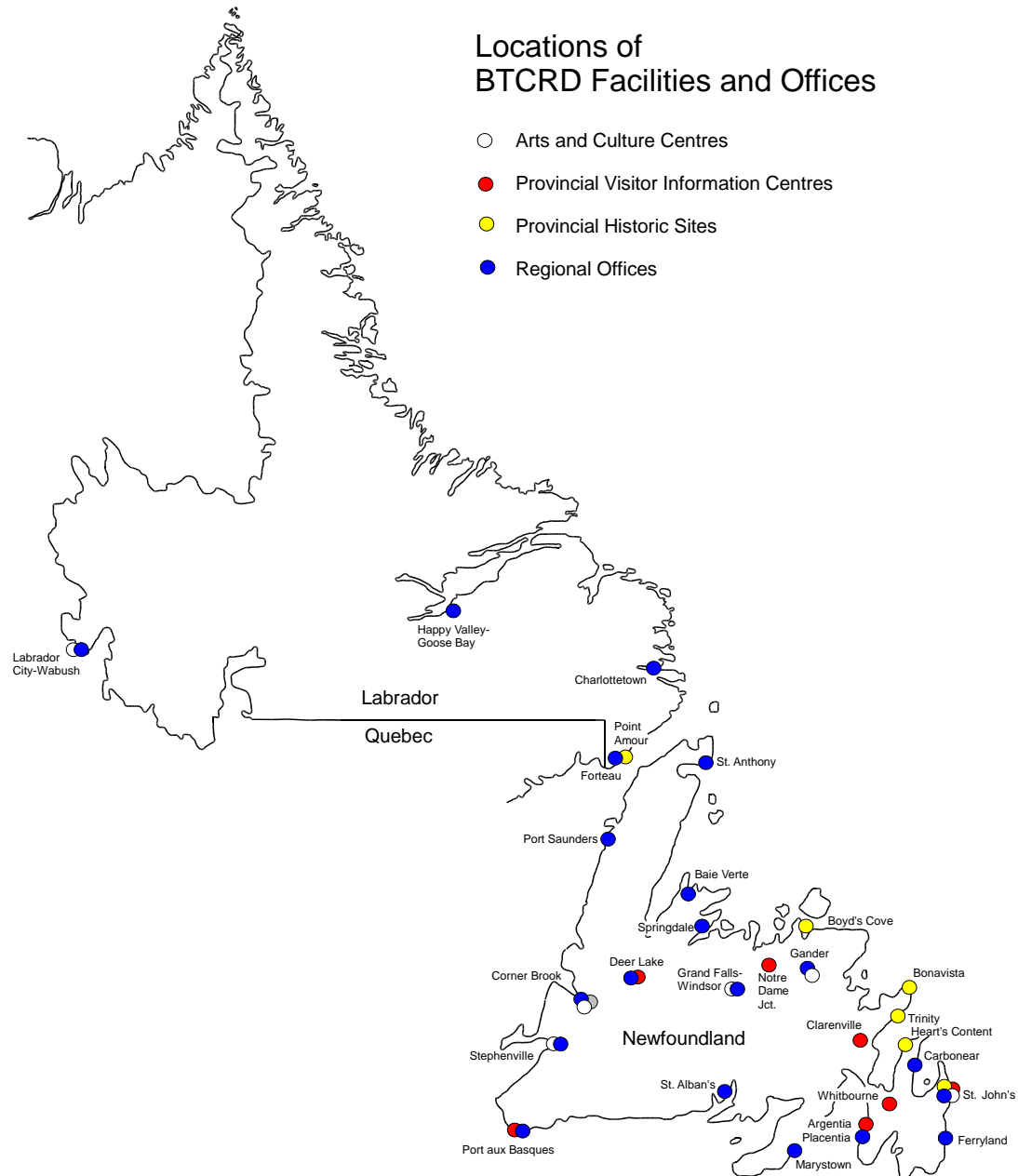
BRANCH STRUCTURE: BTCRD has five branches supporting its lines of business: Tourism and Culture; Regional and Business Development; Trade and Investment; Innovation and Strategic Industries; and Ocean Technology and Arctic Opportunities. The Department is also supported by two corporate divisions: Communications Division and the Policy and Strategic Planning Division.

OFFICE STRUCTURE: BTCRD's main corporate headquarters is located in St. John's and a second corporate office, responsible for portfolio management, is located in Marystown. BTCRD has five regional business and economic development offices, 14 local field offices, seven Provincial Visitor Information Centres, 12 Provincial Historic Sites, and six Arts and Culture Centres to provide easy access to its programs and services throughout the province.

BUDGET: The gross budget of BTCRD, including the budgets of various entities and Crown corporations that report to the Minister of BTCRD, is \$120.6 million (actual, unaudited). A detailed description of expenditures in 2015-16 is found in Appendix 1.

BTCRD EMPLOYEES: Employees play a critical role in delivering the Department's mandate and services, and engaging with the public, our partners and our stakeholders.

As of March 31, 2016, BTCRD had a core staff of 242 as well as 44 seasonal employees and 136 casual call-ins. Of the 242 core staff, BTCRD has 136 female and 106 male employees. The staff distribution by region is 165 in Avalon; 17 in Eastern; 16 in Central; 34 in Western/Northern; and 10 in Labrador.



HIGHLIGHTS AND ACCOMPLISHMENTS

The Department of BTCRD has demonstrated significant progress in all areas of our mandate, helping to make Newfoundland and Labrador a business and tourism destination of choice. The following list of accomplishments represents a cross-section of some of the activities undertaken by the Department in 2015-16. Other highlights and accomplishments as they relate to our shared commitments and performance indicators are found in later sections of the report.

Tourism Advertising Campaign. Newfoundland and Labrador's 2016 tourism advertising campaign was officially launched in January 2016 with the release of the latest television advertisement under the successful *Find Yourself* campaign. Entitled *Crayons*, the new ad featured colourful place names from various regions of the province, such as Rose Blanche and Flower's Cove. The campaign continued to be one of the most recognizable and successful in the country, and included national newspaper ads as well as digital videos, online display ads, and social and digital media channels. Most notably, Newfoundland and Labrador Tourism added a most prestigious marketing award to the roster of over 240 award wins. Competing against a record high number of submissions, the New York-based Hospitality Sales and Marketing Association International awarded the 2015 *Best in Show Adrian Award for Advertising* to Newfoundland and Labrador Tourism in February 2016 for the *Off Kilter Places* creative campaign.

Increasing Awareness Through Digital Media. In 2015-16, tourism online assets including NewfoundlandLabrador.com registered over 2.6 million visits. Referrals from NewfoundlandLabrador.com to tourism operators' websites and email from business listings reached over 460,000 (+23%), and over 46,000 (+72%) referrals were made from tourism operator package listings. Newfoundland and Labrador Tourism continued to build destination awareness and interest through integrated, multi-channel marketing campaigns that resulted in increased reach and engagement. A strategic change in approach to sharing video content resulted in over 1.9 million (+80%) video views and over 324,000 visits to OffKilterPlaces.ca. BTCRD continued to utilize unique Newfoundland and Labrador features and brand attributes to promote and increase interest through social media channels resulting in record numbers of Facebook likes – surpassing 100,000 (+27%) over 2014, while Twitter followers increased to over 40,000 (+42%). The introduction of Instagram to the social media campaign channels in 2015 provided an additional 16,000 engaged followers of Newfoundland and Labrador.

Business Investments. The Department approved repayable loan and equity investments of \$6.9 million for 33 businesses. Grants totaling \$3.7 million were approved for 257 businesses. These investments were made through the Department's crown entity – the Business Investment Corporation (BIC). The details of these investments are provided separately in BIC's Annual Report.

Venture Capital Investment. More than \$3.8 million was invested in 2015-16 for four companies eligible under the Venture Newfoundland and Labrador and Build Ventures programs. These venture capital funds were created solely for local business that will provide funding to support new start-ups and companies in the very early stages of their development.

Oceans on a World Stage. In May 2015, BTCRD, on behalf of the Organizing Committee for OCEANS'14, accepted the prestigious Award of Distinction from Destination St. John's for the best conference and exhibition in St. John's for 2014-15. The award recognized the leadership of the Ocean Technology and Arctic Opportunities Branch of BTCRD for progressively advancing strategic initiatives that lead to attracting conferences to the city and contribute to promoting Newfoundland and Labrador capabilities to the international community. The Department also continued to work with the Pan-Atlantic Agreement on International Business Development. Over the past year, the Oceans Branch took the lead on business development missions for local companies to attend two world-class oceans events, Ocean Business 2015 in Southampton, UK and OCEANS'15 in Washington, D.C.

Youth Leaders in Ocean Innovation. In support of youth innovation focused on ocean technology, BTCRD supported participation of over 700 young people from around the world in the Marine Advanced Technology Education Centre's International Remote Operated Vehicle competition in Newfoundland and Labrador in June 2015. It was the second time that this province hosted the prestigious event. This international competition promotes ocean science and technology in education and allows young people to learn outside the classroom.

Newfoundland and Labrador/Nunavut Memorandum of Understanding (MOU). An MOU with the Government of Nunavut was formally signed on July 16, 2015. Through this MOU, the Governments of Newfoundland and Labrador and Nunavut are committed to ongoing collaboration, information sharing and facilitation of partnerships in the mutually-identified priority areas of: Natural Resources; Education and Training; Transportation and Infrastructure; Culture and Tourism; Research and Development; and Health Care. An Implementation and Cooperation Committee of senior officials from both governments was also established to oversee MOU initiatives and project development. Establishment of the MOU with Nunavut further supported the strategic advancement of the province's AOI, led by BTCRD.

ERNACT. In 2015, the province became the first Canadian member of the European Regions Network for the Application of Communications Technology (ERNACT) and is working through the Network to further commercial, trade, academic and R&D linkages among SMEs and research institutions in the regions. ERNACT was established in 1991 to pursue joint funding, development and transfer of knowledge. The current ERNACT network includes 130 regions in 20 member states. The Network has together undertaken a total of 26 projects to-date valued in excess of \$70 million in European

Union funding. The Department is also utilizing the Network to share best practices in rural broadband technology and innovation with a particular focus on enhanced academic linkages and the strengthening of policy networks and policy communities between both regions.

Gros Morne Summer Music Digital Project. Announced in September 2015, a Provincial Government contribution of \$300,000 over three years will assist Gros Morne Summer Music Inc. to build an international brand, including the development of an app and online magazine that will help showcase local culture, artists and musicians, and advance the western region as a tourism destination. A new pageant and mobile enabled walking app centering on the history of Woody Point, documentaries, videos, interviews, a blog, and podcast will also be produced. This project operates within the Gros Morne Cultural Blueprint and seeks to establish the digital infrastructure necessary to realize the vision of Gros Morne as an international destination for cultural tourism. In 2015-16, the Woody Point component commenced with the Old Crow Magazine and the Historical Pageant; and the Corner Brook component began with the continuation and expansion of Kids Art, Seniors and Palliative Care Outreach, and performance based activities.

2015 East Coast Music Week. The province contributed approximately \$300,000 to host the 2015 East Coast Music Week activities and events. This attracted industry professionals, talent buyers, media, and record labels from around the globe and offered an array of industry centered gatherings, including the SOCAN Song Writers Circle, various musical showcases, and the East Coast Music Awards (ECMA) International Buyers Program. The culmination of the week was the ECMA gala which was held at the Jack Byrne Arena in Torbay which promoted and celebrated East Coast music and its artists.

Historic Bonavista. The Government of Newfoundland and Labrador contributed \$1.1 million to the Bonavista Historic Townscape Foundation, which leveraged an additional \$1.3 million, to complete Phase III of the Harbour Front Restoration Initiative. This work included the completion of major renovation and redevelopment of streets, historic properties and landscapes along the harbor front. A further investment of \$72,000 was made to undertake structural improvements to the Garrick Theatre in Bonavista which recognized the value of the Garrick Theatre as a valued part of the landscape and cultural identity of the Bonavista region. These kinds of investments not only enhance historic townscapes, but also help to create a positive economic impact which assisted in the development of Bonavista a premier tourist destination.

SHARED COMMITMENTS

Business, tourism, cultural and regional development is achieved through effective partnerships and collaboration. Every year, BTCRD is a committed partner working with all levels of government and multiple stakeholders on initiatives designed to positively impact the provincial economy and create culturally-rich communities. Our collaboration leads to comprehensive strategies and increases the ability to leverage resources from partners, and increases the overall scope and value of projects.

Co-operative Development. The role of co-operatives in the Provincial Government's economic and business development agenda is advanced by a partnership between BTCRD and the Newfoundland-Labrador Federation of Co-operatives (NLFC). The partnership is guided by a five-year Memorandum of Understanding and was supported in 2015-16 with an annual work plan that involved research, opportunity identification, and support to groups forming co-ops. BTCRD also participated in multiple Federal-Provincial-Territorial (FPT) meetings, which included completion of a draft Terms of Reference for the working group responsible for co-operatives, including participation by Service NL as the department responsible for the legislation and regulation of co-operatives.

Municipal Economic Development. BTCRD participated on a Steering Committee with Municipalities Newfoundland and Labrador (MNL) and the Atlantic Canada Opportunities Agency (ACOA) for the development of a Municipal Economic Development initiative. It provided supports to develop tools for provincial municipalities to engage in local and regional economic development. MNL will work with committee partners and municipal governments to engage their development staff in implementation.

Provinces Partnering in Labour. In 2015-16, BTCRD accepted the lead role for the Business Supports Working Group of the Atlantic Workforce Partnership (AWP), created by the Council of Atlantic Premiers in 2012. The AWP was established to strengthen regional cooperation in a number of areas addressing skilled workforce issues. A steering committee consisting of Deputy Ministers responsible for skilled labour and economic development was established and BTCRD works with the Department of Advanced Education and Skills and officials in the other Atlantic Canadian provinces to advance priorities of the AWP.

Fisheries Loan Guarantee Program (FLGP). The Department administered the FLGP which supports the Province's independent fish harvesting sector through the provision of loan guarantees up to a maximum of \$3 million per client. In administering the program, the Department worked closely with the Departments of Fisheries and Aquaculture and Finance. In 2015-16, the Department reviewed and approved 17 loan guarantees valued at approximately \$13 million.

Tourism Collaboration Strategy. The Department continued its participation in the FPT Committee to establish a Strategic Framework and Collaboration Strategy for Tourism. In 2015-16, a Directors' Committee was established to facilitate the development and implementation of terms of reference and a three-year strategy that is intended to identify mutually-agreed upon priorities with the aim to contribute to the growth and competitiveness of Canada's tourism sector. The three priority areas identified for the Strategy include: Competitiveness, Product Development, and Statistics/Research.

Growing Tourism in Atlantic Canada. Newfoundland and Labrador Tourism renewed its participation in the Atlantic Canada Tourism Marketing Partnership (ACTP) for 2015-18. ACTP is a nine-member pan-Atlantic partnership comprised of the four Atlantic Canadian Tourism Industry Associations, the four Provincial Government Departments responsible for tourism, and the Government of Canada as represented by ACOA. The goal of the partnership is to grow the tourism industry, create more wealth and employment in all four Atlantic Canadian provinces.

Tourism Product Development. Experience Development continued to be a priority focus area in 2015-16. With the goal to improve and develop our tourism assets, BTCRD partnered with Tourism Board members and heavily invested in the Tourism Destination Development Planning (DDP) process to support a more profitable and sustainable tourism sector through public and private initiatives and investments. The development of trail clusters in the regions of Bonavista, the Northern Peninsula, and Fogo Island, and the expansion of community partnerships at the Provincial Historic Sites are but a few examples of new experience development efforts.

Connecting Craft and Tourism. In 2015-16 the Department continued its close collaboration with the Craft Council of Newfoundland and Labrador through the 2015 International Fibre Arts Conference which provided workshops from national and internationally-renowned instructors, artist talks, exhibitions, seminars, and tours. BTCRD also began collaboration with Eastern Destination Management Organization and Tourism to implement recommendations from their DDP regarding tourism product improvement through craft development and marketing.

Commercializing Intellectual Property. BTCRD served on an external advisory committee established to shepherd the implementation of the Technology Transfer and Commercialization Strategy approved by Memorial University's Board of Regents on December 3, 2015. The Strategy reflected a more focused commitment to driving innovation and assisted the creators of intellectual property in their efforts to bring such property to market.

International Business Development Partnerships. In 2015-16, BTCRD partnered with ACOA, and several industry associations on international business development projects, including:

- **Caribbean Market Entry Initiative** – This partnership with the Newfoundland and Labrador Environmental Industry Association (NEIA) is taking a multi-phase approach to developing capacity for Newfoundland and Labrador companies in the environmental sector to prepare, enter and succeed in the Caribbean market region.
- **Mid-Atlantic Business Development Network** – This partnership with the Aerospace and Defence Industry Association of Newfoundland and Labrador (ADIANL) mentors local SMEs to take advantage of opportunities in Washington, DC, Maryland, and Virginia, thereby increasing productivity and improving competitiveness.
- **Outsmart** – This partnership with the Newfoundland and Labrador Association of Technology Industries (NATI) supported technology companies to improve their online productivity, create detailed plans for their international market development and provide technical assistance for three months post project to ensure success.

International Business Development Agreement (IBDA). BTCRD remained an active partner in the IBDA, a pan-Atlantic federal-provincial agreement designed to increase trade activities for Atlantic Canadian business. The agreement ended in March 2016 and is currently being negotiated for an additional five years. In 2015-16, the IBDA supported 24 international business development projects to assist both local and other Atlantic Canadian companies.

Agreement on Internal Trade (AIT). In order to further improve trade in Canada, all provinces and territories and the federal government agreed to undertake a comprehensive renegotiation of the AIT, committing to the principle of adjusting internal commitments with those made in international trade agreements. Newfoundland and Labrador has been a very active participant in these negotiations, focused on achieving key outcomes related to fair and transparent access for the province's goods and services to all markets in Canada, with a particular view to making advances in those areas key to the continued economic development and diversification of the province's economy.

Canada-European Union Comprehensive Economic and Trade Agreement (CETA). CETA is poised to enter into force in 2017. In advance of this, both the Minister and trade and investment officials have been broadly engaged with the business community to prepare local businesses and professionals to take advantage of the related opportunities. The Department is committed to continuing to build on these relationships and to maintain support for all Newfoundland and Labrador businesses and professionals who are seeking to enter the European marketplace.

Ocean Technology Collaboration. BTCRD works on a number of working groups and advisory committees, including the Holyrood Advisory Committee, the SmartBay oversight committee, Newfoundland and Labrador Ocean Coastal Management steering committee, the OceansAdvance Board, and several Atlantic Innovation Fund steering committees to further the province's position as an international centre of ocean excellence. Part of this work included support of marketing efforts to promote the City

of St. John's as a Centre of Ocean Excellence and as a viable location for business investment in the ocean technology sector. BTCRD also worked with all levels of Government and provincial representatives from the Atlantic Provinces and industry to support IBDA activities. Through pan-Atlantic cooperation, the Department advocated for participation in international shows and conferences to help stakeholders and clients broaden their reach. IBDA enabled participation in conferences and trade shows such as Oceanology International, London, UK, and OCEANS'15 in the United States.

Arctic Opportunities Initiative. The AOI has steering committees at the Ministerial and Deputy Minister levels, and an interdepartmental working group, all chaired by BTCRD. There is representation from the Departments of Natural Resources, Labrador and Aboriginal Affairs, Intergovernmental Affairs and Executive Council, with ad hoc participation from Fisheries and Aquaculture, Transportation and Works and Advanced Education and Skills. The Research and Development Corporation (RDC), Fisheries and Marine Institute of Memorial University, the Nunatsiavut Government, and NunatuKavut (Nunacor) are also partners in the AOI. The goal of the AOI is to bolster economic development by positioning the province as the path to the Arctic and creating an environment in which stakeholders benefit from emerging opportunities.

REPORT ON PERFORMANCE: STRATEGIC ISSUES

Complementing the major highlights and accomplishments and shared commitments in this report, this section discusses key initiatives and projects in fiscal year 2015-16 that addresses the progress on BTCRD's issues that were outlined in the 2014-2017 Strategic Plan. The five strategic issues are listed below.

- ❖ Business Development
- ❖ Regional Development
- ❖ Further Strengthening Partnerships in Tourism
- ❖ Commemorating the Centenary of the First World War and Honouring Veterans
- ❖ Supporting the Status of Artists

ISSUE 1: BUSINESS DEVELOPMENT

In growing and diversifying strategic sectors, BTCRD provided mentoring and business counseling for firms and industry associations, including advisory services for companies engaging and navigating global supply chain opportunities; pursuing opportunities for technology transfers; marketing their capabilities in national and international markets and supporting them to protect their intellectual property. The Department collaborated with public and private sector entities, and industry associations, to help SMEs identify potential opportunities, assess initiatives, and navigate business processes.

BTCRD promoted and financially supported local firms that were seeking to expand their presence in international markets, explore new markets, and increase international business development activity. Outwardly, the Department proactively promoted the competitive advantages of the province in target markets for the purpose of attracting national and foreign direct investment.

To foster an innovative culture across all businesses and sectors, BTCRD partnered with industry, labour, academia, R&D institutions, and the business community to emphasize strategic sector growth by supporting projects that advance innovation, R&D, and commercialization activity.

The Provincial Government's investment in the growth of innovation and the entrepreneurial community is connecting high growth potential ideas and firms with venture capital opportunities through the Department's support for early stage idea and business incubation and business acceleration services. With a focus on forming and seeding innovative companies in the province last year, community-based organizations played a significant role in contributing to the system that nurtured startups in the province.

The Department continued to work on various strategy documents including an Innovation Action Plan, the Trade and Investment Strategy and the Ocean Technology Sector Strategy. This groundwork provides a future path to successful work in business capacity development province-wide.

Goal 1: By March 31, 2017, BTCRD will have supported business development initiatives/activities in all regions.

Objective (2015-16): By March 31, 2016, BTCRD will have provided support to strengthen business capacity.

Measure: Business capacity strengthened

Indicator 1: Invested in business development initiatives

In 2015-16, the Department of BTCRD invested in a number of business development initiatives.

The Business Development Support Program (BDSP) provided new and expanding SMEs with funding to help them acquire the necessary expertise to pursue new business ideas and new export markets for their product or service. A total of 252 projects were approved under the BDSP in 2015-16, totaling \$3,697,032.

Collaboration with community partners saw approved provincial investments in the province's startup ecosystem totaling \$1,256,119, leveraging an additional estimated \$1.2 million, including support for:

- Start-up Newfoundland and Labrador, a grassroots, community-based organization, which hosted or partnered in 89 start-up events throughout the province, with a total attendance of over 1,000 entrepreneurs or would-be entrepreneurs.
- Propel ICT, a private sector-led, not for profit organization which helped nine local technology companies by preparing them to grow their businesses and become investor ready. One of these companies was the first to Newfoundland and Labrador company to go through the Propel ICT Build program, securing a total equity investment of \$650,000.
- The Genesis Centre, which provided access to mentorship and advisory services and technical/scientific supports to nurture new firms through to their next stage of development.
- Two new initiatives at Memorial University: (1) The Centre for Entrepreneurship which is focused on fostering an entrepreneurial culture and supporting students

who want to start their own businesses; and (2) The Centre for Social Enterprise, which generated knowledge about social enterprise, support teaching and learning, including a new MBA in Social Enterprise and Entrepreneurship.

The Department also provided a financial contribution to the Craft Alliance to support business development, marketing and export initiatives for the craft and gift sector, as well as provided travel stipends for clients participating in department-led initiatives such as Atlantic Craft Trade Show and the Provincial Wholesale Show.

Indicator 2: Developed and implemented business support initiatives, including BR&E processes

In 2015-16, BTCRD developed and implemented business support initiatives, and in addition to direct financing, SME growth and expansion was supported through several mechanisms, including the internationally-recognized Business Retention and Expansion (BR&E) process which assisted with the identification and removal of barriers to businesses.

In 2015-16, a total of 32 BR&E interviews and 26 follow-up action plans were completed as part of individual SME and sector approach activities. Four sector initiatives were finalized this year with the St. John's Board of Trade, the Industrial Fabrics Network, Donovans Business Park, and Social Enterprises.

BR&E processes were also developed and implemented with Newfoundland and Labrador Outfitters Association and individual outfitters, which provided an overall framework to enhance business operational processes, market expansion and quality service delivery.

Indicator 3: Invested in the start-up and expansion of firms in emerging growth sectors

In 2015-16, BTCRD Invested in the start-up and expansion of firms in emerging growth sectors through the Investment Attraction Fund (IAF) to support business development. These investments directly supported new developments in: Information & Communication Technology, Insurance, and Industrial Manufacturing & Processing. It is anticipated that the projects funded under the IAF will generate approximately 700 new jobs in Newfoundland and Labrador and result in a net impact of more than \$235 million to the provincial economy over a five-year period.

The new Interactive Digital Media Tax Credit was an important investment for start-up and expansion of digital media companies. As a means to diversify the provincial economy, amendments to the Income Tax Act, 2000 have made available a 40 percent refundable provincial tax credit, up to a maximum credit value of \$40,000 per person and to a maximum of \$2 million per company, per year. The tax credit encourages

interactive digital media companies to consider establishing and growing their businesses in this province and help support and retain the current interactive digital media industry in the province to encourage future growth.

Indicator 4: Invested in firm-level innovation and productivity enhancements

In 2015-16, the Department of BTCRD invested in firm-level innovation and productivity enhancements through the BDSP, which provided financial support toward projects in four key areas:

- Productivity Improvement Assistance: eight projects, totaling \$603,228
- Knowledge Development Assistance: six projects, totaling \$542,259
- Market Development Assistance: 229 projects, totaling 2,376,929
- Professional Technical Assistance: nine projects, totaling \$174,616

The advancement of company competitiveness in the manufacturing sector through investments in training initiatives was supported by BTCRD with five Lean Leveraged Learning Networks which reached over 50 firms across diverse sub-sectors of manufacturing. Results from these interventions have proven to be dramatic and, in many cases, transformational for the firms involved. Firms have reported production increases of over 50 percent in many cases, resulting in the need to develop new markets for this increased capacity.

In recognizing that the economy and the environment intersect and the economic development opportunities associated with growing our Green Economy, BTCRD pursued initiatives that strengthened firm-level competitiveness and productivity, including interventions in support of business efficiency, reducing waste, reducing energy consumption and maximizing the utility of resources. The Department also supported the NEIA's annual Environment Conference, which gathered experts and stakeholders in the green economy, to assess the new growth opportunities against capacity and barriers.

Indicator 5: Furthered the development of an Innovation Action Plan

Considerable foundational work was completed as part of a national collaborative effort being led by the Provincial Government through the Economic Productivity and Innovation Working Group (EPIWG). This work was used to help inform the basis for the development of an Innovation Action Plan. This Province is leading the all-Premier working group devoted to exploring and implementing policy solutions that help close the gap between innovation and commercialization - a challenge shared amongst all provinces and territories.

The Provincial Government has committed to the development of a new provincial Innovation Strategy. This commitment was stated in the Department's mandate letter

and reaffirmed in the Speech from the Throne. Shifting from an action plan to a strategy resulted in BTCRD giving greater priority to the innovation mandate. The work completed through EPIWG will serve as an important input for the development of the Innovation Strategy.

Indicator 6: Commenced the development of a Trade and Investment Strategy

Phase One work toward the development of a Trade and Investment Strategy was undertaken by BTCRD from September 2015 to March 2016. The first phase was a research phase completed by MQO Research, part of Group m5, the objective of which was to create the required knowledge base to develop the comprehensive International Business Development Strategy. This research included a series of business surveys, in-depth interviews and focus groups to understand stakeholders' international experience, challenges and opportunities, and markets of focus.

Indicator 7: Provided counseling, mentoring support, and skills development and training, to trade clients and other business and industry stakeholders to improve their access to market opportunities

In 2015-16, BTCRD provided an array of counseling, mentoring support, and skills development and training to trade clients and other business and industry stakeholders to improve their access to market opportunities, to assist them in developing their project proposals and to navigate various government funding programs. The Department continued to help clients improve their access to market knowledge and opportunities through various outreach, information and networking sessions, webinars, export readiness, export diagnostics, and newsletters as well as one-on-one counseling. Client assistance also included advice on how to navigate customs regulations throughout the world as well as critical analysis of impending trade agreements and opportunities.

BTCRD led or participated in 29 trade missions from April 2015 to March 2016. In total, there were 79 participants in these missions that were focused around the US, Ireland, UK, India, Ireland, Brazil, and Caribbean markets. The missions highlighted the following Newfoundland and Labrador sectors: Aerospace & Defense, Film & Television, Environmental, Aquaculture, Ocean Technology, Education, and Gaming.

Through participation and support of conferences and exhibitions, BTCRD provided opportunities to its clients at Invest Atlantic, a pan-Atlantic conference in which the Department participated along with Newfoundland and Labrador startups and entrepreneurs to connect, meet investors and solve challenges like finding capital and strategic business partners. At the Canadian Defence Security and Aerospace Exhibition Atlantic (DEFSEC), which is one of Canada's premier industry exhibitions for the aerospace and defense sector, BTCRD led the province's representation exhibiting in

collaboration with the ADIANL. Approximately ten firms and 28 delegates from the province participated in DEFSEC in 2015, which strengthened recognition of the province's aerospace and defence industry capabilities; identified specific opportunities, including sector, supplier and trade development; and provided business support to participating Newfoundland and Labrador firms, including facilitating business-to-business and business-to-government engagement via the tradeshow booth, one-on-one meetings and networking events.

Through the partnership with the Sector Development Division and the St. John's Board of Trade, several initiatives around partnering with Aboriginal business and Arctic business development were conducted including: a Voisey's Bay Supplier Development Session, an Aboriginal Business information session, and a Labrador and Aboriginal Cultural Awareness Workshop.

Counselling and support was provided by BTCRD to the provincial craft sector with one-on-one visits with craft business clients and through professional development workshops. The Department also worked with groups to advance regional initiatives such as Bonavista Cultural Craft Initiative, and Product Review sessions to provide feedback and recommendations for product development and improvement which are aimed at enhancing market opportunities.

As a result of the Destination Development planning processes and the need to focus on more experiential tourism opportunities, the *Creating Experiences* toolkit was developed. It was used to train tourism operators in the development of tourism experiences that reflect market values, fit the tourism brand of the province, and differentiate Newfoundland and Labrador as a tourism destination.

Indicator 8: Initiated the development of a new Ocean Technology Sector Strategy

BTCRD initiated the development of a new Ocean Technology Sector Strategy. It compared last year's sector profile with stakeholders' desired future direction for the sector, to develop a strategic target state. This work provided a benchmark to prioritize key areas of focus and activity to enable continuous improvement and growth.

This work was undertaken in cooperation with the community/cluster, and a steering committee that was formed to ensure inclusion and input from all stakeholders. The initial work allowed BTCRD to engage the ocean technology steering committee to develop the Ocean Technology Strategy and implementation plan.

Objective (2016-17): By March 31, 2017, BTCRD will have supported business development through partnership and collaboration.

Measure: Business development supported

Indicators:

- Supported and invested in business development initiatives in collaboration with industry, community and government partners
- Invested in the growth and development of the province's entrepreneurship and start-up ecosystem in collaboration with industry, academia, and government partners
- Furthered work on the Innovation Strategy, in partnership with stakeholders, to support firm-level innovation and competitiveness
- Furthered the development of a comprehensive international business development strategy in collaboration with stakeholders
- Initiated a Food Security and Agriculture Growth Strategy in collaboration with local producers and processors
- Continued to develop the Ocean Technology Strategy and implementation plan, in collaboration with stakeholders, to facilitate sector growth
- Continued to support and implement the Arctic Opportunities Initiative, in collaboration with stakeholders, to provide new opportunities for local companies

ISSUE 2: REGIONAL DEVELOPMENT

The support provided by BTCRD was driven by the goal of diversifying and strengthening regional economies. Our involvement in research, facilitation, client counseling, industry and community building, and delivery of financial and non-financial supports, were the key drivers in regional and business development activity.

Advancing a Culture of Innovation continued as a focus for the Department, with particular advancement demonstrated by Newfoundland and Labrador's technology sector which brought together private and public partners to share ideas and build on the innovation climate in the province.

A partnership approach was employed to achieve sustainable regional development. In many instances our invested initiatives involved collaborations among sector organizations, municipalities, as well as other community groups. Partnerships that were established through a planning process broadened knowledge and capacity for entire regions. The Department also supported its clients through the facilitation of workshop planning, preparation and delivery, strategic planning sessions, governance training, and network development.

Through important northern partnerships, the Department continued to advance community capacity building and business development in the Arctic. Along with its regional partners and communities, including the Nunatsiavut Government and Aboriginal groups, BTCRD continued to implement the AOI. The Department also continued to work on a framework for an Arctic action plan that supports economic development in Newfoundland and Labrador, and creates a business environment whereby northern communities can attract global industry leaders and benefit from emerging opportunities.

Goal 2: By March 31, 2017, BTCRD will have supported regional development initiatives/activities.

Objective (2015-16): By March 31, 2016, BTCRD will have implemented capacity building initiatives that support regional and industry development.

Measure: Capacity building initiatives implemented

Indicator 1: Invested in regional and industry development initiatives

BTCRD invested in regional and industry initiatives through the Regional Development Fund (RDF) which provided non-repayable contributions to support non-profit organizations in activities related to regional and sectoral development, diversification and innovation.

In 2015-16, the Regional Development Program (RDP) provided funding for 165 projects across all regions of the province, as depicted below:

Region	# of Projects Approved	# of Clients	Total Project Value	RDP Amount Approved	Total Amount Leveraged
Avalon Total	28	23	\$9,907,621	\$2,755,309	\$7,026,842
Central Total	9	7	\$7,053,584	\$2,305,893	\$4,451,372
Eastern Total	15	14	\$3,294,131	\$1,174,495	\$2,119,636
Labrador Total	12	12	\$11,425,563	\$1,259,415	\$10,119,547
Western Total	21	17	\$2,886,435	\$858,220	\$1,817,385
Pan-Provincial	80	62	\$48,176,767	\$4,891,926	\$41,331,316
Total	165	135	\$82,744,101	\$13,245,258	\$66,866,099

Note: Total leveraged amount includes Federal Government, private sources and client contributions. Other Provincial Government sources are not included in amount listed. Total Pan-Provincial amount includes all 36 Youth Innovation Program files.

The RDP component focused on advancing regional and sector infrastructure, marketing and market development, conducting research and building research capacity; as well as regional capacity building. The table below shows the breakdown of RDP investment in 2015-16 by theme. These investments made through RDP in infrastructure; capacity building; marketing; and, research assisted in industry development.

Theme	# of Projects Approved	Total Project Value	RDP Amount Approved
Capacity Building	80	\$15,585,687	\$3,485,897
Infrastructure	48	\$32,922,268	\$7,372,484
Marketing	12	\$1,907,235	\$531,763
Research	25	\$32,328,911	\$1,855,114
Total	165	\$82,744,101	\$13,245,258

Indicator 2: Conducted and supported activities to strengthen sector organizations

The RDP provided support to key provincial sector organizations which assisted with overall sector development via business plan implementation. These grassroots organizations worked with municipalities, businesses, educational institutions and community groups to build industries and expand businesses.

In 2015-16, the RDP approved more than \$1.1 million towards economic development initiatives with sector organizations and operations of key sector organizations including: Canadian Manufacturers and Exporters Association, NLFC, NATI, ADIANL, NEIA, Craft Council, Newfoundland and Labrador Organization of Women Entrepreneurs, and OceansAdvance. BTCRD's activities that strengthened sector organizations included:

- identifying opportunities, locally, nationally and internationally, developing strategies/interventions to capitalize on growth opportunities;
- providing business advice to clients on technology investments that enhance firm-level innovation, efficiency and productivity;
- working with clients on business management skills, including awareness, outreach and training opportunities;
- brokering relationships with key stakeholders including Industry Associations and Sector organizations that enhance commercial opportunities for clients;
- championing growth opportunities at the sector level, advancing interventions aimed at spurring economic growth, including the DDP and BR&E processes;
- assessing, recommending and administering financial investments at the firm and sector level for commercial and non-commercial clients.

Indicator 3: Supported regional development initiatives in partnership with municipalities

The RDP supported multiple regional development initiatives in partnership with municipalities. In 2015-16, BTCRD invested more than \$3.7 million in initiatives with 27 municipalities as the proponent under RDP. The Department also worked with Steering Committee partners (MNL and ACOA) to develop tools, resources and supports for an economic development approach that allowed staff to effectively organize resources around community/regional economic development.

Indicator 4: Invested in capacity building initiatives through the Community Capacity Building component of the Regional Development Fund

BTCRD invested in capacity building initiatives through the Community Capacity Building (CCB) component of the RDF.

The CCB component assisted groups province-wide by enhancing skills essential to regional economic planning, development and implementation. The program currently offers planning and industry development sessions in conjunction with 15 capacity building modules to interested participants with a clear link to economic and business development. In 2015-16, sixty CCB sessions were approved, for a total investment of \$214,862. These sessions included approximately 1,250 participants in total.

Indicator 5: Invested in the further expansion of broadband infrastructure in province

BTCRD invested in the further expansion of broadband infrastructure to support a modern telecommunications system that is vital for education, healthcare, business and community life. Particularly important in rural areas, the Department has long recognized the necessity of making strategic investments that strengthen rural parts of the province to facilitate business initiatives in these areas.

In 2015-16, as part of the third phase of the Rural Broadband Initiative, the Provincial Government invested over \$542,790 to extend broadband service to 18 Newfoundland and Labrador communities, encompassing 778 households. BTCRD partnered with the federal government through its *Connecting Canadians Program*, leveraging an additional contribution of \$611,000 for the third phase of the initiative.

Working with industry partners and the federal government, the Provincial Government has continued to advance broadband access in all regions of the province. To-date, the province has invested \$35.5 million to address the gaps and deficiencies in rural broadband infrastructure - leveraging an additional \$124 million from federal and private sources. This nearly \$160 million investment in rural broadband has contributed to 99 per cent of the province's population having access to high speed internet, with a small percentage of the yet-to-be-served population comprised of residents in very small, remote communities.

Indicator 6: Invested in the promotion of youth innovation throughout the province through experiential learning opportunities in the fields of science, technology, engineering and math

BTCRD invested in the promotion of youth innovation throughout the province with the objective to strengthen youth understanding of innovation concepts, to stimulate creative thinking, and to generate news ideas and collaborative problem solving methods.

Through the Youth Innovation Program, the Department supported 37 schools and organizations throughout the province which undertook highly interactive youth innovation projects, activities or events in the fields of science, technology, engineering and math with a total investment of \$400,000. Approved projects included: robotics, coding, computer animation, shark ecology, broadcasting, aquaponics, space camp, oceans science, among many others.

Indicator 7: Conducted and supported capacity building activities through the Arctic Opportunities Initiative (AOI)

The Department's AOI assists in building knowledge and capacity, and creating awareness of Newfoundland and Labrador's expertise and capabilities in the North. This year, the Department collaborated with the St. John's Board of Trade to encourage local participation in Arctic Opportunities through participation in conferences and workshops. Some of these sessions were:

- Voisey's Bay - Supplier Development Session
- Aboriginal Business information session
- Labrador and Aboriginal Cultural Awareness Workshop
- Expo Labrador
- Nunavut Trade Show
- Northern Lights 2016

The Government of Newfoundland and Labrador entered into an MOU with the Government of Nunavut on July 16, 2015. The MOU was born of the mutual commitment by both the governments to explore economic growth opportunities and promote sustainable development in the Arctic.

Indicator 8: Facilitated opportunities for NL business and R&D with northern jurisdictions

The Department worked with the St. John's Board of Trade on the implementation of their Labrador and Arctic Opportunities Initiative that saw several Newfoundland and Labrador-based companies participate in various business development initiatives including the Nunavut Trade Show, Northern Lights, and Expo Labrador.

The Department supported Memorial University's Office of Public Engagement with their North Atlantic Rim project including the Arctic Forum. The first annual Arctic Forum took place in October 2015 in St. John's and Fogo. It was the result of a partnership between Memorial and the University of Tromso in Norway.

The Department also participated in the Arctic Circle Assembly which is an annual open assembly that takes place in mid-October in Reykjavík, Iceland. It is nonprofit and nonpartisan. Organizations, forums, think tanks, corporations and public associations

around the world are invited to hold meetings within the Arctic Circle platform to advance their missions with the broader goal of increasing collaborative decision-making. Newfoundland and Labrador participated in the NL-capacity and R&D-focused Arctic Path plenary with key industry, academia, and R&D representatives from this province. This was also conducted at the Northern Lights session with a similar plenary.

Objective (2016-17): By March 31, 2017, BTCRD will have supported regional development through partnership and collaboration.

Measure: Regional development supported

Indicators:

- Supported and invested in regional development initiatives in collaboration with industry, community and government partners
- Continued investment in broadband expansion throughout the province, in collaboration with industry and community stakeholders
- Invested in opportunities to directly engage youth in hands-on innovation projects
- Continued work with Memorial University on developing a Social Enterprise Strategy
- Continued to advance regional development initiatives and capacity building in the Arctic through northern partnerships and community collaboration

ISSUE 3: FURTHER STRENGTHENING PARTNERSHIPS IN TOURISM

BTCRD continued to strengthen public-private partnerships through the Newfoundland and Labrador Tourism Board. This partnership brings together the Provincial and Federal Governments, Hospitality Newfoundland and Labrador (HNL), and the Destination Management Organizations (DMOs) to implement the ten-year strategy, *Uncommon Potential: A Vision for Newfoundland and Labrador Tourism* (Vision 2020).

Vision 2020 completed a milestone evaluation and strategic review in 2015-16. The strategy continued to prove its value in focusing key partners toward achieving the goal of doubling tourism spending to \$1.6 billion by 2020, increasing the contribution of tourism industry to the economy of Newfoundland and Labrador, and becoming a leading tourism destination offering authentic experiences. By providing timely and quality market research to all tourism stakeholders, BTCRD continued to deepen its understanding of the current traveller, confirm its target market, provide insights into competitive positioning and support tourism sector development activities to address new travel trends and customer behavior. Currently, tourism generates over \$1.0 billion in visitor spending each year and is responsible for approximately 2,500 travel and tourism businesses that provide more than 18,000 jobs, which is approximately eight percent of employment in the province.

BTCRD continued to work with partners to implement the DDP process and the Tourism Assurance Plan (TAP). BTCRD supported industry-led efforts to foster positive attitudes towards training and professional skills development. The three-year Skills, Knowledge and Workforce Provincial Action Plan, launched in 2015, is a critical effort to address industry training needs, workforce skills and knowledge gaps to ensure long-term the sustainability of the tourism sector.

Finally, BTCRD's tourism marketing efforts, and the alignment of DMOs and the tourism industry in support of the *Find Yourself* campaign resulted in greater industry coordination and consistent messaging for consumers and trade shows. This work also continued to motivate creativity in developing provincial and regional content for both digital and traditional media channels which increased interest in the province as a travel destination and the delivery of information to the traveller.

Goal 3: By March 31, 2017, the Department of BTCRD will have supported the development of tourism products and experiences aligned with market demand.

Objective (2015-16): By March 31, 2016, the Department of BTCRD, working with relevant provincial and regional stakeholders, will have supported the development of action plans in selected regions for the development of priority tourism products and experiences aligned with market demand.

Measure: Supported the development of action plans in selected regions.

Indicator 1: Developed Tourism Destination Visitor Appeal Assessment (TDVAA) Reports with recommendations for Western, Central and St. John's Metro region

TDVAA reports with recommendations were completed for Western, Central and St. John's Metro (North East Avalon) in 2015-16.

This work, which commenced in 2013, resulted from the partnership between Hospitality NL and BTCRD, regional DMOs and the ACOA that commissioned a TDVAA for the five tourism regions of the province with the goal of producing five destination development plans to guide the tourism industry in product, market and experience development efforts.

The TDVAA process was created by Brain Trust Marketing and Communication and the Tourism Café Canada Ltd. Designed with the visitor in mind, the research methodology enables each region within the province to be examined as separate entities with unique nuances, but also provides the ability to draw linkages between the regions so that provincial themes or ideas may be built upon.

Indicator 2: Continued the Destination Development Plan (DDP) Opportunity Management Process for DMO regions where TDVAA Reports with recommendations are completed

Opportunity Management (OM) processes continued in each of the regions that have their final DDPs. These included Eastern, Labrador, Western and Central regions. OM processes, led by BTCRD, identified collective priorities, and established implementation teams.

In each region, the respective implementation teams, led by BTCRD and comprised of partners from the DMO, HNL, and ACOA, met regularly to examine each of the four reports, their findings and recommendations in order to hold industry stakeholder sessions to collectively define the priorities from each report.

Indicator 3: Encouraged to action, and monitor DDP Implementation Plans with identified priorities, where DDP Phase II – OM is completed

DDP Implementation Plans were encouraged to action, and monitored in each of the following regions where DDP Phase II – OM was completed:

Eastern Region – OM Process established the following key priorities and an implementation team comprised of BTCRD, HNL, Legendary Coasts of Newfoundland and ACOA met and collaborated to actively implement the priorities of:

- Geological Treasures – network of geology sites formed, created itinerates
- Tourism and Craft Connections – series of information sessions held to connect

craft and tourism experiences

- Building Program and People Based Businesses to Enrich the Visitor Experience – active engagement of operators to build more experiential tourism products
- Food in Tourism – strategy for promotion and development of local food experiences

Labrador Region – OM Process established the following key priorities and an implementation team comprised of BTCRD, HNL, Destination Labrador and ACOA met to identify actions and outcomes of key priorities of:

- Labrador’s Tourism Survivability
- Bringing the Uncommon Potential Brand to Life
- Collaborating for Sustainability – Three United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites

Implementation committee established key actions for each of the priorities and assigned roles and responsibilities.

Western Region - OM Process established the following key priorities and an implementation team comprised of BTCRD, HNL, Go Western Newfoundland and ACOA met to identify actions and outcomes of key priorities of:

- Festivals and Events
- Three UNESCO World Heritage Sites
- Levy Groups
- Advancing Winter Tourism
- Sense of Arrival

Implementation committee established key actions for each of the priorities and assigned roles and responsibilities.

Central Region – The OM Process was led by BTCRD and an implementation team comprised of BTCRD, HNL, Adventure Central and ACOA met to identify actions and outcomes of key priorities.

Indicator 4: Provided support for development of market-ready, in-demand tourism products and experiences

BTCRD provided support for development of market-ready, in-demand tourism products and experiences.

One of the key recommendations to come from the DDP process was that government and partner organizations needed to support the industry to develop creative, innovative tourism experiences but it is the industry that has to actually create, package and deliver these experiences to travellers. BTCRD led the development of the *Creating Experiences* toolkit - a guiding document for the types of experiences that the tourism industry needs in order to grow visitation and sell this region and province as a tourism

destination.

The toolkit was developed to outline the step-by-step approach to developing market-ready tourism experiences. Regional Tourism Development Officers actively guide operators through the toolkit, which enables operators to develop experiences that are reflective of key market expectations, fits the brand of the province, and differentiates from other destination areas.

The Provincial Government also supported operators through other product development initiatives including the market readiness subsidy, season extension, best practices and business development funding.

Objective (2016-17): By March 31, 2017, the Department of BTCRD with stakeholders will have supported the implementation of action plans in selected regions for the development of tourism products and experiences aligned with market demand, and minimum standards will have been met.

Measure: Action plans for the development of tourism products and experiences supported in selected regions

Indicators:

- Continued Destination Development Plan (DDP) Opportunity Management Process for Central and North East Avalon DMO regions
- Continued implementation and evaluation of regional Destination Development Plan priorities
- Provided support for development of market-ready, in-demand tourism products and experiences
- Continued the alignment of marketing efforts of the DMOs and the tourism industry in support of the provincial tourism marketing strategy and tactics

ISSUE 4: COMMEMORATING THE CEREMONY THE CENTENARY OF THE FIRST WORLD WAR AND HONOURING VETERANS

The Honour 100 commemoration initiative was aligned with and worked towards achieving the outcome of a strengthened cultural sector that preserves both our tangible and intangible heritage.

Commemorating Newfoundland and Labrador's involvement in the First World War through Honour 100 helps us to better understand this enduring legacy. The Provincial Government, along with stakeholders and community organizations continue to plan and deliver initiatives through the Honour 100 program to commemorate the sacrifices of all Newfoundlanders and Labradorians. The commemoration of the centenary is aimed at reconnecting Newfoundlanders and Labradorians with their past; to honour veterans past and present; to encourage communities and organizations throughout the province to work together on commemorative initiatives; and to help maximize youth engagement.

Goal 4: By March 31, 2017, the Department of BTCRD will have commenced commemoration of Newfoundland and Labrador's First World War story so that citizens are connected with our past and veterans past and present are honoured.

Objective (2015-16): By March 31, 2016, the Department of BTCRD will have developed and advanced initiatives to commemorate the Centenary of the First World War and honoured veterans.

Measure: Initiatives developed and advanced.

Indicator 1: Commemorated key anniversaries through select initiatives

BTCRD led the planning and development of activities surrounding key anniversaries that were commemorated through select initiatives. BTCRD continued to work with the Royal Newfoundland Regiment Advisory Committee, the Honour 100 Steering Committee, and a stakeholder committee to plan and develop initiatives to commemorate the anniversaries related to the First World War. In 2015-16, the following anniversaries were commemorated:

- The 100th Anniversary of the Royal Newfoundland Regiment's landing at Gallipoli on September 19, 2015 was commemorated by 60 Newfoundlanders and Labradorians, including members of the Royal Newfoundland Regiment Advisory Council, who travelled to Turkey to mark the anniversary.
- 99th Anniversary of the Battle of the Somme at Beaumont-Hamel was commemorated on July 1, 2015 by a Newfoundland and Labrador delegation including veterans, Royal Canadian Legion members and 35 students (including 19 students participating in the new Ambassador Program), attended the annual

ceremony that commemorates the beginning of the Battle of the Somme that was part of a weeklong pilgrimage to First World War commemoration sites in Belgium and France.

Indicator 2: Undertook selected legacy projects

With stakeholders, BTCRD led the planning and development of activities surrounding Select Honour 100 legacy projects that continued in 2015-16, as follows:

- Gallipoli Monument Project in consultation with the Federal Government and the Royal Newfoundland Regiment Advisory Council;
- Bowring Park Interpretation Project with the City of St. John's and the Bowring Park Foundation;
- Honour 100 Grant Program for arts and heritage organizations and communities across Newfoundland and Labrador.

Indicator 3: Enhanced, developed and implemented educational opportunities for commemoration and engagement of youth

Educational opportunities for commemoration and engagement of youth were enhanced, developed and implemented. The Honour 100 initiative continued to work closely with partners including the Department of Education and the Historical Site Association to enhance, develop and implement educational opportunities for commemoration and engagement of youth including:

- Enhanced student participation by supporting the expansion of Heritage Fairs to include high school;
- The development of an option for students to complete First World War projects in Heritage Fairs; and,
- Supported the Ambassador Award Travel Program for 19 youth to attend Trail of the Caribou Pilgrimage in 2015.

Indicator 4: Developed and implemented selected outreach initiatives

In 2015-16, selected outreach initiatives were developed and implemented in consultation with, and through working-partnerships between BTCRD, Honour 100 staff and stakeholders across the province. These included:

- A partnership with The Rooms to digitize military service files that can eventually be accessed worldwide via the internet; and,
- Enhanced the annual Trail of the Caribou pilgrimage in partnership with the Royal Canadian Legion to create an educational program for students. This included a historian-guided tour to sites relevant to Newfoundland and Labrador.

Objective (2016-17): By March 31, 2017, the Department of BTCRD will have further developed and advanced initiatives to commemorate the Centenary of the First World War and honoured veterans.

Measure: Commemoration initiatives further developed and advanced.

Indicators:

- Commemorated key anniversaries
- Undertaken legacy projects
- Provided educational opportunities for commemoration and engagement of youth
- Implemented outreach initiatives

ISSUE 5: SUPPORTING THE STATUS OF ARTISTS

The Department recognizes and supports excellence in artistic endeavours and improving the conditions under which artists and other cultural workers create and produce art. *Creative Newfoundland and Labrador: The Blueprint for Development and Investment in Culture* (2006) recognizes that artists and their creations are at the core of cultural activity.

BTCRD has worked with stakeholders to examine potential strategies and priorities to enhance recognition and supports for the status of artists in their contribution to the province's social and economic life. In 2015-16, six possible strategies were identified and reviewed as ways and means to support the status of artists. These strategies were derived from a jurisdictional scan of status of the artist policies and legislation across Canada, and were informed by reviews initiated by BTCRD in conjunction with the Newfoundland and Labrador Arts Council, as well as by way of meetings with the Arts Advisory Committee to discuss issues relevant to the status of professional artists in the province. During this period, BTCRD also participated on a FPT committee that researched the value of culture to the Gross Domestic Product on a provincial basis.

Goal 5: By March 31, 2017, the Department of BTCRD will have enhanced recognition and supports for the status of artists in their contribution to the province's social and economic life.

Objective (2015-16): By March 31, 2016, the Department of BTCRD will have completed a review, identified potential strategies and assessed ways and means to enhance recognition and support of the status of artists in the province.

Measure: Identified potential strategies and assessed ways and means to enhance recognition and support of the status of artists.

Indicator 1: Developed potential strategies

Potential strategies were developed in the fall of 2015. A BTCRD working group updated and reviewed the previous year's jurisdictional scan which indicated that a number of Canadian jurisdictions also provide special legislation, policies and/or funding envelopes to enable artists to earn a living from their art and improve their overall living conditions.

A review and discussion of potential strategies to enhance status of the artists included employment standards, occupational health and safety, labour rights, taxation, and professional development, among others. This initial work facilitated the development of a number of key priorities for status of the artist in Newfoundland and Labrador. This was further informed by information gathered from meetings with the Newfoundland

and Labrador Arts Council, the Arts Advisory Committee and the FPT committee.

Indicator 2: Identified and assessed key priorities

Throughout the fall of 2015, the internal working group of BTCRD identified and assessed six key priorities using a Strengths-Weaknesses-Opportunities-Challenges Analysis. Key priorities included: fair payment, benefits, export strategy, awareness, digital media supports and refreshment of the Cultural Plan. This analysis identified ways and means to support status of artists. This process was also used to demonstrate where efforts might be made to identify efficiencies in program delivery and supports.

Indicator 3: Prepared a report identifying potential strategies, and key priorities

A report of the BTCRD Working Committee on the status of artists was completed. It identified the following potential strategies and key priorities:

- Develop guidelines for Fair Payment as declaration of supporting artists in the province.
- Explore ways to provide and/or enhance benefits such as medical /drug plan / dental insurance, and retirement savings.
- Review and redevelop an export strategy to enhance access to markets.
- Develop awareness program for the Arts and Artists in the Province.
- Develop digital media supports.
- Initiate a ten year (2006-2016) review and refreshment of the Cultural Plan.

Additionally, the priority actions of this report were revised in December 2015 to include the Provincial Government's commitment to develop Status of the Artist legislation in concert and in collaboration with stakeholders and the arts community.

Objective (2016-17): By March 31, 2017, the Department of BTCRD will have commenced implementation of approved strategies and priorities to enhance recognition and support of the status of artists and their contributions to the province's social and economic life.

Measure: Implementation of approved strategies and priorities commenced

Indicators:

- Approved the strategies and priorities to enhance recognition and support of the status of artists
- Developed Logic Model and Accountability Framework for approved strategies and priorities
- Commenced implementation of approved strategies and priorities

MANAGEMENT DISCUSSION: ENCOURAGING A DIVERSE AND DYNAMIC ECONOMY

The oil and gas industry, a significant contributor to the province's economy, has seen a dramatic drop in oil prices that has had an immediate and profound economic impact. Traditional resource-based industries such as mining, forestry and the fishery all have unique challenges often dictated by changes in the global environment. As well, the local economy has experienced significant regional economic impacts from industry downsizing and changes in commodity demands.

In response, BTCRD must focus on developing value-added opportunities in traditional resource sectors as well as developing emerging sectors such as aquaculture, ocean technology, and advanced manufacturing. The Department must work strategically in the areas of local, national and international business development; entrepreneurial development and innovation; sector, rural and regional development; advanced research; and improved communications and connectivity. These initiatives are essential to encourage the development of a sustainable, diverse and dynamic economy, improve our global competitiveness and strengthen employment opportunities.

...Through our Client and Community Supports. BTCRD will continue to build capacity throughout the province through key economic development initiatives and by advancing priority sectors. Our financial programs will continue to support commercial and noncommercial activity and investments. Economic development requires a collective effort and BTCRD is a committed partner working with all levels of government, and with economic development organizations. In collaboration with our partners, we will continue to support business clients and local community groups to encourage growth in regional economies.

...Through our Trade and Investment. The Province will participate in domestic and international trade agreements which will direct economic growth through the flow of goods, services and investment around the globe. The ability to predict, and then capitalize on domestic and international trade agreements in the future will be the key to economic development in the province. BTCRD will continue to play a critical role in directing and supporting the private sector in their pursuit of opportunities in pending trade agreements such as CETA and the AIT.

Through building capacity of local firms by providing client counseling and training, managing and leveraging trade alliances, building strategic in-market relationships, and leading trade missions, the Department can further support clients in growing their business internationally.

By leveraging the strong relationships BTCRD has created with provincial and federal counterparts, the Province can support firms looking for new opportunities through

ventures such as the Association of Southeast Asian Nations Trade Mission in 2017 and the IBDA. With these supports, the Department can focus on developing the key sectors of ocean technology, aerospace and defence, information and communications technology, professional services, and natural resources.

...Through our Innovation. In shaping Newfoundland and Labrador's competitiveness, BTCRD will capitalize on opportunities for collaboration between industry, government and academia as a means to innovating, diversifying and growing our economy.

To enhance the province's innovation performance, BTCRD will provide support for the start-up and expansion of local high growth potential firms – making investments to enhance firm and sector-level innovation capacity, productivity, competitiveness and overall value proposition to maximize opportunity for commercial success. Together with RDC, BTCRD will continue to focus on strengthening the quantity and quality of R&D throughout the province.

As the Department embarks on the development of a new Innovation Strategy, it is critical that consideration be given to ensuring scarce resources flow to their best use to have the greatest impact, and encouraging robust action in targeted areas. Further, it is imperative that the strategy development process fully embraces the principles of meaningful collaboration and engagement.

...Through our Oceans. Newfoundland and Labrador is recognized internationally for Ocean Technology Expertise. We have a cluster of world-renowned institutions, companies, and industry organizations with expertise in ocean observation, remote sensing, ice surveillance, communications and navigational systems, autonomous underwater vehicles, and marine simulation.

As the province works towards economic diversification, ocean technology development offers potential for activities and expansion in key economic sectors such as oil and gas, fisheries and aquaculture, transportation, environment, marine recreation and tourism, and defense and security.

The Department will continue to work with OceansAdvance, academic and research institutions, RDC, and other government departments and agencies, and industry to identify areas of opportunity for growth, including: private sector R&D and commercialization; support for new start-ups and young entrepreneurs; better access to private capital; exploration of joint ventures and partnerships and foreign direct investment; and promotion of the province as a world leader in ocean technology.

...Through our Path to the Arctic. As an area of significant international interest and a key component of the Canadian economy, the potential of the Arctic is great. For many of Canada's northern areas, the baseline research into safe and sustainable development has yet to be completed. Our wealth of traditional knowledge and unique

experience is invaluable to decision-making related to respectful and sustainable economic development. All this presents us with the opportunity to undertake critical research through strategic relationships with industry and academia to advance new ideas and help market them worldwide.

To achieve this, we require a strong local knowledge base within northern and aboriginal communities through initiatives such as the MOU with Nunavut on July 16, 2015 which focused on natural resources, education and training, transportation and infrastructure, culture and tourism, R&D, and health care. The MOU also paved the way for a future MOU with Greenland that is currently in discussion and would position the Eastern Arctic jurisdictions as a hub of potential development.

Other areas under the AOI that will allow for a greater diversification of the Newfoundland and Labrador economy include participation in the globally important Arctic Circle Assembly where Newfoundland and Labrador has led Canada through participation with industry, academia, and R&D partners in promotional activities. Also, through the North Atlantic Rim project, the Department headed the Arctic Forum - an international initiative with Norway that will use collaboration to move Arctic development ahead.

...Through our Tourism. Awareness and interest of Newfoundland and Labrador as a tourism destination continues to be at all-time highs as a result of marketing investments, according to the Travel Activity and Motivation Survey research. The Province continues to close the gap between awareness and interest through to the path-to-purchase of travel products and experiences. Improvements in product development will continue through its provincial Tourism Assurance Plan.

The Department's coordinated approach to tourism client servicing and collaboration on public and private investments is ensuring that visitor expectations are met with high quality and innovative experiences, resulting in new approaches to product development and high levels of coordination among tourism stakeholders. Working together, the Provincial Government and the tourism industry will continue to deliver on the tourism brand's promise of memorable experiences which connect travellers to the special places, people and cultures within communities across the province.

...Through our People and Places. The Province presents itself to the wider world through its culture and natural environment. Our culture and our place shape us, express our uniqueness, and are the foundation for our most sought-after attractions, contributing to the generation of goods and services, jobs and increased wealth. Future public and private sector investments will encourage both the preservation and viability of these attractions.

APPENDIX 1: BTCRD EXPENDITURES BY MAIN ALLOCATION				
		Original	Amended	Actual (\$)
Line Item	Source of Expenditure	Estimate (\$)	Estimate (\$)	(Unaudited)
1.1.01	Minister's Office	388,800	513,400	441,867
1.2.01	Executive Support	1,296,900	1,575,500	1,566,056
1.2.02	Administrative Support	890,400	882,700	835,199
	(Less: Revenue)	(7,600)	(7,600)	(6,596)
1.2.03	Policy & Strategic Planning	750,300	737,300	707,767
1.2.04	Administrative Support - Capital	1,815,000	1,815,000	0
2.1.01	International Business Development	3,067,400	2,613,800	2,336,721
	(Less: Revenue)	(300,000)	(300,000)	(143,302)
2.1.02	Marketing and Enterprise Outreach	1,043,000	920,000	888,875
2.1.03	Investment Attraction Fund - Capital	13,500,000	11,000,000	6,709,696
3.1.01	Business Analysis	1,251,700	1,219,700	1,055,072
	(Less: Revenue)	0	0	0
3.1.02	Investment Portfolio Management	4,330,700	4,274,700	4,232,837
3.1.03	Strategic Enterprise Development Fund - Capital	3,000,000	3,000,000	0
4.1.01	Innovation, Research and Technology	2,494,600	2,705,600	1,141,383
4.2.01	Sector Development	992,900	1,117,900	1,075,560
	(Less: Revenue)	0	0	0
5.1.01	Regional Economic Development Services	1,076,300	1,031,300	972,095
5.2.01	Business and Economic Development Services	5,608,600	5,211,600	5,008,910
5.3.01	Comprehensive Economic Development	9,060,600	11,560,600	11,554,303
6.1.01	Ocean Technology Initiatives	659,200	607,300	535,924
7.1.01	Tourism Marketing	14,502,300	14,626,300	14,600,463
	(Less: Revenue)	(80,000)	(80,000)	(79,671)
7.1.02	Strategic Product Development	14,811,700	14,727,700	14,664,133
	(Less: Revenue)	(43,000)	(43,000)	(0)
7.1.03	Marble Mountain Development Corporation	840,000	840,000	840,000
7.1.04	Marble Mountain Development Corporation –	1,360,900	1,360,900	1,360,873

	Capital			
8.1.01	Culture and Heritage	5,645,300	5,645,300	5,486,996
	(Less: Revenue)	(65,000)	(65,000)	(126,710)
8.1.02	Arts and Culture Centres	6,417,100	6,868,100	6,687,596
	(Less: Revenue)	(4,025,000)	(4,025,000)	(5,192,078)
8.1.03	Newfoundland and Labrador Arts Council	2,133,700	2,133,700	2,133,700
8.1.04	Rooms Corporation of Newfoundland & Labrador	6,717,100	6,717,100	6,717,097
8.1.05	Newfoundland & Labrador Film Development Corporation	740,900	740,900	740,900
8.1.06	Historic Sites Development	520,000	520,000	477,589
	(Less: Revenue)	0	0	(1,430)
8.1.07	Special Celebrations and Events	670,300	670,300	597,886
8.1.08	Heritage Foundation of Newfoundland & Labrador	515,500	515,500	515,500
8.1.09	Newfoundland & Labrador Film Development Corporation - Capital	4,955,000	4,955,000	4,795,000
9.1.01	Research and Development Corporation	21,903,300	21,903,300	21,903,300
	Gross Budget	132,959,500	133,010,500	120,583,298
	Related Revenue	(4,520,600)	(4,520,600)	(5,549,787)
	Net Budget	128,438,900	128,489,900	115,033,509

APPENDIX 2: ACRONYMS

ACOA – Atlantic Canada Opportunities Agency
ACTP – Atlantic Canada Tourism Marketing Partnership
ADIANL – Aerospace and Defence Industry Association of Newfoundland and Labrador
AIT – Agreement on Internal Trade
AOI – Arctic Opportunities Initiative
AWP – Atlantic Workforce Partnership
BDSP – Business Development Support Program
BIC – Business Investment Corporation
BR&E – Business Retention and Expansion Initiative
BTCRD – Business, Tourism, Culture and Rural Development
CCB – Community Capacity Building
CETA – Comprehensive Economic and Trade Agreement
DDP – Destination Development Plan
DEFSEC – Canadian Defence Security and Aerospace Exhibition Atlantic
DMO – Destination Management Organization
ECMA – East Coast Music Awards
EPIWG – Economic Productivity and Innovation Working Group
ERNACT – European Regions Network for the Application of Communications Technology
FLGP – Fisheries Loan Guarantee Program
FPT – Federal-Provincial-Territorial
HNL – Hospitality Newfoundland and Labrador
IAF – Investment Attraction Fund
IBDA – International Business Development Agreement
MNL – Municipalities Newfoundland and Labrador
MOU – Memorandum of Understanding
NATI – Newfoundland and Labrador Association of Technology Industries
NEIA – Newfoundland and Labrador Environmental Industry Association
NLFC – Newfoundland-Labrador Federation of Co-operatives
OM – Opportunity Management
R&D – Research and Development
RDC – Research and Development Corporation
RDF – Regional Development Fund
RDP – Regional Development Program
SME – Small and Medium-sized Enterprise
TAP – Tourism Assurance Plan
TDVAA – Tourism Destination Visitor Appeal Assessment
UNESCO – United Nations Educational, Scientific, and Cultural Organization