



**Intergovernmental Affairs
Secretariat**

Annual Report 2009-2010

Message from the Minister



As Minister for Intergovernmental Affairs, I am pleased to present the 2009-2010 Annual Report of the Intergovernmental Affairs Secretariat, which details its activities from April 1, 2009 through March 31, 2010. 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 acts as the primary point of contact for the federal government where no equivalent provincial department exists, and it leads the Province's efforts to promote and diversify operations at 5 Wing Goose Bay, 9 Wing Gander and CFS St. John's.

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 cooperation with other jurisdictions on energy issues and on efforts being undertaken to boost the economy as we recover from the recent downturn. These issues were discussed at a number of meetings and conference calls 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 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 second 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 and is in a great position heading into our last year for this reporting period. 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.

A handwritten signature in cursive script that reads "Dave Denine".

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

Table of Contents

1.0 Overview of the Secretariat	2
2.0 Key Accomplishments and Priorities	4
3.0 Activities in 2009-2010	9
4.0 Opportunities and Challenges in 2010-2011.....	18
5.0 Contact the Intergovernmental Affairs Secretariat.....	20
6.0 Summary of Expenditures and Related Revenues	21

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.

Organization and Staffing:

Number of Employees

The Secretariat is staffed by 14 people (not including the offices of the Minister or the Provincial Representative in Ottawa). The staff works 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.

From time to time the Secretariat also hires student interns with relevant education or offers work-terms to help with analysis and to provide the students with relevant experience.

Financial information for the Secretariat can be found in Section 6.0. The Province's Representative in Ottawa and 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 2009-2010, 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 Priorities

The Secretariat worked in collaboration with departments and agencies to advance Newfoundland and Labrador's priorities with the federal government, either directly with federal Ministers, government departments and agencies or in multilateral fora. The following is a non-exhaustive list of the Secretariat's activities on key priorities.

Equalization and transfers

Only one notable change was made to fiscal transfer programs – Equalization, Canada Health Transfer (CHT) and Canada Social Transfer (CST) – during the 2009-10 fiscal year which affected Newfoundland and Labrador. On December 18, 2009, the federal Minister of Finance announced “\$525 million of support to provinces in recognition of the short-term challenges they face as they emerge from the recession. This investment will ensure that no province receives less in 2010-11 than in 2009-10 through the combined Equalization, Canada Health Transfer and Canada Social Transfer programs.” This resulted in a protection payment of \$8 million to Newfoundland and Labrador, to keep its total CHT and CST revenues at \$614 million in 2010-11, the same as in 2009-10.

While Newfoundland and Labrador is not an Equalization recipient, the Secretariat continues to closely monitor federal actions as they concern the Equalization program, particularly in regards to how it interacts with Newfoundland and Labrador's entitlements under the Atlantic Accords. Past experience, as described in previous annual reports of the Secretariat, illustrates the need for continued vigilance.

During the previous reporting period, the federal Finance Minister indicated that, starting in 2011-12, the CHT allocation will be adjusted to a per capita transfer. Currently, allocations to provinces consist of a cash transfer and equalized income tax points, with a side payment instituted for Ontario only starting in 2009-10 to give that province the equivalent of equal per capita cash. A change to equal per capita cash for the CHT, which removes the equalized tax points, would penalize jurisdictions with lower per capita personal and corporate income tax revenue like Newfoundland and Labrador, while increasing the wealth of jurisdictions like Ontario that have higher per capita personal and corporate income tax revenue. Moreover, the current annual rate of growth of the CHT (6 percent) was agreed by First Ministers in 2004 in an agreement due to expire in 2014. The Secretariat continues to monitor the federal government's intentions regarding CHT funding, as well as the positioning of other provinces and territories as discussion on post-2014 funding begins.

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 lead department, 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 2009-2010, the Province entered into approximately 58 new or renewed agreements with the federal government to provide a range of funding and services to the people of Newfoundland and Labrador, and five additional agreements. 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 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 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 agreement.

Canada – European Union Trade

Newfoundland and Labrador is closely monitoring the negotiation of a new economic agreement with the European Union in an effort to ensure that the Province's interests, such as the reduction of prohibitive European Union seafood tariffs, are respected by the federal government in negotiations. The Secretariat, in collaboration with the lead entity, the Department of Innovation, Trade and Rural Development, is working towards this aim.

International Fisheries Issues

The Secretariat is working with the lead entity, the Department of Fisheries and Aquaculture, to call on the federal government to continue to pursue Canada's World Trade Organization challenge against the EU regarding its import ban on seal and seal products.

Newfoundland and Labrador has maintained that Canada should manage fish stocks that straddle Canada's Exclusive Economic Zone and has encouraged the Government of Canada to advance this principle in international organizations such as the Northwest Atlantic Fisheries Organization. The Province considers custodial management the optimal approach to effectively managing our fisheries resources for the long-term benefit of Newfoundlanders and Labradorians. The Secretariat actively monitors this issue and continues to collaborate with the Department of Fisheries and Aquaculture where appropriate to advance the Province's interests.

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.

On November 19 and 20, 2009 Newfoundland and Labrador hosted the 17th session of CAP at Churchill Falls. The discussions at this meeting were focused on energy issues of common interest to the four Atlantic provinces.

The Secretariat managed the logistical planning of this meeting in collaboration with officials from Nalcor and with the Royal Newfoundland Constabulary. In consultation with many departments across Government, the Secretariat prepared briefing materials for the Premier in advance of the meeting. During the event itself, IGAS provided strategic advice to the Premier and logistical support to all the delegations.

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

The Council of the Federation

Founded in 2003, the Council of the Federation (COF) is the forum of all the Premiers of the Canadian provinces. The Province's commitment to COF is covered under intergovernmental fora under section 3, Issue #3. COF held its annual summer meeting in Regina, Saskatchewan from August 6-7, 2009. COF also conducted a mission to Washington, D.C from February 20-21, 2010. Conference calls were held to support this work as well as on a number of discrete topics. 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 and collaboration 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

First Ministers Meetings include all the Premiers and the Prime Minister. On November 10, 2009, a conference call of First Ministers occurred to discuss the H1N1 flu pandemic; the economy, including negotiations with the US on the Buy American provisions and Canada-European Union trade negotiations; and the federal economic action plan.

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

Premiers met with National Aboriginal Organization leaders in the Saskatchewan Legislature on August 5, 2009. Issues discussed were Aboriginal engagement with the federal government, the H1N1 influenza virus, education and skills training and economic development. 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 intergovernmental meetings cited above, the Premier has numerous bilateral meetings with representatives of other governments. The Province participates in numerous Ministerial meetings and meetings of senior officials, which may be multilateral, involving the federal government and other provinces and territories, or bilateral. 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 2009-2010, the Secretariat contributed to numerous intergovernmental meetings. The Premier, ministers and department officials received timely analysis and information about the political, administrative, fiscal and economic status as well as policy developments and positions of the federal, provincial and territorial governments. 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 exchanges on energy matters; 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 33rd Annual Conference of the NEG-ECP was held in Saint John, New Brunswick on September 15, 2009. A total of seven resolutions were agreed upon at this meeting, on: the Green Economy, Renewable Energy, Climate Change, Energy Efficiency, Pandemic Preparedness, the 400th Anniversary of the Settlement in Cupids and Open and Secure Trade.

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 US 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 Newfoundland and Labrador, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island, and from the US, 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 has continued to provide support in preparations for SEUS events as required during the reporting period.

Governors Global Climate Change Summit 2

The second Governor's Climate summit occurred on September 29-October 2, 2009. The overarching goal of the event was to "deepen and broaden efforts by sub-national governments to implement strategies that can immediately grow a green economy, increase the level of sustainable clean energy use, reduce dependence on oil and reduce greenhouse gas (GHG) emissions in advance of, and in support of, the next global agreement on climate change." Premier Williams attended for NL and signed the Joint Declaration, encouraging sub-national governments to work towards mitigating climate change.

The Secretariat provided support to the Office of Climate Change, Energy Efficiency and Emissions Trading in preparations for the Summit.

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 2009-2010, the Province hosted delegations from 8 foreign countries and international organizations. Among these was a delegation from Murmansk, Russia, which included the Deputy Governor of Murmansk, and various other government officials who were here in the province to meet with government leaders on potential collaborative opportunities between Newfoundland and Labrador and Russia in the oil and gas sector. The delegation also attended the annual Newfoundland and Labrador Oil and Gas Industry Association (NOIA) Conference in June 2009.

3.0 Activities in 2009-2010

The Intergovernmental Affairs Secretariat Activity Plan is the Secretariat's guide to its activities for the coming years. The following activities undertaken in 2009-2010 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 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.

Measure: 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	Activities in 2009-2010
Monitored and analysed developments in federal defence policy;	In fiscal year 2009-2010, the Secretariat produced briefing materials as necessitated by defence related developments to advise the Minister in his advocacy efforts with the federal government and representatives from other countries whose militaries could use 5 Wing as a training location. These materials included a chronology of the past activities of allied nations at Goose Bay, as well as analysis of current international military exercises that 5 Wing is positioned to host.
Continued advocacy to the federal government through meetings and representation;	The Minister for Intergovernmental Affairs wrote 11 letters to federal ministers in fiscal year 2009/2010 focused on holding the federal government responsible for commitments made to NL with regard to 5 Wing Goose Bay, and maintaining the readiness of 5 Wing's infrastructure. The Minister for Intergovernmental Affairs also met with the Minister of Defence twice to discuss the federal government's outstanding

	commitments to 5 Wing.
Continued information sharing among the community and responsible federal and provincial government departments and agencies.	The Secretariat engages on a weekly basis with 5 Wing staff in order to facilitate an ongoing exchange of information between the Province, 5 Wing and through the base's Community Liaison Officer, community stakeholders. Also, IGAS serves as a liaison for all matters involving 5 Wing, the Department of National Defence (DND) and provincial government departments in order to ensure clear lines of communication between these entities. 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 2010: By 2011, the Secretariat will have continued 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. IGAS will have worked with local stakeholders to promote related diversification opportunities at the base.

Measure for 2010: Continued 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. IGAS will have worked with local stakeholders to promote related diversification opportunities at the base.

Indicators for 2010: By 2011, the Secretariat will have continued to monitor and analyse developments in federal defence policy; continued 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. In particular, as the federal government has advised that a new Rapid Reaction Army Battalion will not be stationed at 5 Wing Goose Bay, the Secretariat will aim to identify a comparable operational requirement.

Issue #2: Federal Presence

The federal government's presence throughout Newfoundland and Labrador is important to the province's economy and its place in Canada. Over the last two decades, disturbing trends have emerged. During the cutbacks of the 1990s, federal employment in this Province declined at a rate markedly higher than the national average. While our proportion of federal employment compared to the rest of Canada has remained stable since this time, the Province's share of federal executives remains disproportionately low. This leads to less decision makers on the ground in Newfoundland and Labrador. 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 2010, the Secretariat will have engaged and provided proposals to the federal government on how to increase federal presence throughout Newfoundland and Labrador.
- Measure:** Engaged and provided proposals to the federal government on how to increase federal presence throughout Newfoundland and Labrador.

Indicators	Activities in 2009-2010
<p>Consulted with relevant departments and stakeholders;</p>	<p>The Secretariat continues to participate in meetings and consultations with federal officials regarding issues of federal presence including meetings with federal Ministers and officials regarding federal commitments to 5 Wing Goose Bay and Search and Rescue (SAR) in the province.</p> <p>The Secretariat also assesses federal initiatives and measures to determine if there are opportunities for increased federal presence or a risk to existing federal employment in the province.</p> <p>The Secretariat has regularly consulted with stakeholders and other departments with regard to federal presence opportunities. These consultations include a presentation to the Strategic Partnership Council (governing body of the Strategic Partnership) where several issues of note were identified for follow-up. The Strategic Partnership is made up of business (represented by the NL Business Coalition), labour (represented by the NL Federation of Labour), and government (represented by the Department of Human Resources, Labour and Employment; the Department of Innovation Trade and Rural Development; the Labour Relations Agency; and the Public Service Secretariat).</p> <p>After the federal budget, departments were consulted regarding federal presence threats and opportunities. The Secretariat also discussed federal presence in a meeting with the policy committee of the Newfoundland and Labrador Federal Regional Council.</p> <p>Consultation continues at all levels of the Secretariat, through telephone and email exchanges among officials throughout and external to government, and is part of its regular business.</p>
<p>Conducted interdepartmental collaboration on proposals to advance federal presence;</p>	<p>The Secretariat has worked closely with provincial departments to identify strategic opportunities and develop possible approaches, including joint advocacy efforts. The Secretariat has engaged nearly every department and agency it works with to identify potentially endangered federal programming in context of the 2010 <i>Strategic Review</i> of federal spending. The</p>

	<p>Secretariat has also engaged the Department of Finance to gather data and provide analysis on the current state of the federal civil service in the province. The Secretariat has also engaged the Department of Human Resources, Labour and Employment on proposed cuts to <i>Service Canada</i> and the possible impacts on the province. The Secretariat also worked with the Department of Government Services to develop a proposal to the federal government to consider NL as a potential location for any of the entities possibly created by federal securities reform. The Secretariat continues to engage other departments as required.</p>
<p>Further developed knowledge about federal presence concerns in the Province and rectification of new information gaps;</p>	<p>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 opportunities for and threats to federal presence based on the federal budget, federal announcements and restructuring in federal departments. This work continues to be 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 and is currently engaged in research projects to ascertain the location and function of federal regional offices in the Atlantic provinces to better inform federal presence in Newfoundland and Labrador and to determine the demographic profile of the federal civil service in Newfoundland and Labrador.</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>
<p>Representation made to the federal government.</p>	<p>The Minister has written four letters to federal Ministers regarding federal presence during the reporting period while the Deputy Minister wrote one and the Premier wrote one with the assistance of the Secretariat. One letter from Minister Denine requested that the new money for the Catch Certification office in Federal Budget 2010 be used to locate the office in Newfoundland and Labrador. Another informed the federal government of the May 6, 2009 unanimous House of Assembly Resolution calling on the federal government to increase the number of federal decision making positions and/or locate national or regional headquarters in this province. This letter also specifically advocated for the establishment of a Canadian Oceans Development Agency in this province.</p>

	The Secretariat has advocated against reductions of federal decision makers due to restructuring, Search and Rescue location and military commitments.
Engaged with and provided proposals, where appropriate, to the federal government on how to increase federal presence throughout Newfoundland and Labrador.	<p>Through meetings with federal Ministers and officials, the Secretariat continues to promote an increase in federal decision-making capacity in the province to ensure the quality of federal policy, the level of employment, as well as ensuring that the province is not disproportionately affected by any cuts in the federal civil service such as has occurred in the past.</p> <p>The Secretariat continued to monitor and advocate for implementation of federal commitments to 5 Wing Goose Bay and CFS St. John's. The Secretariat has also provided support to the Premier in regard to federal presence issues.</p>

Objective for 2010: By 2011, the Secretariat will have worked to increase and promote the level of federal presence throughout Newfoundland and Labrador.

Measure for 2010: Worked to increase and promote the level of federal presence throughout Newfoundland and Labrador.

Indicators for 2010: By 2011, the Secretariat will have: monitored federal developments for changes in federal programming or operations, as the federal government seeks to cut its deficit that would have federal presence consequences for Newfoundland and Labrador; consulted with relevant departments and stakeholders; 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's and Minister's participation in such intergovernmental fora as the Council of the Federation (COF), Council of Atlantic Premiers (CAP), the Conference of 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 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.

Measure: Continued to provide logistical and analytical support and strategic advice to the Province in working with other jurisdictions in these fora.

Indicators	Activities in 2009-2010
<p>Participate in steering committees and other working groups to establish the agendas and advance the activities of these intergovernmental fora;</p>	<p>COF met in Regina, Saskatchewan from August 6-7, 2009. COF also undertook a mission to Washington, D.C. from February 20-21, 2010 where it met with senior Obama officials and held a joint meeting with the National Governors' Association.</p> <p>Premiers held conference calls on: May 11, 2009 to discuss a Chinese ban on Canadian pork products and the EU ban on seal products (news releases supportive of Canadian pork and seal products were issued as a result); on June 4, 2009 to discuss the Buy American Provisions in the United States stimulus package; on June 22, 2009; on November 6, 2009 to discuss H1N1 flu pandemic responses from governments; and on February 8, 2010 to prepare for the COF mission to Washington.</p> <p>The First Ministers held a call on November 10, 2009 to discuss the H1N1 flu pandemic; the economy, including negotiations with the US on the Buy American provisions and Canada-European Union trade negotiations; and the federal economic action plan.</p> <p>NL hosted the CAP meeting at Churchill Falls on November 20, 2009, which focused on a wide range of energy issues.</p> <p>The NEG-ECP met from September 13-15, 2009 in Saint John, NB and adopted resolutions on energy, the environment, trade, pandemic preparedness and Cupids 400th Anniversary.</p> <p>For each of the COF, CAP and NEG-ECP, the Secretariat participated in the development of meeting agendas, the preparation of common briefing materials, and the preparation of conference logistics in collaboration with provincial, territorial and state colleagues.</p> <p>Throughout 2009-2010, the Secretariat represented the Province on COF's Steering Committee and Senior Officials' 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 conference calls in advance of the FMM call on November 9, 2009.</p>

Prepare strategic advice and briefing materials for the Premier and Minister's participation in these conferences and meetings;	The Secretariat prepared briefing materials and advice to the Premier, Ministers and Cabinet, in consultation with departments, for all major intergovernmental meetings.
Coordinate with provincial departments and other governments to implement Premier's and Governors' directions.	In communiqués issued by Premiers at the COF meetings in August 2009 and February 2010 and in resolutions adopted by the NEG-ECP in September 2009, direction was provided to Ministers to produce work on a wide range of matters. The Secretariat was active in communicating this direction to relevant departments and monitoring implementation. Where meetings did not have formal outcomes, the Secretariat was active in debriefing relevant departments.

Objective for 2010: By 2011, the Secretariat, through its participation in the steering committees of these organizations, will have worked to strengthen these fora to enhance the Premier and Minister's ability to further its interests through these fora.

Measure for 2010: Worked to strengthen intergovernmental fora to enhance the Premier and Minister's ability to further its interests through these fora.

Indicators for 2010: By 2011, the Secretariat will participate in steering committees and other working groups to establish the agendas and advance the activities of these intergovernmental fora; prepare strategic advice and briefing materials for the Premier and Minister's participation in these conferences and meetings; coordinate with provincial departments and other governments to implement Premier's and Governors' directions; work with provinces and territories in preparing for intergovernmental meetings to ensure the province's interests are respected.

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 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.

Measure: 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	Activities in 2009-2010
<p>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;</p>	<p>The Secretariat continues to analyse and develop strategic approaches to a wide range of issues related to the effective control that the Province has over resources in the offshore in collaboration with the relevant departments. We also conducted in house research and provided documents as needed. The Secretariat has regularly consulted and coordinated with the Department of Natural Resources to flag and research issues such as the Old Harry hydro-carbon bearing prospect in the Gulf of Saint Lawrence and the related jurisdictional issues as well as Quebec's overtures to the federal government regarding its desire for its own Accord-like arrangement. The Secretariat also prepared a detailed power point presentation and discussion paper that outlined the general issues and challenges to the province's effective jurisdictional control of offshore resources.</p> <p>On April 23, 2009 Minister Denine wrote to Senator Denis Detcheverry, the representative for Saint Pierre-et-Miquelon in the French Senate, expressing Newfoundland and Labrador's position on the potential French claim to an area of continental shelf in the vicinity of Saint Pierre-et-Miquelon.</p> <p>The Secretariat has been carefully monitoring the ongoing process underway by the Department of Fisheries and Oceans to develop Marine Protected Areas (MPA) to ensure that provincial jurisdictional ownership and control is protected and maximized where possible. As necessary the Secretariat regularly consults with relevant departments such as the Departments of Natural Resources, Environment and Conservation, and Tourism, Culture and Recreation (among others) regarding MPAs and the potential impact on NL's jurisdictional ownership and effective control over offshore resources. The Secretariat sits on committee with the Departments of Natural Resources and Tourism, Culture and Recreation and the Office of Climate Change, Energy Efficiency and Emissions Trading, as well as other interested departments regarding MPAs.</p> <p>The Secretariat is also following the ongoing effort by the Governments of Newfoundland and Labrador, Nova Scotia and Canada to amend the Atlantic Accord Implementation Acts to improve the Occupational Health and Safety regime in the</p>

	<p>Newfoundland and Labrador and Nova Scotia offshore areas. The Secretariat works with the lead provincial departments, Natural Resources regarding regulatory issues and Government Services regarding safety, on this issue. This work includes consultations with federal officials and commenting on draft legislation.</p> <p>The Secretariat continues to monitor the federal government's ongoing scientific research to support Canada's claim to the continental shelf under the United Nations Convention on the Law of the Sea and various issues related to the boundaries of Newfoundland and Labrador's offshore area and has engaged the Department of Natural Resources on the analysis of this material. The Secretariat is in contact with federal officials to monitor the status of this issue. Notably, the Secretariat arranged for Jacob Verhoef, director of Natural Resources Canada's United Nations Convention on the Law of the Sea program, to give a briefing to officials of the Secretariat and the Departments of Natural Resources and Fisheries and Aquaculture.</p> <p>The Secretariat constantly strives to identify and pursue 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. The Secretariat also continues to monitor potential boundary issues and possible threats to the Province's effective control over offshore resources.</p>
Continued engagement with other departments and agencies and other relevant stakeholders;	<p>The Secretariat was actively involved with the relevant departments 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.</p> <p>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 approach is followed in relations with the federal government on this issue.</p>
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.	Work undertaken in 2009-10 incorporates measures of a plan completed through analysis done in 2008-09. This plan will continue to inform work the Secretariat undertakes in 2010-11.

Objective for 2010: 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.

Measure for 2010: Worked to advance the province's jurisdictional ownership and effective control of petroleum and other resources in the waters adjacent to Newfoundland and Labrador.

Indicators for 2010: By 2011, the Secretariat will have continued to consult with relevant ministers and departments regarding the advances, challenges and status of NL's attempt to broaden and deepen its jurisdiction over offshore resources. The Secretariat will continue to encourage other departments and agencies as well as other relevant stakeholders in order to enhance and expand effective control over offshore resources and as they develop relevant policies.

4.0 Opportunities and Challenges in 2010-2011

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 2010-2011, Government will continue to strive for the goal of fairness within the Canadian federation and will seek to ensure that the province is treated equitably within 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 and the harmonized environmental assessment of the Labrador-Island Transmission Link 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 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 Ministers and their departments 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 2010-2011, 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. 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. Furthermore, the National Shipbuilding Strategy expected to be announced in 2010-2011 will be analyzed and monitored closely for opportunities which may be available to the Province's shipyards and related contractors.

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 an Unstaffed Aerial Vehicle Squadron at 5 Wing. The Secretariat will work with DND and local stakeholders to promote related diversification opportunities at the base.

The Province will also hold the federal government to its commitment to establish a new Territorial Defence Battalion for emergency response at Canadian Forces Station (CFS) St. John's. 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

The Secretariat will continue to carry out its legislated responsibilities pertaining to the negotiation and signing of intergovernmental agreements. It will continue to seek opportunities for improving agreements, especially in light of recent federal policy changes regarding transfer payments.

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 2010 (Unaudited)*

	Actual \$	Amended \$	Original \$
MINISTER'S OFFICE			
Salaries	232,804	264,000	264,000
Employee Benefits	129	200	-
Travel and Communications	30,983	45,800	46,000
Supplies	1,499	7,000	7,000
Purchased Services	1,962	8,000	8,000
Property, Furnishings and Equipment	392	400	-
Total: Minister's Office	267,769	325,400	325,000
EXECUTIVE SUPPORT			
Salaries	575,883	590,800	590,800
Employee Benefits	805	1,000	1,000
Travel and Communications	55,618	99,600	103,700
Supplies	16,592	18,500	16,000
Professional Services	120	10,800	13,500
Purchased Services	358,028	410,100	410,100
Property, Furnishings and Equipment	6,362	6,400	2,500
Grants and Subsidies	34,300	49,400	49,400
Revenue – Provincial	(146,068)	(167,600)	(167,600)
Total: Executive Support	901,640	1,019,000	1,019,400
POLICY ANALYSIS AND COORDINATION			
Salaries	561,133	749,100	749,100
Employee Benefits	2,268	2,400	-
Transportation and Communications	47,037	66,700	69,100
Total: Policy Analysis and Coordination	610,438	818,200	818,200
OTTAWA OFFICE			
Salaries	195,060	247,500	247,600
Employee Benefits	50	100	-
Travel and Communications	16,115	29,000	30,000
Supplies	2,504	8,100	10,000
Professional Services	-	10,500	15,000
Purchased Services	97,207	99,700	95,000
Property, furnishings and Equipment	2,601	2,700	-
Total: Ottawa Office	313,537	397,600	397,600
TOTAL: Intergovernmental Affairs Secretariat	2,093,384	2,560,200	2,560,200

* Source: Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2010. The Secretariat is not required to provide audited financial statements in its Annual Report.