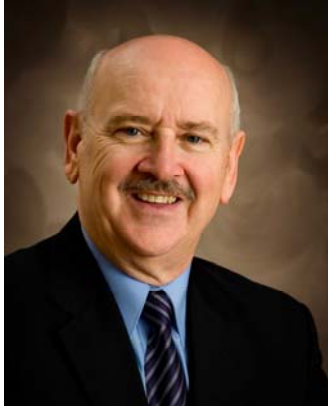




**Intergovernmental Affairs
Secretariat**

Annual Report 2008-2009

Message from the Minister



As Minister for Intergovernmental Affairs, I am pleased to present the 2008-2009 Annual Report of the Intergovernmental Affairs Secretariat, which details its activities from April 1, 2008 through March 31, 2009. This report was prepared under my direction and I am accountable for the results reported.

The Secretariat is focused on the creation, coordination and review of policy that affects the Province's interests in intergovernmental matters. We have a legislated responsibility to be a party to the negotiation and signing of all intergovernmental agreements. The Secretariat also acts as the point of entry for the federal government where no analogous provincial department exists, and it leads the Province's efforts to promote and diversify operations at 5 Wing Goose Bay.

This past year we participated in a number of intergovernmental meetings with governments from across Canada and the United States as well as with representatives from countries in Europe. The Secretariat played lead and partnership roles to advance the Province's interests on a range of intergovernmental issues. This year there was a focus on the economic turmoil this country, and the world, is facing. These issues were discussed at a number of meetings including those of the Council of the Federation, First Ministers, the Conference of New England Governors and Eastern Canadian Premiers, the Council of Atlantic Premiers, and the South Eastern United States – Canadian Provinces' Alliance. For each meeting, the Secretariat was responsible for preparing and coordinating the development of briefing materials, and providing policy support and advice to the Premier and/or relevant Ministers. In addition to supporting the Premier, the Secretariat continued to offer strategic advice and logistical assistance to me, as Minister for Intergovernmental Affairs, and other Cabinet Ministers in relation to meetings and negotiations with the federal government and the provinces and territories, and with representatives of international governments.

This year was the first in a three year reporting period and I feel that the Secretariat has accomplished a great deal towards meeting the goals that we have set for ourselves. That being said, we have a busy year ahead with a number of challenges and opportunities that need to be addressed. We will continue to work diligently to reach our goals through our activities and represent the best interests of the Province at every opportunity. I look forward to the next year and would like to take this opportunity to acknowledge the contribution of my predecessor, the Honourable Tom Hedderson, who served as Minister for Intergovernmental Affairs for the first half of the reporting period.

A handwritten signature in blue ink that reads "Dave Denine". The signature is fluid and cursive.

Dave Denine, MHA
Minister for Intergovernmental Affairs and
Minister Responsible for the Volunteer and Non-Profit Sector

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1.0 Overview of the Intergovernmental Affairs Secretariat

The Intergovernmental Affairs Secretariat (the Secretariat) leads the formulation of government's intergovernmental policies and strategies and monitors and coordinates interdepartmental initiatives to ensure their consistent application.

The Secretariat coordinates intergovernmental activity and recommends strategic approaches to federal/provincial/territorial relations, including the negotiation of federal/provincial/territorial funding arrangements in consultation with relevant departments. The Secretariat also develops provincial policy in areas that do not fall under the responsibility of other departments (including defence and foreign affairs).

On defence matters, the Secretariat coordinates discussion with military officials and local representatives related to planning issues and provincial interests.

International activities also fall within the responsibility of the Secretariat. The Secretariat is responsible for the coordination of policies, programs and activities of the Government of Newfoundland and Labrador in relation to other sovereign governments.

The Secretariat supports the Premier in his participation in meetings of the Council of the Federation, the Council of Atlantic Premiers, the Conference of New England Governors and Eastern Canadian Premiers, First Ministers, and other Premiers' meetings as are deemed necessary.

Vision

The vision of the Secretariat is of a Province which is recognized as making an important contribution to a strong and united Canada and which is treated equitably within the federation.

Mission

By 2011, the Secretariat will have promoted and represented the Province's interests within Canada and internationally to maximize benefits to Newfoundland and Labrador.

Mandate

The mandate of the Secretariat is to:

- coordinate all policies, programs and activities of the government of the Province and its agencies in relation to a sovereign government and its agencies;
- continually review all policies, programs and activities of the government of the Province and its agencies in relation to a sovereign government and its agencies, all intergovernmental agreements, and all relevant legislation pertaining to those policies, programs, activities and agreements;
- be a party to the negotiation of all proposed intergovernmental agreements;
- promote the military diversification and long-term operation of 5 Wing Goose Bay;
- act as the point of entry for the federal government where no analogous provincial department exists; and
- take necessary action to initiate or maintain intergovernmental co-operation between the Province and a sovereign government.

The Secretariat's lines of business are:

Intergovernmental policy formulation and advice: The Secretariat is responsible for monitoring and analyzing intergovernmental dimensions of constitutional, social, economic, resource and fiscal policy matters in order to formulate and provide policy advice on the development of government's intergovernmental strategy and agenda.

Promotion of the Province's interests: The Secretariat attends and provides support for bilateral, multilateral, regional and international intergovernmental meetings and conferences to present and promote Newfoundland and Labrador's positions on matters of importance to the Province; and promotes the Province's interests by assisting departments in their participation in intergovernmental meetings and negotiations, and their negotiation of intergovernmental agreements.

Support and coordination: The Secretariat coordinates and provides support for interdepartmental initiatives that have intergovernmental implications.

Number of Employees

The Secretariat is staffed by 15 people (not including the offices of the Minister or the Provincial Representative in Ottawa). All staff work on the 7th floor, East Block, Confederation Building, St. John's. The Secretariat is directed by the Deputy Minister and the Assistant Deputy Minister. It comprises two divisions:

Social and Economic Policy: Policy formulation derives from an ongoing review and analysis of all intergovernmental issues relating to social and economic matters. These issues include education, immigration, labour market programs, health, social services, women's policy, housing, justice, internal and international trade, industry and economic development, transportation/infrastructure, and national defence. Its staff complement is a female director and three male analysts.

Resource and Fiscal Policy: Policy formulation derives from an ongoing review and analysis of all intergovernmental issues relating to constitutional issues, fiscal and resource policy matters. These issues include fisheries and oceans, agriculture, environment, tourism, parks, forestry, energy, mining, wildlife, crown lands and fiscal transfers and other fiscal arrangements. It is also responsible for the identification and analysis of the Province's intergovernmental priorities. Its staff complement is a male director and three male analysts.

The Secretariat is assisted by a female Communications Specialist and three female administrative assistants to the Minister, Deputy Minister and Assistant Deputy Minister respectively, with a fourth female administrative assistant who assists the two divisions.

Financial information for the Secretariat can be found in Section 6.0. The Ottawa Office is funded through the Secretariat, but is not part of the Secretariat's organizational structure and reports directly to the Office of the Premier.

Shared Commitments

The Secretariat's work in coordinating intergovernmental activity means that it works with other departments in nearly all areas. For example, shared commitments are central to each of the Secretariat's four strategic directions. To promote 5 Wing Goose Bay, the Secretariat works with provincial departments such as Labrador and Aboriginal Affairs, Environment and Conservation and

Business. To assess developments in the federal government's presence in Newfoundland and Labrador, provincial departments provide the Secretariat with valuable information about developments in federal staffing and the need for federal services. In preparations for intergovernmental fora, the Secretariat works with all government departments to understand their issues, analyse, assist and develop policy positions. The Secretariat's approach to enhancing jurisdictional ownership and effective control over the offshore involves coordination with multiple departments to ensure a comprehensive and consistent approach to related issues.

While nearly all commitments of the Secretariat are shared, particular examples are illustrated below where relevant.

2.0 Key Accomplishments and Priorities

In 2008-2009, the Secretariat undertook partnership and lead roles to advance the Province's interests in a range of intergovernmental fora, both multilaterally and bilaterally. Key accomplishments and priorities focused on support to the Premier and Minister for Intergovernmental Affairs in their meetings and negotiations with the federal government and the provinces and territories.

Federal Provincial Relations

The relationship between the provincial and federal government faced challenges during 2008-2009. In its 2009 Budget, the federal government proposed changes to the calculation of Equalization that had negative consequences for the calculation of offset payments under the Atlantic Accords, as noted below. In February 2009, Newfoundland and Labrador declined to support the federal process on negotiation of a new economic agreement with the European Union because of concerns that issues of importance to this Province, such as a proposed ban on seal products into the EU and prohibitive tariffs on seafood products, may not be safeguarded or dealt with in an appropriate way by the Federal Government. Despite continued efforts on the part of the Province there has also been a lack of progress on securing custodial management of our fishery.

However, notwithstanding these challenges, the normal business of the Province's relationship with the federal government continued. During 2008-2009 the Province signed approximately 63 intergovernmental agreements with the federal government and 70 intergovernmental agreements overall.

Equalization and transfers

On March 12, 2009, the House of Commons passed the 2009 *Budget Implementation Act*, which introduced changes to the Equalization program. The result of one of these changes, due to the way that the Equalization program interacts with payments to which the Province is entitled under the 1985 Atlantic Accord, is that the Province will receive approximately \$1 billion less in Accord payments over three years. In 2009-2010, Newfoundland and Labrador will be the only province that will receive less from Equalization or, where applicable, a combination of Equalization and Accord offset payments, than in 2008-2009.

In addition, the federal government continues to implement previously announced changes to the Canada Social Transfer that will end the way that transfer incorporates the varying fiscal capacities of provinces and territories and is considering similar changes to the Canada Health Transfer (CHT). The Secretariat and the Department of Finance conducted analysis of the CHT changes announced

in Budget 2009, which would have cost the Province \$78 million in lost revenue in 2009-10. Premier Williams spoke out publicly against this proposal. Subsequently, when it introduced its Budget implementation legislation, the federal government left the formula for CHT payments unchanged for 2009-2010 and 2010-2011. The legislation, passed in March 2009, nevertheless provided an extra payment of \$489 million to Ontario so it would receive the equivalent of equal per-capita cash. This had the effect of shifting a greater proportion of CHT payments to Ontario.

Monitoring equalization and transfers, advocating for a principles-based approach and calling for the federal government to honour its commitments regarding the treatment of natural resource revenues continue to be top priorities for the Secretariat. The Secretariat, in collaboration with the Department of Finance, continues to support the Premier and the Minister of Finance in the effort to gain equitable treatment by the federal government in regards to transfer programs.

Intergovernmental Agreements

In 2008-2009, the Province entered into approximately 63 new or renewed agreements with the federal government to provide a range of funding and services to the people of Newfoundland and Labrador, and 7 additional agreements not including the federal government. The *Intergovernmental Affairs Act* provides that the Minister for Intergovernmental Affairs or his or her designate shall be a party to the negotiations of each intergovernmental agreement and that each shall, before executed, be submitted to the Minister and shall be signed by the Minister or his or her designate.

The Secretariat's consequent mandate is to: ensure that each agreement is consistent with the Province's intergovernmental policies and priorities; provide advice and information to the Minister, Premier and Cabinet about agreements with other jurisdictions; and support provincial departments in achieving their mandates through intergovernmental agreements. A key priority for the Secretariat is to ensure that these agreements are appropriate for those between two sovereign governments, support the principles of partnership and respect for the constitutional division of powers. The Secretariat may provide support and advice to departments at a number of stages, from the formulation through the negotiation to the finalization of these agreements. The depth of the Secretariat's involvement varies depending on factors such as the department's need for support and the priority of the agreement under intergovernmental policy, but in all cases the Secretariat works with the relevant department on the penultimate draft as authority is sought to enter into the agreements.

Multilateral Fora

The Council of Atlantic Premiers

Premiers established the Council of Atlantic Premiers (CAP) in 2000 to strengthen the economic competitiveness of the Atlantic Provinces, improve the quality and cost-effectiveness of public services and promote the interests of the Atlantic Provinces on national issues.

The CAP held two formal meetings during the 2008-2009 reporting period. The May 9, 2008 meeting held in Fredericton, NB focused on health promotion and wellness, affordable housing, the Atlantic Gateway, climate change, and internal trade. The December 8, 2008 meeting held in Summerside PEI focused on economic competitiveness, a green energy corridor in the region, the environment, affordable housing, and poverty reduction.

In February 2009, CAP also undertook a trade mission to Alberta aimed at expanding trade, business opportunities, and partnerships between the four Atlantic Provinces and Alberta.

The Secretariat, in consultation with many departments across Government, prepared the Premier's briefing materials and provided strategic advice and support to the Premier during the meetings.

For more information about the Council of Atlantic Premiers, you may visit the website at www.cap-cpma.ca.

The Council of the Federation

The Province's commitment to the Council of the Federation is covered under intergovernmental fora under section 3, Issue #3. The Council of the Federation held its annual summer meeting in Quebec City in July 2008 and also met in October and November of 2008 and January 2009. For more information about the Council of the Federation, including the communiqués issued by the Council following these meetings, visit the website at www.councilofthefederation.ca.

The Secretariat, in consultation with many departments across Government, prepared the Premier's briefing materials and provided strategic advice and support to the Premier during the meetings.

First Ministers' Meetings

On November 10, 2008, Premier Williams and his colleagues met with the Prime Minister in Ottawa to discuss ongoing issues in the economy. This took place in the midst of a series of talks among world leaders about the ongoing financial crisis.

A second meeting occurred on January 16, 2009 following the January 15 meeting with leaders of the National Aboriginal Organizations. The main issues discussed were the ongoing economic situation, infrastructure and labour market issues. A communiqué issued by the Prime Minister following this meeting is available on the website of the Canadian Intergovernmental Conference Secretariat at www.scics.gc.ca.

The Secretariat, in consultation with many departments across Government, prepared the Premier's briefing materials and provided strategic advice and support to the Premier during the meetings.

Premiers' Meeting with Leaders of the National Aboriginal Organizations

On July 10, 2008, Premier Williams and his colleagues met in Quebec City, with the leaders of the National Aboriginal Organizations, to discuss the quality of life gap between Aboriginal Peoples and the rest of Canada, and improving education and life-long learning opportunities for Métis, First Nations and Inuit. The Secretariat worked closely with the Department of Labrador and Aboriginal Affairs to provide strategic advice, relevant materials, and on-site support to the Premier.

Federal/Provincial/Territorial and Provincial/Territorial Meetings

In addition to the Premier's intergovernmental meetings, the Province participates in numerous Ministerial meetings and meetings of senior officials. These may be multilateral, involving the federal government and other provinces and territories, or bilateral, involving one other government. Some are long-term, established Ministerial or official groups; others are formed on an *ad hoc* basis to address a specific issue. The Secretariat's primary role is to provide advice regarding the Province's positions and interests. In a number of cases, Secretariat officials attended meetings with Ministers and departmental personnel.

In 2008-2009, the Secretariat contributed to numerous intergovernmental meetings. Ministers and department officials received timely analysis and information about the positions and policies of

the federal and provincial governments having an impact on Newfoundland and Labrador in the areas of political (elections/executive/legislative), fiscal (budgets), and economic and social policies. The Secretariat provided advice to ensure consistency in the Province's positions and assistance to departments to negotiate and conclude intergovernmental agreements and prepare appropriate submissions to inform the Cabinet decision-making process.

The Conference of New England Governors-Eastern Canadian Premiers

The Conference of New England Governors and Eastern Canadian Premiers (NEG-ECP) was established in 1973 to expand economic ties among the states and provinces; foster energy exchanges; advocate for environmental issues and sustainable development; and coordinate numerous policies and programs in such areas as transportation, forest management, tourism, small-scale agriculture, and fisheries.

The 32nd Annual Conference of the NEG-ECP was held in Bar Harbor, Maine on September 15 & 16, 2008. A total of eight resolutions were set forth from this meeting including those on the Transportation Air Quality Action Plan, the economic and social impacts of demographic challenges, energy and energy efficiency, climate change adaptation, and cooperation on transportation and economic development.

The Secretariat participated in the development of the meeting agenda, in collaboration with Eastern Canadian and New England counterparts, and coordinated the preparation of briefing materials and advice to Premiers and Governors. The Secretariat also provided logistical support and strategic advice to the Premier during the meeting.

For more information about the NEG-ECP, and to review the individual resolutions, you may visit the following websites: www.negc.org/premiers.html or www.cap-cpma.ca/

South Eastern United States – Canadian Provinces Alliance

In November 2007, seven Canadian provinces and six U.S. states founded the *South Eastern United States – Canadian Provinces Alliance* (SEUS/CP); a business focused forum intended to build and further develop the trade relationships between the jurisdictions. The Alliance was formally created with the signing of the *Joint Declaration Establishing the South Eastern United States – Canadian Provinces Alliance*. The Alliance comprises NL, MB, ON, QC, NB, NS and PEI, and from the U.S., Georgia, South Carolina, North Carolina, Tennessee, Mississippi and Alabama. While the Secretariat has been active in the start-up of this organization and continues to participate in its development, the Department of Innovation Trade and Rural Development is currently the lead.

The Secretariat assisted in preparations for the Alliance's meeting in Savannah, GA in June 2008 and provided on-site advice and logistical support to the Minister of Innovation, Trade and Rural Development, who attended the meeting on behalf of the Premier.

During the reporting period the Secretariat has collaborated with the Department of Innovation, Trade and Rural Development on the preparations to host the annual meeting of SEUS/CP in St. John's on July 26-28, 2009.

Visiting International Dignitaries

Every year, many international dignitaries visit the province and meet with the Premier, the Minister

for Intergovernmental Affairs, other Cabinet Ministers, and various government officials. While the Office of Protocol (Executive Council) advises on matters of protocol and organizes state and ceremonial events, the Secretariat supports the Premier and the Minister for Intergovernmental Affairs by undertaking research and providing strategic advice for such meetings. In 2008-2009, the Province hosted delegations from 11 foreign countries and international organizations. Among these was a delegation from Iceland which included the Icelandic Prime Minister, Iceland's Ambassador to Canada, and various other government officials who were here in the Province to attend the signing of an MOU between Iceland and Newfoundland and Labrador.

3.0 Activities in 2008-2009

The Intergovernmental Affairs Secretariat Activity Plan is the Secretariat's guide to its activities for the coming years. As outlined in the Plan, the strategic directions for which the Minister for Intergovernmental Affairs is responsible are:

5 Wing Goose Bay The desired outcome is to promote the military diversification and long-term operation of 5 Wing Goose Bay. This outcome supports the policy direction of Government as outlined in the 2007 and 2005 Throne Speeches.

Federal-Provincial Relations The desired outcome is to achieve the equitable treatment of Newfoundland and Labrador in the federation. This outcome supports the policy direction of Government as outlined in the 2009, 2008, 2007, 2005 and 2004 Throne Speeches and the Progressive Conservative Party Policy Platforms.

The following activities undertaken in 2008-2009 supported the achievement of these strategic directions and are outlined in the 2008-2011 Activity Plan.

Issue #1: 5 Wing Goose Bay

The Secretariat acts as lead provincial agency for matters related to defence; 5 Wing Goose Bay is a priority issue. Secretariat officials work closely with all provincial departments, federal officials in various departments, and the local community (e.g. the Town of Happy Valley – Goose Bay, the Goose Bay Citizen's Coalition and other groups and organizations as appropriate) to advance the future viability of military presence and training.

Goal: By 2011, the Secretariat will have worked with the federal government, the community and other provincial departments and agencies to promote the military diversification and long-term operation of 5 Wing Goose Bay, including attracting foreign military flight and other military training.

Objective: By 2009, the Secretariat will have continued to work with the federal government to live up to its commitment to the military diversification and long-term operation of 5 Wing Goose Bay, including attracting foreign military flight and other military training.

Measure: Assessment of any federal defence policy changes for applicability to the goals of military diversification and long-term operation of 5 Wing Goose Bay.

Indicators	Activities in 2007-2008
Analysis of the Canada First Defence Strategy;	IGAS thoroughly analysed the Canada First Defence Strategy (CFDS) and the Minister for Intergovernmental Affairs wrote to the Minister of National Defence immediately after its release in order to remind the federal government of the outstanding commitments which had been made to 5 Wing, and to seek clarification regarding the impact of the CFDS upon delivery of these commitments. Since the release of the CFDS, statements from the Prime Minister, Minister of National Defence, and the Conservative candidate in Labrador during the 2008 federal election all suggested that the federal government intends to fulfill its commitments to 5 Wing Goose Bay. The Secretariat continues to monitor implementation of the CFDS through maintaining contact with federal officials, and through providing analysis of all defence related developments.
Advocacy to the Federal government through personal meetings and written representation;	The Minister for Intergovernmental Affairs wrote eight letters to federal ministers in fiscal year 2008/2009 focused on holding the federal government responsible for commitments made to NL with regard to 5 Wing Goose Bay. Numerous requests were made to meet with federal ministers; however, the Province could not secure a meeting in the reporting period.
Improved information sharing among responsible federal and provincial government departments and agencies.	The Secretariat addressed information gaps between institutional stakeholders by serving as a liaison for all matters involving 5 Wing, the Department of National Defence (DND) and provincial government departments. The Secretariat facilitated communications between 5 Wing and DND officials and the provincial government related to environmental monitoring and remediation, wildlife avoidance and impact mitigation, as well as land-use issues and public safety related to the Base's activities. The Secretariat provided regular briefings and strategic advice to relevant ministers and deputy ministers, to ensure consistency in provincial policy and positions.

Objective for 2009: By 2010, the Secretariat will have continued to work with the federal government, the community and provincial line departments and agencies to promote military diversification and long-term operation of 5 Wing Goose Bay including attracting foreign military flight training and other military training.

Indicators for 2009: By 2010, the secretariat will have: monitored and analysed developments in federal defence policy; continued its advocacy to the federal government through meetings and representation; and continued information sharing among the community and responsible federal and provincial government departments and agencies.

Issue #2: Federal Presence

The federal government's presence throughout Newfoundland and Labrador is important to the Province's economy and place in Canada. Over the last two decades, disturbing trends have emerged. Federal employment in this Province has declined at a rate markedly higher than the national average and the Province's share of federal executives is much less than its share of the national population. The Secretariat is responsible for advancing the Province's interests in this matter with the federal government. This activity issue assists the Secretariat in fulfilling its strategic direction to achieve equitable treatment of the Province within Canada by ensuring equity of federal government positions and decision-making within Newfoundland and Labrador.

Goal: By 2011, the Secretariat will have worked to promote increased federal presence throughout Newfoundland and Labrador.

Objective: By 2009, the Secretariat will have engaged and provided proposals with internal departments and agencies and any other relevant stakeholders to identify areas for increased federal presence.

Measure: Engagement with internal departments and agencies and other relevant stakeholders to identify areas for increased federal presence.

Indicators	Activities in 2007-2008
Consultations with relevant departments and stakeholders;	<p>The Secretariat has had meetings and consultations with federal officials regarding issues of federal presence.</p> <p>The Secretariat consults regularly with stakeholders in regards to 5 Wing Goose Bay. The frequency of consultation is proportional to the level of activity ongoing with regard to federal announcements pertaining to 5 Wing, foreign military training, and civilian flight testing and training. This consultation is undertaken at all levels of the Secretariat, and is part of its regular business.</p> <p>The Secretariat has also consulted with Environment Canada and Transport Canada regarding recent staffing changes to assess the overall impact on federal presence in the Province.</p>
Interdepartmental collaboration on proposals to advance federal presence;	<p>The Secretariat has worked closely with provincial departments to identify strategic opportunities and develop possible approaches, including joint advocacy efforts. These have included working with Environment and Conservation, Transportation and Works, and the Province's Representative in Ottawa regarding specific cuts to federal presence, but also includes other Departments as required.</p> <p>The Secretariat, in collaboration with the Department of Innovation, Trade and Rural Development, drafted and submitted a proposal to the federal government advocating the creation of an Oceans Development Agency in 2008-09 as part of the Northern Gateway Strategy. This proposal was for a federal agency modeled on the Canada Space Agency, to be</p>

	headquartered in Newfoundland and Labrador.
Address and rectify information gaps;	<p>By serving as a liaison between departments the Secretariat was able to help consolidate information and rectify information gaps. Ongoing federal hiring and retirement, as well as periodic restructuring mean that an accurate picture of the federal presence is difficult to maintain. The Secretariat works to diminish this existing gap by assessing the threats and opportunities for presence issues based on the federal budget, federal announcements and restructuring in federal departments. This work was utilized by the Minister for Intergovernmental Affairs in communications to the federal government on these matters.</p> <p>The Secretariat has monitored and analyzed reports by Statistics Canada on federal presence in the Province.</p> <p>Gaps in knowledge remain an issue and will always be a concern when trying to ascertain policy and staffing changes in the federal government, but provincial expertise continues to develop in this area.</p>
Representation made to the federal government.	<p>The Secretariat has continually promoted an increase in federal decision-making capacity in the Province to ensure the quality of federal policy, and the level of employment, is improved.</p> <p>The Secretariat has advocated issues of federal presence through the media, in particular with an October press release, as well as through meetings, letters, and conversations with federal officials and politicians. The Minister has written 16 letters to Federal Ministers regarding federal presence during the reporting period. In particular, the Secretariat has advocated against reductions of federal decision makers in Environment Canada, Transport Canada and military commitments. The Secretariat has also provided support to the Premier on this issue.</p> <p>The Secretariat provided support to the Premier and the Minister for Intergovernmental Affairs in their discussions with the federal government on implementing the proposed Canadian Oceans Development Agency in the Province.</p> <p>The Secretariat continued to monitor and advocate for implementation of federal commitments to 5 Wing Goose Bay and CFS St. John's.</p>

Objective for 2009: By 2010, the Secretariat will have engaged and provided proposals to the federal government on how to increase federal presence throughout Newfoundland and Labrador.

Indicators for 2009: By 2010, the Secretariat will have: consulted with relevant departments and stakeholders; conducted interdepartmental collaboration on proposals to advance federal presence; further developed knowledge about federal presence concerns in the Province and rectification of new information gaps; made representations to the federal government; and engaged with and provided proposals, where appropriate, to the federal government on how to increase federal presence throughout Newfoundland and Labrador.

Issue #3: Intergovernmental Fora

The Intergovernmental Affairs Secretariat is responsible for supporting the Premier and Ministers' participation in such intergovernmental fora as the Council of the Federation (COF), Council of Atlantic Premiers (CAP), New England Governors – Eastern Canadian Premiers (NEG-ECP) and First Ministers Meetings (FMMs). This involves the preparation of briefing materials, advancing the Province's interests through these Councils and Conferences, and working with colleagues across the country and throughout New England to implement Premiers' and Governors' direction. This activity issue assists the Secretariat in fulfilling its strategic direction to achieve equitable treatment of Newfoundland and Labrador within the federation by ensuring the Premier and the Minister are able to use these conferences and meetings to articulate the Province's positions and promote its interests.

Goal: By 2011, the Secretariat will have consistently supported the promotion and advancement of Newfoundland and Labrador's interests within such fora as the Council of the Federation, the Council of Atlantic Premiers, the Conference of New England Governors and Eastern Canadian Premiers and at First Ministers Meetings.

Objective: By 2009, the Secretariat will have provided logistical and analytical support and strategic advice to the Province in working with other jurisdictions in these fora.

Measure: Supported the Premier and Minister's participation in such intergovernmental fora as the Council of the Federation, the Council of Atlantic Premiers, the Conference of New England Governors and Eastern Canadian Premiers and First Ministers' Meetings.

Indicators	Activities in 2008-2009
Participate in steering committees and other working groups to establish the agendas and advance the activities of these intergovernmental fora;	<p>The Council of the Federation met from July 16-18, 2008. COF also held a working meeting on October 20 to develop an action plan on the economy and held meetings on November 10, 2008 and on January 15, 2009 in preparation for First Ministers Meetings. Premiers held conference calls on May 27, 2008 to plan for the summer meeting and on February 11, 2009 to discuss Canada-EU partnership negotiations.</p> <p>The Council of Atlantic Premiers met from May 8-9, and from December 7-8 2008.</p> <p>The Conference of New England Premiers and Eastern Canadian Premiers met from September 15-16, 2008.</p>

	<p>For each of the COF, CAP and NEG-ECP, the Secretariat participated in the development of meeting agendas, in collaboration with provincial and territorial colleagues.</p> <p>Throughout 2008-2009, the Secretariat also represented the Province on the Council of the Federation's Steering Committee and Senior Official's Committee. The Secretariat also represented the Province on the CAP Management Committee and Management Committee's Officials' Committee and on the Coordinating Committee of the NEG-ECP.</p> <p>The Secretariat participated in organizing meetings of federal, provincial and territorial intergovernmental affairs officials in advance of the two FMMs that took place during the reporting period, in November 2008 and January 2009.</p> <p>The Secretariat assisted in preparations for the Alliance's meeting in Savannah, GA in June 2008 and in preparations for the February 2009 CAP trade mission to Alberta.</p>
<p>Prepare strategic advice and briefing materials for the Premier and Minister's participation in these conferences and meetings;</p>	<p>The Secretariat prepared briefing materials and advice to the Premier, Ministers and Cabinet, in consultation with departments, for all major intergovernmental meetings.</p>
<p>Coordinate with provincial departments and other governments to implement Premier's and Governors' directions.</p>	<p>In communiqués issued by Premiers at the COF meetings in July , October, November 2008 and in January 2009, at the CAP meetings in May and December 2008 and at the FMM in 2009, and in resolutions adopted by the NEG-ECP Conference in September 2008, direction was provided by First Ministers and Governors for Ministers to produce work on a wide range of matters. The Secretariat was active in communicating this direction to relevant departments and monitoring implementation.</p>

Objective for 2009: By 2010, the Secretariat will have continued to provide logistical and analytical support and strategic advice to the Province in working with other jurisdictions in these fora.

Indicators for 2009: The indicators for 2009 will remain the same as for the 2008 report as this objective is a continued responsibility.

Issue #4: Jurisdictional Ownership and Effective Control over the Offshore

In Blueprint 2007, the Government of Newfoundland and Labrador committed to continue to seek jurisdictional ownership and effective control of petroleum and other resources in waters adjacent

to Newfoundland and Labrador. The Secretariat has been tasked with overseeing and implementing this commitment. This activity issue assists the Secretariat in fulfilling its strategic direction to achieve equitable treatment of the Province within Canada by seeking equity in the treatment of the Province's offshore interests, be that oil and gas, the fishery or environmental issues. Ownership and control is important to the Newfoundland and Labrador economy and the Province's broader interests.

Goal: By 2011, the Secretariat will have worked to advance the Province's jurisdictional ownership and effective control of petroleum and other resources in the waters adjacent to Newfoundland and Labrador.

Objective: By 2009, the Secretariat will have evaluated the current situation and identified opportunities to advance the Province's jurisdictional ownership and effective control over the offshore.

Measure: Evaluation of the current situation and identification of opportunities to advance the Province's jurisdictional ownership and effective control over the petroleum and other resources in the waters adjacent to the Province

Indicators	Activities in 2008-2009
Completion of analysis documents on the current status;	In collaboration with the Department of Natural Resources, the Department of Fisheries and Aquaculture and the Department of Justice, the Secretariat has analyzed a wide range of issues related to the effective control that the Province has over resources in the offshore and provided documents as needed. This analysis identifies and clarifies the opportunities to advance jurisdictional ownership. Particular attention was given to ensuring that the principles and provisions of the 1985 and 2005 Atlantic Accords are maintained.
Engagement with other departments and agencies and other relevant stakeholders on ways to increase the Province's jurisdictional ownership and effective control	The Secretariat was actively involved with the Departments of Natural Resources, Fisheries and Aquaculture, Justice, Environment and Conservation and Tourism, Culture and Recreation on the range of ongoing issues identified by the Secretariat to ensure that a coherent and consistent approach is taken and new ways are explored to address matters that affect the Province's control over offshore resources. These activities include: participation in the negotiation of intergovernmental agreements; the review of submissions; the provision of policy advice to Ministers, the Premier and Cabinet; and involvement with committees dealing with intergovernmental issues. These activities ensure a consistent plan is followed in relations with the federal government on this issue.

Objective for 2009: By 2010, the Secretariat will have worked with relevant provincial government departments to develop a plan to incorporate measures to enhance effective control over offshore resources into the policies and operations of relevant provincial departments, agencies and crown

corporations.

Indicators for 2009: By 2010, the Secretariat will have: consulted with relevant ministers and departments regarding the advances, challenges and status of NL's attempt to broaden and deepen its jurisdiction over offshore resources; continued engagement with other departments and agencies and other relevant stakeholders; and developed a plan to incorporate measures to enhance effective control over offshore resources into the policies and of relevant provincial departments, agencies and crown corporations.

4.0 Opportunities and Challenges in 2009-2010

The Canadian intergovernmental environment is continually transforming as leadership and priorities change. In response to such changes, The Secretariat facilitates the Province's positioning on issues of specific and common concern to achieve the vision of a Province which is recognized as making an important contribution to a strong and united Canada and which is treated equitably within the federation.

Relations with the Federal Government

In 2009-2010, Government will continue to strive for the goal of fairness within the Canadian Federation and will seek to ensure that the Province receives its fair share of national programs. The challenges faced in addressing these issues, as noted above, are significant, but it is necessary to confront them if the Canadian Federation is to work in a fair and respectful manner. The Secretariat will also work with departments to ensure that ongoing collaborative federal-provincial efforts continue to be productive, such as the federal-provincial joint environmental assessment of the Lower Churchill Hydroelectric Generation Project, which offers one the best economic opportunities for our Province.

Government will also continue to call upon the federal government to return major federal transfer programs to a principled basis and enhance their equitability. Government also maintains its position that the federal government honour the commitment it made to the Province regarding the treatment of natural resource revenues in calculating Equalization payments. The challenge that the Province faces is related to the departure from a principle-based approach to federal-provincial/territorial transfers and the failure of the federal government to honour its commitment to the Province. The Province has advocated for this commitment and for more principled transfer programs, but has yet to receive a positive response from the federal government. The Secretariat, in collaboration with the Department of Finance, will continue to support the Premier and the Minister of Finance in Government's efforts to ensure that the Province is treated equitably by the federal government's transfer programs.

The Secretariat will also call upon the federal government to increase its presence in the Province by locating more executive positions, with policy decision making powers, to Newfoundland and Labrador and, where it is appropriate, to establish headquarters offices of federal departments and/or agencies. Such an increase in federal presence would provide value to all Canadians and have a direct and important impact upon this Province. The Secretariat will provide strategic advice and support to the Premier, the Minister for Intergovernmental Affairs and other Cabinet Ministers in these endeavours.

Obligations to Intergovernmental Fora

Intergovernmental fora provide opportunities to advance the Province's key priorities on regional, national and international stages. In 2009-2010, the Province will continue to work through organizations such as the Council of the Federation, Conference of New England Governors and Eastern Canadian Premiers and the Council of Atlantic Premiers. The Secretariat will support the Premier and the Minister for Intergovernmental Affairs as they participate in and meet the challenges in discharging their obligations to these organizations. The Secretariat will develop, with other jurisdictions, the agenda and common briefing materials; develop and implement logistical arrangements related to the Province's participation; develop and produce relevant briefing materials, in consultation with other provincial departments; and provide strategic advice and on-site support during meetings in order to ensure that available opportunities to maximize the Province's interest are activated to the extent possible. Following such meetings, The Secretariat will collaborate with provincial departments and agencies and other jurisdictions to implement Premiers' directions and report on their progress.

National Defence

Recent federal policy directions, including the Canada First Defence Strategy and Canada's Northern Strategy, provide possible opportunities for the Province to pursue with respect to national defence. Military presence is an important feature of the geography, economy and culture of Newfoundland and Labrador. In 2009-2010, the Secretariat will continue to participate in and provide strategic advice to an interdepartmental working group led by the Department of Municipal Affairs to meet the challenge of fulfilling a 2007 Blueprint commitment to establish a memorial in Newfoundland and Labrador to honour soldiers who have served and sacrificed their lives in the Afghanistan mission. The working group will include representatives of the Royal Canadian Legion and the Military Family Resource Centre.

Challenges relating to 5 Wing Goose Bay are also important for the coming year. The Province will continue to hold the federal government accountable for its commitments to station a new Rapid Reaction Army Battalion and Unstaffed Aerial Vehicle Squadron at 5 Wing. The Secretariat will work with local stakeholders to promote related diversification opportunities at the base.

The Province will also hold the federal government to its commitment to establish at Canadian Forces Station (CFS) St. John's a new Territorial Defence Battalion for emergency response. The Secretariat will continue to monitor developments in the Department of National Defence consolidation project at CFS St. John's, which will replace the 16 military facilities located at the Pleasantville site.

Intergovernmental Agreements

While the Secretariat will continue to carry out its legislated responsibilities pertaining to the negotiation and signing of intergovernmental agreements, recent federal policy changes regarding transfer payments create both challenges and opportunities for the Province.

These policy changes create opportunities for the Province to remove onerous and inappropriate obligations, which do not properly reflect our role in the federation, from intergovernmental agreements.

Challenges also exist in that while the freedom now exists for federal departments to avoid such onerous and inappropriate clauses, they are not explicitly directed to do so by these policy changes. There is also a lack of information about these policy changes among federal officials.

The Secretariat will work with its federal counterpart (the Privy Council Office), as well as provincial and federal departments to ensure that agreements with the other governments, particularly the federal government, are respectful of Newfoundland and Labrador as a member of the Canadian federation.

5.0 Contact the Intergovernmental Affairs Secretariat

Intergovernmental Affairs Secretariat
Government of Newfoundland and Labrador
7th Floor, East Block
Confederation Building
P.O. Box 8700
St. John's, Newfoundland and Labrador
A1B 4J6
Telephone: (709) 729-3164
E-mail: iga@gov.nl.ca
Website: <http://www.exec.gov.nl.ca/exec/iga/iga-ovr.htm>

6.0 Summary of Expenditures and Related Revenues

For the Year ending 31 March 2008 (Unaudited)*

	Actual \$	Amended \$	Original \$
MINISTER'S OFFICE			
Salaries	215,294	244,400	226,300
Employee Benefits	1,067	1,100	-
Travel and Communications	30,646	44,600	46,000
Supplies	1,581	6,600	7,000
Purchased Services	4,291	7,700	8,000
Property, Furnishings and Equipment	949	1,000	-
Total: Minister's Office	253,828	305,400	287,300
EXECUTIVE SUPPORT			
Salaries	526,927	547, 000	506,500
Employee Benefits	587	1, 100	1,000
Travel and Communications	51,300	107, 500	121,000
Supplies	14,925	16, 000	16,000
Professional Services	2,820	13, 500	13,500
Purchased Services	325,179	350, 800	350,800
Property, Furnishings and Equipment	3,335	15, 500	2,500
Grants and Subsidies	34,700	49, 400	49,400
Revenue – Provincial	(147,194)	(143, 700)	(143,700)
Total: Executive Support	812,597	957,100	917,000
POLICY ANALYSIS AND COORDINATION			
Salaries	508,658	693,700	642,300
Employee Benefits	1,690	1,800	-
Transportation and Communications	61,470	67,600	69,100
Purchased Services	40	100	-
Total: Policy Analysis and Coordination	571,858	763,200	711,400
OTTAWA OFFICE			
Salaries	211,087	229,200	212,200
Employee Benefits	55	100	-
Travel and Communications	11,042	30,000	35,000
Supplies	4,179	10,000	10,000
Professional Services	957	15,500	20,000
Purchased Services	92,347	94,400	85,000
Total: Ottawa Office	320,027	379,200	362,200
TOTAL: Intergovernmental Affairs Secretariat	1,958,310	2,404,900	2,277,900

* Source: Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2009. The Secretariat is not required to provide audited financial statements in its Annual Report.