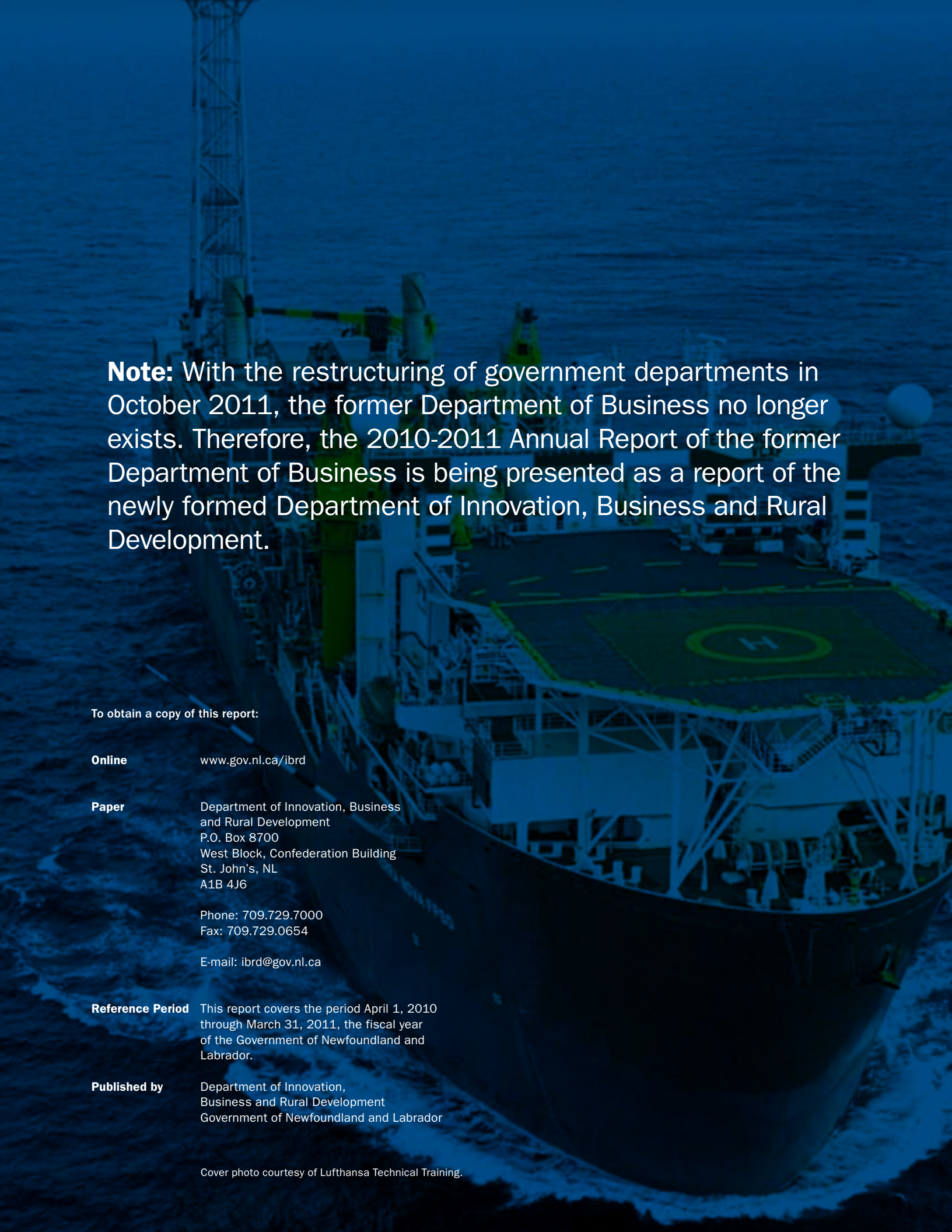


# ANNUAL REPORT

Department of Innovation, Business and Rural Development

.....  
**2010–2011**





**Note:** With the restructuring of government departments in October 2011, the former Department of Business no longer exists. Therefore, the 2010-2011 Annual Report of the former Department of Business is being presented as a report of the newly formed Department of Innovation, Business and Rural Development.

To obtain a copy of this report:

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# Message

From the Honourable  
Minister of Innovation,  
Business and Rural Development  
Keith Hutchings



I am pleased to present the 2010-11 Annual Report for the Department of Business (the former Department). This Department was part of Government's October 2011 restructuring. The former Department of Business no longer exists and the services provided by this former Department now fall under my mandate as Minister of Innovation, Business and Rural Development. My signature below is indicative of my accountability for the actual results reported.

The Department of Innovation, Business and Rural Development prepared and tabled in the House of Assembly a strategic plan for the 2011-14 period to appropriately reflect the recent realignment of services.

This Annual Report was prepared under my direction and outlines achievements and activities of the former Department over the past fiscal year, in accordance with the Department's requirements as a category two government entity under the *Transparency and Accountability Act*. As we have now reached the end of our five year reporting period for the broader mission of the former Department, this report also highlights the accomplishments in that regard for the past five years.

As Minister, I am accountable for the results that are reported in this document. I take pride in the staff of my Department and what we have achieved. At this time, I would like to express my sincere gratitude to the staff for their commitment, professionalism and dedicated service. We look to the future with optimism and the promise of still greater success in 2011-12.

A handwritten signature in black ink, appearing to read 'Keith Hutchings', written in a cursive style.

Keith Hutchings  
Minister of Innovation, Business  
and Rural Development

# Departmental Overview

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During the October 2011 restructuring of provincial government departments, the former Department of Business's Business Investment Branch and the Strategic Policy of the Strategic Policy and Communications Branch was merged with the newly formed Department of Innovation, Business and Rural Development. Marketing and Brand Development became part of the Communications Branch of Executive Council and the Regulatory Reform Division was moved to Service NL.

The former Department of Business provided leadership in building a competitive economy to foster business growth and attract new investment into the province. The Department had four key lines of business: business attraction, marketing, advisory responsibility related to business support and regulatory environment reform. Each of these lines of business contributed to the Department's mandate and supported ongoing improvements to the business environment in Newfoundland and Labrador.

Utilizing a proactive investment attraction approach, the Department led the promotion of the province as a viable option for new or expanding businesses. This occurred through aggressive marketing of the province's many benefits which include a skilled work force, competitive operating costs and an abundance of natural resources. The Department provided a critical leadership role for Government in improving the level of awareness and perception of the province to business investors worldwide.

To increase economic efficiencies when dealing with government policies, regulation and legislation, the Department provided leadership on Government's ongoing regulatory reform activities. This work supported Government's overall move toward a specific, measurable, accountable, results-based and timely (SMART) regulatory environment.

The Department also played a key leadership role in several horizontal initiatives including the Air Access Strategy, Regulatory Reform, and the Brand Signature initiative. Each of these initiatives contributed to positioning the province for investment and raising overall awareness.



# Report on Mission

A mission statement identifies the priority focus area of the Minister spanning two planning cycles. It represents the key long-term result that the Minister and the Department worked towards as they moved forward on the strategic directions of Government. The statement also identifies the measure(s) and indicator(s) that will assist both the entity and the public in monitoring and evaluating success.

The former Department of Business prepared a mission statement for the five year period April 1, 2006 - March 31, 2011. Outlined below is the mission statement and the related measure and indicators of success. This annual report outlines highlights of the achievements we have seen in relation to these indicators (with more detail available in the Annual Reports) as follows:

## Five Year Mission and Accomplishments

### Mission

**“By 2011 the Department of Business will have facilitated the attraction of major business across the province and across sectors.”**

### Measure:

**The measure of success for the Department of Business will be that it has “facilitated the attraction of major business”.**

**The former Department of Business  
prepared a mission statement  
for the five year period  
April 1, 2006 - March 31, 2011.**

Mission Indicators	Key Results
<p>Development, and implementation oversight, of the Provincial Investment Attraction Strategy</p>	<p>Preliminary priority sectors were identified. Research and analysis was completed to identify gaps and appropriate support measures.</p> <p>Consultations were completed with industry associations and government agencies.</p> <p>A separate strategy was deemed not necessary as key elements are embedded in various current strategies throughout Government.</p> <p>The Department continued to provide leadership for inward investment into the province. This leadership was provided across government departments, to various local industries and internationally in specific sectors.</p>
<p>Identification of competitive and comparative advantages for business attraction</p>	<p>Targeted research was completed for specific industries as well as broad-based research for clusters, supply chains, and competing jurisdictions.</p> <p>Provincial profiles were developed, and multiple detailed information packages were completed for the financial services, aerospace and defense, industrial regional benefits, agriculture, alternative energy, manufacturing and ICT sectors.</p>
<p>Development of measures to fill identified gaps and address barriers for business attraction</p>	<p>Addressed funding gaps with the establishment of the Business Attraction Fund.</p> <p>The Oil and Gas Export Development Fund (OGEDF) was officially announced in support of the Energy Plan. The Department provided leadership in the implementation, promotion and administration of this fund.</p> <p>The original OGEDF allocation of \$1.5 million was fully expended. The program, which was due to expire March 2010, was extended for an additional two years.</p> <p>The Department developed a new fund (the Aerospace and Defense Development Fund) designed to contribute to the development of the aerospace and defense industry. The Department provided leadership in support of this fund.</p> <p>The Air Access Strategy was developed to address the vital role that air transportation plays in business attraction.</p> <p>Marketing activities were aligned with business investment activities and focus areas.</p> <p>Client aftercare processes were finalized as part of the continuum of client service provided by the Department.</p>
<p>Facilitation of policy development to advance business and economic growth</p>	<p>The Department participated on numerous government committees and working groups where value was added by ensuring that business attraction to the province, Red Tape Reduction and Brand Strategy was top of mind.</p> <p>The Department participated in semi-annual meetings of the Federal-Provincial-Territorial Working Group on Regulatory Reform.</p> <p>The Department coordinated the work of the Small and Medium Sized Enterprises (SME) sub-committee of Council of Atlantic Premiers.</p> <p>The Department completed development of the government-wide Air Access Strategy.</p>

Mission Indicators	Key Results
<p>Development and implementation of an integrated marketing and communications plan.</p>	<p>Marketing activities were aligned with business investment activities and focus areas.</p> <p>The Department developed and executed a comprehensive annual media plan incorporating print and digital advertising.</p> <p>The Department developed and implemented an annual event calendar outlining event marketing activities. Individual event plans were created for events where the Department was an exhibitor.</p> <p>Several major marketing activities were executed, such as new sales support collateral, design and construction of a modular trade show booth, and enhancements to the departmental website.</p> <p>When the province signed on as a contributing partner for the 2010 Olympic and Paralympics Winter Games, the Department of Business was involved in the planning and execution of provincial marketing activities associated with the Games.</p> <p>Marketing materials were created to position Newfoundland and Labrador as an anchor destination in efforts to avail of emerging opportunities in the Arctic.</p> <p>The Department created a video that promotes the province as a place to live, work, invest, and visit.</p>
<p>Development, management and implementation of Government's brand strategy including mechanisms for monitoring and evaluation</p>	<p>Strategy development was undertaken.</p> <p>A new brand was developed and launched.</p> <p>Guidelines were developed for the brand and are currently in place for government-wide use.</p> <p>A resource package is also available government-wide for application of the brand logo.</p> <p>Collateral materials were completed and introduced government-wide.</p> <p>Work was completed (and is ongoing) to develop a common look and feel to the web-site.</p> <p>A government-wide launch of the new brand identity and signature was coordinated and completed.</p> <p>The Department coordinated the rollout of the brand throughout all government departments.</p> <p>Action plans were developed and implemented for branding as well as for business attraction.</p> <p>Third-Party Guidelines were developed and launched for external use of the brand.</p> <p>A Brand Monitoring System was developed and introduced. This included the identification of 26 departmental Brand Stewards.</p> <p>A Request for Proposal was awarded for implementation of the web strategy and for updating of the Graphic Standards Manual.</p> <p>The Department of Business introduced a Logo Licensing Program aimed at suppliers/manufacturers wanting to produce clothing and other merchandise containing the Provincial brand logo for the purposes of resale to the general public.</p> <p>The Department led an interdepartmental brand development committee which was established to advance brand development and facilitate information sharing across departments.</p>



Mission Indicators	Key Results
Development and implementation of best practices for business attraction	<p>Due diligence procedures were developed and implemented for detailed project assessments.</p> <p>A flowchart was developed and implemented for business prospecting.</p> <p>A service standard was adopted - initial response within 1 business day.</p> <p>An interim client database was developed.</p>
Targeted market research and analysis for business attraction	<p>Targeted research was completed for specific industries as well as broad-based research for clusters, supply chains, and competing jurisdictions.</p> <p>A benchmark attitudinal awareness study was completed to establish image and perception of Newfoundland and Labrador in target markets.</p> <p>This study has been expanded and is currently ongoing.</p>
Development of customized value propositions	<p>Provincial profiles were developed for geographical areas, and multiple detailed information packages were completed for the financial services, aerospace and defense, industrial regional benefits, agriculture, alternative energy, manufacturing and ICT sectors.</p>
The number of businesses attracted	<p>The Department actively pursued numerous contacts and clients for business attraction purposes. This contact included client meetings and participation at trade shows, conferences, and events. The Department hosted a number of incoming site visits by prospective clients.</p> <p>19 businesses were attracted to the province as a result of business attraction efforts from 2006-2011.</p> <p>These deals are expected to create up to 469 direct jobs, generate indirect employment, create business activity for local companies, and diversify our economic base.</p> <p>The number of businesses attracted included business from key sectors including oil and gas, aerospace and defence, information and communication technology, and manufacturing.</p>
Direction and coordination of Government's Red Tape Reduction initiative to review the existing regulatory environment	<p>The Department provided government-wide leadership in the regulatory review process.</p> <p>Quarterly and monthly (as of January 2008) reports were received from all government entities and reviewed by departmental staff.</p> <p>The Department worked with OCIO on development of a database (Regulatory Reform Tracking System) to manage data for the Red Tape Reduction Initiative.</p> <p>The Regulatory Reform Tracking System was launched to allow 33 participating government entities electronic access to their inventory of regulations and to facilitate their monthly reporting.</p>

Mission Indicators	Key Results
25% target regulatory reduction over the three years ending March 31, 2009	<p>The total number of regulatory requirements within Government was reduced by 25.1% which was more than Government's publicly stated goal.</p> <p>77,384 regulatory requirements were removed from the system.</p>
0% net increase in new regulations thereafter	<p>This target has been monitored since the 25% reduction has been achieved.</p> <p>The findings showed that the 1 to 1 (removal / replacement) principle had been followed, and that the 0% increase in regulatory requirements had been maintained.</p> <p>The Department reviewed policy proposals for compliance.</p>
Promotion of SMART regulatory environment government-wide	<p>Regulatory Reform was implemented as a permanent function of the Department.</p> <p>Numerous examples of client service improvements were realized and reported throughout the year.</p> <p>Examples of improved client services included placing more government services online, reducing frequency of compliance reporting, creating client service offices/positions, and merging application processes.</p>
Implementation of the regulatory impact analysis (RIA)	<p>A regulatory impact analysis was developed by the Department and is a mandatory part of the review of all policy proposals.</p> <p>An RIA training module was developed by the Department and approved by the Center for Learning and Development (CLD). This training is intended for all government employees involved in the development of policies and regulations</p> <p>Eleven RIA training sessions were conducted in partnership with CLD, and training is ongoing.</p> <p>Successful implementation of Regulatory Reform resulted in positive recognition by the Canadian Federation of Independent Business (CFIB) ranking Newfoundland and Labrador among the top three provinces.</p>

Over the past five years, the Department has worked to identify competitive and comparative advantages for business attraction. This included working with clients and key stakeholders to identify gaps and address barriers for business attraction. As a result of business attraction efforts that have spanned the international market, we have attracted worldwide investors to the province, creating new employment opportunities and business activities for local companies.

The Department facilitated oil and gas manufacturing and exporting companies based in Western Newfoundland, the Burin Peninsula and St. John's in boosting their capacity and competitiveness as they expand into new markets for oil and gas. A new program designed to contribute to the development of the aerospace and defence industry was developed. The Department played an instrumental role in negotiating an Industrial Benefits Agreement with Bombardier which maximized the return to this province from water bomber procurement. The agreement also set out commitments for industrial benefits worth \$30 million and a minimum target of 200,000 person hours of direct employment in Newfoundland and Labrador. Development of a government-wide Air Access Strategy was also completed.

Marketing efforts have been directly tied to business investment activities. Several major marketing activities were executed such as new sales support collateral, design and construction of a modular trade show booth.

In the past five years the Department has completed significant work on a new Government brand identity and signature. The new brand development was launched in October 2006. At the same time the Department coordinated the rollout of the brand throughout all government departments. This included the development and introduction of a Brand Monitoring System including 26 departmental Brand Stewards. A Logo Licensing Program was also developed and launched for use by external suppliers and manufacturers.

At the beginning of this five year planning period, the Department was leading the Red Tape Reduction Initiative (announced in August 2005), and was mandated to reduce red tape by 25%. We directed and coordinated Government's initiative to review Newfoundland and Labrador's existing regulatory environment. By 2009, the total number of regulatory requirements within Government was reduced by more than 25%, which was Government's publicly stated goal.

Government has maintained a 0% increase in new regulations since that time, and is leading movement towards a SMART regulatory environment. Examples of improved client services being achieved include placing more government services online, reducing frequency of compliance reporting, creating client service offices/positions, and merging application processes.

**In the past five years the Department has completed significant work on a new Government brand identity and signature.**





# Report on Goals



This annual report brings the Department to the end of the reporting period for the 2008-2011 Business Plan. The results of activity and success toward these goals are summarized below:

## Goal 1:

By 2011, the Department of Business will have implemented a responsive and proactive business attraction model.

### Measure:

Proactive and responsive business attraction framework implemented

### Indicators:

- Successfully implemented a marketing strategy for business attraction
- Investments made in strategic/priority areas to support business attraction
- Increased business activity attributed to attraction efforts
- Increased prospecting activity for business attraction and investment
- Generation of investment opportunities

The indicators above have been achieved in relation to this goal.

The Department implemented a marketing strategy which guided the planning process.

The Department has made investments in strategic/priority areas to support business attraction. Over the past five years, the Department has created a Business Attraction Fund (BAF), an Oil and Gas Export Development Fund (OGEDF), and an Aerospace and Defence Development Fund (ADDF). There has been an increase in business activity and prospecting activity as a result of business attraction/investment efforts. The Department has been very active in attending local, national, and international trade shows, conferences and client meetings to facilitate business attraction. These efforts have resulted in the generation of direct and indirect investment into the province. The Department has directly approved 19 deals over the past five years, and has provided leadership and facilitation to government wide opportunities.

The significant industrial benefits agreement reached with Bombardier is an example of the type of investment that the Department facilitated that can generate long term opportunities. The agreement with Bombardier maximizes the return to the province from the water bomber procurement. It sets out commitments for industrial benefits worth \$30 million and generating a minimum target of 200,000 person hours of direct employment in Newfoundland and Labrador. These benefits will be realized through the awarding of direct contracts to Newfoundland and Labrador firms to supply services or products to Bombardier and its partners, and through the company supporting initiatives, such as targeted education and training, which build capacity in our province's aerospace and defence industry.

## Goal 2:

By 2011, the Department of Business will have coordinated the implementation of the Provincial Investment Attraction Strategy.

### Measure:

Coordinated implementation.

### Indicators:

- Developed implementation framework
- Facilitated the implementation efforts of other government departments
- Initiated implementation of Department of Business specific priority recommendations identified in the strategy
- Coordinated engagement of industry sectors

The Department of Business led consultations with government-wide departments who had a role to play in advancing inward investment. As a result of these discussions, it was determined that many of the goals and related action items of this strategy were already embedded in other strategies that were already being implemented. The Department of Business provided intelligence and expertise in support of other strategies and initiatives to work across Government related to investment attraction. As a result, the decision was made to not proceed with the Provincial Investment Attraction Strategy.

## Goal 3:

By 2011, the Department of Business will have led the continued improvement of the regulatory environment across Government.

### Measure:

Continued improvement.

### Indicators:

- RTR (Red Tape Reduction) outcomes assessed
- Plan developed and implemented for further regulatory enhancement for business
- Continuous improvement approach implemented

The Department led the improvements to the regulatory environment across Government. The Red Tape Reduction Initiative achieved its goal of 25% reduction in legislative requirements, and the outcomes were assessed. As a result, Government decided to proceed with Regulatory Reform as a permanent function. Regulatory Improvement Plans were developed by 33 participating government entities. A training module was developed and is in the process of being delivered to all government employees involved in the development of policies and regulations. As well, Government is committed to a continuous improvement approach to regulatory reform, with an emphasis being placed on service excellence to the client.

Successful implementation of Regulatory Reform has resulted in positive recognition for the province by the Canadian Federation of Independent Business, with Newfoundland and Labrador ranked among the top three provinces.

# Key Priorities and Achievements 2010-11



During the 2010-11 year, the Department continued to address key areas of the Department's strategic directions. These included improving the business environment in Newfoundland and Labrador by generating investment, providing business leadership and advice, marketing the province, and advancing regulatory reform. Each division has worked to ensure that the goals and objectives of the Department were achieved. This section presents 2010-11 performance against the Business Plan for 2008-11.



# Issue 1: Business Investment

During 2010-11, the Department of Business continued to market the province for business investment. The strategic direction of Government to improve the business environment in the province guided our work. In 2010-11, Business Attraction staff have worked closely with the Department's marketing and strategic planning experts to ensure the Department's message and strategy are effectively directed and communicated.

We continued to seek out business investment opportunities in prominent sectors such as Aerospace and Defence (A&D), Ocean Technology (OT), Information and Communication Technology (ICT), and Oil and Gas. In 2010-11, the Department produced a two minute promotional video featuring inspiring images and prose highlighting potential sectors for investment attraction and the exceptional quality of life in Newfoundland and Labrador. The video can be used by other government departments and stakeholders in their marketing and communication efforts aimed at promoting the province.

A benchmark attitudinal awareness study was completed to establish image and perception of Newfoundland and Labrador in target markets. The study was completed in select Canadian and US cities. The study was focused on the area of perception of Newfoundland and Labrador in terms of key areas including general awareness, awareness as a place to do business, economic status, and the business environment. The study revealed some interesting and valuable marketing information about how our province is perceived. While the general perception

is positive, there is a need for a greater level of general awareness particularly awareness of the province as a place to do business.

The ongoing advertising campaigns focused on both brand awareness and identified sectors. This included ad insertions in a variety of related newspapers and magazines, investment publications, and sector-specific publications.

The Department participated in a number of trade shows and conferences. We attended a combination of 39 major events and investment prospecting trips. These were targeted by sector to enhance business networks and to support attraction of direct investment into the province.

Examples of the events attended include:

- Arctic Technology Conference, Houston (Arctic Focus)
- Deep Offshore Technology International, Stavanger, Norway (Oil & Gas sector)
- Game Developers Conference, San Francisco (Information Communication Technology Sector)
- Oceans 2010 Conference, Seattle (Ocean Marine Technology sector)
- Unmanned Systems Canada, Montreal (Aerospace and Defence Sector)

The interdepartmental marketing committee continued to meet on a quarterly basis to share information on key marketing and promotion. Ongoing brand development





activities included third party usage, graphic standards and logo licensing program updates and monitoring. During 2010-11, an enhanced level of emphasis was placed on internal communications fostering brand development among public servants.

As well, during this past year we focused on an evaluation of opportunities in the Arctic. Marketing materials including collateral, web pages and ads were

created to position Newfoundland and Labrador as an anchor destination as a means to avail of emerging opportunities in the Arctic. The Department led the province's participation at the first Arctic Technology Conference in Houston, Texas.

# Goal 1:

**By 2011, the Department of Business will have implemented a responsive and proactive business attraction model.**

## Objective 1.3

By March 31, 2011, the Department of Business will have implemented a responsive and proactive business attraction model.

### Measure:

Proactive and responsive business attraction model implemented

2010-11 Indicators	2010-11 Accomplishments
<p>1. Alignment of marketing activities with investment attraction activities advanced.</p>	<p>The Department completed a benchmark attitudinal awareness study to establish image and perception of Newfoundland and Labrador in target markets during fiscal 2010-11. The survey indicated that the province is regarded favourably from a tourism perspective but more marketing is required to build the business investment image.</p> <p>Industry specific investment attraction promotional materials were developed to be used by government departments and agencies. Fact Sheets on targeted sectors as well as information on Newfoundland and Labrador were updated. This work continues on an ongoing basis.</p> <p>A promotional video was developed along with brochures and targeted advertising and marketing in select sectors.</p> <p>Key geographic markets were identified and investment prospecting visits were undertaken in each. Key geographic markets included Ottawa, Washington, California, United Kingdom, Alberta, Texas and Norway.</p>
<p>2. Participated in strategically selected trade shows and investment prospecting missions.</p>	<p>The Department participated in 39 strategically selected trade shows/ investment prospecting events (an increase from 36 in 2009-10) for each targeted sector. Key focus sectors included: Aerospace and Defence, Ocean Technology, Information and Communications Technology and Oil and Gas. The Department also focused on opportunities for industrial regional benefits, air access and the Arctic.</p> <p>The Department attended and was involved at targeted industry association events.</p>
<p>3. Potential gaps and barriers to business investment identified</p>	<p>The benchmark attitudinal awareness study provided valuable insight into the requirements for further targeted marketing for business investment.</p> <p>Numerous key stakeholder meetings were held.</p> <p>The Department of Business led the interdepartmental marketing committee, facilitating information sharing with key stakeholders across all government departments on marketing activities.</p> <p>Processes to provide aftercare to clients were finalized as part of the continuum of client service provided by the Department.</p>
<p>4. Implementation of priority action items of Investment Attraction Strategy initiated.</p>	<p>A decision was made to not proceed with implementation of this strategy due to the fact that key elements of this strategy relating to inward investment are now embedded in other strategies throughout Government. It is therefore more prudent from a policy and fiscal perspective to proceed with the strategies in place.</p>

# Issue 2:

# Investment Attraction Strategy

## Goal 2:

By 2011, the Department of Business will have coordinated the implementation of the Provincial Investment Attraction Strategy.

### Objective 2.3:

By March 31, 2011, the Department of Business will have coordinated the implementation of the Provincial Investment Attraction Strategy.

### Measure:

Coordinated implementation.

2010-11 Indicators	2010-11 Accomplishments
Key indicators developed for all strategy action items	As outlined under the reporting for the goal, this strategy did not proceed and therefore these indicators were not acted upon. However, the Department of Business provided intelligence and expertise in support of other strategies and initiatives of work across Government related to investment attraction.
Implementation of the strategy's monitoring, evaluation and reporting framework initiated	
Regular Deputy Minister Steering Committee meetings held	
Working group committee of all participating departments established and operating	



# Issue 3: Regulatory Environment



The Department of Business has made significant progress over the past three years in the area of regulatory reform. Our goal at the outset was communicated in the 2008-11 Business Plan as follows:

***By 2011, the Department of Business will have led the continued improvement of the regulatory environment across Government.***

The Department has clearly and measurably achieved this goal. Initially, we led the three year Red Tape Reduction Initiative and reduced the regulatory count by 25 per cent. Once this was achieved, a long term

commitment to further relieving the regulatory burden was announced by Government. The primary objective was moving forward with a specific focus on achieving qualitative improvements to regulatory processes and thereby improving how Government interacts with businesses and individuals. Further, Government reiterated its commitment to zero net growth in regulatory requirements and an ongoing focus on quality improvements to how Government interacts with people and business. The zero net growth approach means, in essence, that for every new regulatory requirement introduced within Government, an existing one must be eliminated.





In 2010-11, the Department continued to build on the success achieved in regulatory reform. The focus was on improving the regulatory environment in Newfoundland and Labrador by maintaining a target of zero net growth in regulatory requirements and a regulatory impact analysis of all new legislation and policies. The Department has taken a leadership role in supporting the enhancement of departmental capacity for improvements to the Regulatory Impact Analysis (RIA) Process.

The Department identified priority areas for regulatory review and developed a framework for measuring qualitative improvements in the regulatory process. Monitoring and reporting on progress, improvements, and concerns raised in relation to Regulatory Reform is an important component of this work.

During the past year, the Department again participated in Federal Provincial Territorial (FPT) meetings to discuss regulatory reform matters and exchange best practices. The Director of Regulatory Reform, now in Service NL, is provincial co-chair of FPT Committee. Two FPT meetings were held – one

in-person and one by teleconference. The in-person session was held in St. John's and hosted by the Department. As well, the Department worked to ensure timely response to external regulatory issues raised. As issues were raised, they were referred to relevant departments to address. The Department held two formal meetings with the Canadian Federation of Independent Business to address membership issues over the past year.

Newfoundland and Labrador continues to be one of the leading provinces for Red Tape Reduction initiatives, according to the most recent report released by the CFIB. In its latest national report card, the CFIB has Newfoundland and Labrador tied with Nova Scotia with a grade of B, trailing only British Columbia. Newfoundland and Labrador's progress over the past three years was also highlighted at Federal-Provincial-Territorial meetings on regulatory reform.

**Newfoundland and Labrador continues to be one of the leading provinces for Red Tape Reduction initiatives, according to the most recent report released by the CFIB.**

## Goal 3:

**By 2011, the Department of Business will have led the continued improvement of the regulatory environment across Government.**

### Objective 3.3:

By March 31, 2011, the Department of Business will have led the continued improvement of the regulatory environment across Government

### Measure:

Led continued improvement.

Indicators	Key Results
1. Completion of the development of the accountability measurement framework.	The Department developed an accountability measurement framework.
2. Continued monitoring and monthly reporting of progress on regulatory improvement plans (RIA's).	<p>The Department's Regulatory Reform Office prepared monthly reports for government review.</p> <p>The Department supported the target by working one-on-one with Departments, holding group sessions and by keeping executive up to date on progress.</p> <p>The Department monitored Red Tape mailbox for concerns or complaints raised and followed-up with relevant entities. This function is now performed by Service NL. As concerns/complaints arise, they are referred to Departments to address.</p> <p>One-on-one information and training sessions were provided to individuals in Departments who are responsible for writing policy submissions and RIA's.</p>
3. Continued review of regulatory concerns raised by the public.	<p>Public concerns related to placing more government services online, reducing frequency of compliance reporting, creating client service offices/positions, and merging application processes.</p> <p>Relevant client service improvements were realized and reported throughout the year.</p>
4. Continued monitoring for adherence to Government's zero growth principle.	<p>The Department monitored all policy proposals to ensure that a 1 to 1 (removal / replacement) principle was followed.</p> <p>The Department achieved 0% increase.</p> <p>All new regulations were reviewed to ensure compliance with regulatory reform mandate.</p> <p>All documents are reviewed and verified; timely and informative feedback provided.</p>
5. Regulatory Impact Analysis training module offered at Center for Learning and Development.	<p>An RIA training module was developed by the Department and approved by the Center for Learning and Development (CLD). This course was incorporated as part of standard course offerings with CLD.</p> <p>11 RIA training sessions have been conducted in partnership with CLD.</p> <p>Meetings and working sessions are held with Departments on an ongoing basis – formal meetings on a quarterly basis and additional sessions as required based on departmental progress and issues arising.</p> <p>RIA training is also one module of Government's policy capacity building initiative with sessions being delivered as part of that forum.</p>

# Other Highlights and Accomplishments



## Air Access Strategy

During 2010-11, the Department of Business began work on the implementation of an Air Access strategy for the province. With a \$1 million Budget allocation for year 1 implementation, this strategy provides a coordinated framework for improving air access in the province, with balanced and realistic measures that address air access needs from a province-wide perspective. It will build on our existing foundation to put the province in a better position to foster and accelerate air access development.

Key accomplishments during 2010-11 included:

- Monitoring, evaluation and reporting framework in place
- Implementation guidelines developed
- Appropriate staff and resources assigned
- Key indicators developed
- Air Access tracking program in place

## Aerospace and Defence Development

There is a growing network of innovative companies and organizations in our province that are active in a range of unique, advanced aerospace and defence related activities that extend to global markets. They are engaged in research and development, and a variety of products, services and activities, including manufacturing and assembly of aircraft components; maintenance, repair and overhaul; navigation and communications systems; aircraft modification; oceans-related defence technology; and flight training.

In 2010-11, the Department continued to develop a close collaboration with education, industry, other sector players and particularly the Aerospace and Defence Industry Association of Newfoundland and Labrador (ADIANL). Work is underway with ADIANL to develop a solid understanding of the industry in Newfoundland and Labrador, emerging global markets and the various regional and national aerospace and defence strategies identifying potential opportunities relevant to Newfoundland and Labrador.

Budget 2011 provided for the extension of the Aerospace and Defence Development Fund, committing \$9 million over the next three years with \$3 million being allocated annually. This fund continues to facilitate the advancement of this industry by supporting opportunities that build capacity, attract investment, and bring new expertise and business activity to Newfoundland and Labrador.



# Appendix A

## Department of Business Report on Program Expenditures and Revenues

Consolidated Revenue Fund For the Year Ended 31 March 2011  
(Unaudited)

<b>Estimates</b>	<b>Actual</b>	<b>Amended</b>	<b>Original</b>
1.1.01 Minister's Office	274,061	353,800	353,800
1.2.01 Executive Support	667,219	1,235,700	1,245,700
1.2.02 Strategic Planning and Communications	2,841,860	3,145,700	3,145,700
2.1.01 Business Attraction	1,537,401	1,765,200	1,755,200
2.1.02 Special Initiatives – Investment Attraction	1,713,611	7,750,000	7,750,000
2.1.03 Business Attraction Fund	(151,186)	25,000,000	25,000,000
Total Department	6,882,966	39,250,400	39,250,400

An audited financial statement is not a requirement for this entity.



# Appendix B

## 2010-11 Accomplishments at a Glance

Focus Area	Major Accomplishments
Business Investment	<p>The Department participated in 39 strategically selected trade shows/investment prospecting events for each targeted sector.</p> <p>Marketing activities were aligned with business investment activities and focus areas.</p> <p>A benchmark attitudinal awareness study was completed to establish image and perception of Newfoundland and Labrador in target markets.</p> <p>The Department continued to monitor and support the Aerospace and Defence Development Fund.</p> <p>The Oil and Gas Export Development Fund, which expired in March 2010, was extended for another two years with a \$1 million allocation for 2010-11.</p>
Business Leadership	<p>The Department began leading the implementation of a government-wide Air Access Strategy.</p> <p>The Department led an interdepartmental brand development committee which was established to advance brand development and facilitate information sharing across departments.</p> <p>In 2010-11, marketing materials were created to position Newfoundland and Labrador as the anchor destination in efforts to avail of emerging opportunities in the Arctic.</p> <p>The Department created a video that promoted the province as a top destination to live, work, invest and visit.</p> <p>The Department also led the province's participation at the first Arctic Technology Conference in Houston, Texas.</p>
Regulatory Reform	<p>The Department followed a 1 to 1 (removal/replacement) principle, and 0% increase in regulatory requirements was maintained.</p> <p>Numerous examples of client service improvements were realized and reported throughout the year.</p> <p>Examples of improved client services included placing more government services online, reducing frequency of compliance reporting, creating client service offices/positions, and merging application processes.</p> <p>A Regulatory Impact Assessment (RIA) training module was developed by the Department and approved by the Center for Learning and Development (CLD).</p> <p>11 RIA training sessions have been conducted in partnership with CLD.</p> <p>The successful implementation of Regulatory Reform resulted in positive recognition by the CFIB ranking Newfoundland and Labrador among the top three provinces.</p>

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