

Department of Tourism, Culture, Industry and Innovation

Annual Report 2019-20



Message from the Minister

As the Minister responsible for the former Department of Tourism, Culture, Industry and Innovation (TCII), I am pleased to submit its Annual Report for the 2019-20 fiscal year. In accordance with the Department's obligation as a Category 1 entity under the **Transparency and Accountability Act**, this report was prepared under my direction and I am accountable for the reported results.



TCII was driven by commitments to diversification, growth, and sustainability. The Department was responsible for programs and services that underpin building a diverse and sustainable economy, including a focus on entrepreneurship and innovation. Diversity was the hallmark of TCII and it was committed to creating an environment that captured the full potential of the province's many riches, through diversification, job creation and growth. It supported economic growth and was responsible for cultivating the arts, preserving the province's cultural heritage, and providing oversight of provincial parks.

The commitments of the former department are now carried out under the new Departments of Tourism, Culture, Arts and Recreation and Industry, Energy and Technology.

I thank all the staff for their enthusiasm, hard work, and dedication. Our collective approach to social, economic and business development demonstrates our continued commitment to fostering a culture of innovation, productivity and creativity in Newfoundland and Labrador.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Hon. Bernard Davis

Minister of Department of Tourism, Culture, Industry and Innovation

Table of Contents

Departmental Overview	1
Organizational Structure	1
Staff and Budget	2
Highlights and Partnerships	3
Report on Performance	9
Issue #1: Strengthening our Economic Foundation	9
Goal Statement	9
2019-20 Objective	14
2019-20 Objective and Indicators.....	14
Issue #2: Strengthening Cultural, Historical and Natural Resources.....	21
Goal Statement	21
2019-20 Objective	25
2019-20 Objective and Indicators.....	25
Opportunities and Challenges	29
Financial Information	32

Departmental Overview

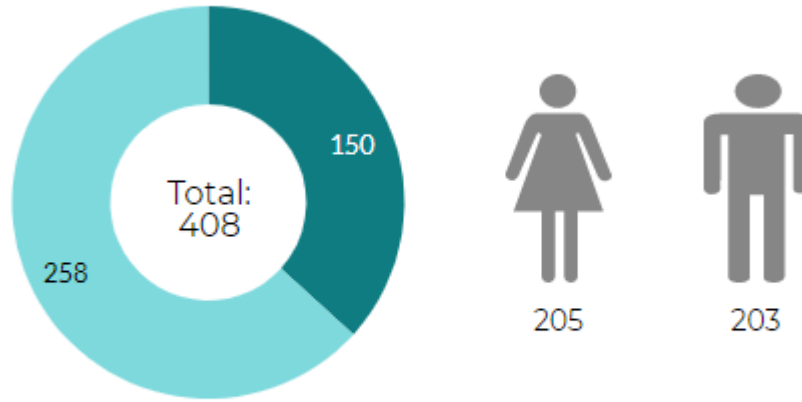
Organizational Structure

The former Department of Tourism, Culture, Industry and Innovation (TCII) was the lead for innovation, economic development and diversification, tourism, culture, and provincial parks. It was responsible for helping to strengthen and diversify the economy on a provincial, regional and sector basis, supporting economic growth, cultivating the arts, preserving the province's cultural heritage, and providing oversight of provincial parks. The Department provided regulatory protection of archaeological sites, artifacts and historic documents; supported the arts and heritage sectors; supported strategic product development in the tourism industry; and, marketed Newfoundland and Labrador as a destination to visitor markets. The Department focused on the creation of a competitive environment to foster investment and business growth, research and development (R&D), internationalization, sector diversification and research, small business development and community economic development. These responsibilities now fall under the new Departments Tourism, Culture, Arts and Recreation (TCAR) and Industry, Energy and Technology (IET).

TCII had three branches: Business; Regional Development and Diversification; and Tourism and Culture. Department leadership was provided by the Deputy Minister and three Assistant Deputy Ministers.

Staff and Budget

Employees 2019-20



■ Part-time (37%) ■ Full-time (63%)

Note: Does not include 171 summer seasonal employees employed in Provincial Parks, Visitor Information Centres, Arts and Culture Centres, and Provincial Historic Sites.

Budget 2019-20



Departmental Budget
2019-20:

\$82,290,700

Note: Departmental budget excludes the budget for entities and Crown Corporations that report to the Minister of TCIF. Additional details can be found in the Financial Statements section at the back of the report.

Highlights and Partnerships

During 2019-20, the Department worked with its numerous internal and external stakeholders to effectively fulfill its mandate. While not practical to list all activities undertaken during this time, the following describes some significant highlights and partnerships that are not captured in the Report on Performance section of this report. These achievements are important to highlight as they demonstrate the vital work that was undertaken by the Department and the importance of working collaboratively to maximize outcomes within allocated resources.

Tourism Campaign Awards and Accolades

With the provincial investment of \$13 million annually in tourism marketing to promote tourism in the province, the benefits are immense in shaping the economy. Newfoundland and Labrador Tourism 2019 Consumer 'Find Yourself' advertising campaign focused on a 'Place of Stories'. This campaign worked across many media channels to: build brand awareness in priority markets; foster traveler engagement via digital channels; and, increase trip-planning activity on NewfoundlandLabrador.com and the Itinerary Planner. This in turn supported the increase in tourists visiting Newfoundland and Labrador and led to an increase in tourist-related spending.

The Newfoundland and Labrador Tourism 2019 Consumer 'The Place of Stories' Advertising Campaign generated nearly 3.7 Million session visits by prospective travelers and residents to Newfoundland and Labrador Tourism web properties, an increase of 6.1 per cent from the levels in 2018. Also, traffic to Tourism Operator / Outfitter Pages and Travel Offers was up 8.1 per cent in 2019, delivering 570,837 leads in 2019.

Other campaign elements to promote the province included:

- Story Exchange Contest - The Story Exchange gave past and present travelers to the province an opportunity to share their tales about their experiences here.
- Tangled Tales Multi-Media Series - As part of the Place of Stories campaign, Tangled Tales was created; a multimedia series designed to position, and

differentiate, NL as a destination of stories that comes alive through its people and places.

- Air Canada Content Channel - Newfoundland and Labrador was the first tourism destination to launch its very own content channel aboard Air Canada's in-flight entertainment system.
- Consumer E-newsletters - Eighteen e-newsletters were sent to our 124,586 Touring & Exploring subscribers; nine e-newsletters were sent to 19,554 Iceberg Alert subscribers; five e-newsletters were sent to 11,247 Hunting & Angling subscribers.

The tourism marketing campaign of the Province is one of the most talked about, most awarded, and most successful in the country. It received 28 prominent awards in 2019, including prestigious honours such as: 'Marketing Campaign of the Year' award at the Canadian Tourism Awards; Attraction and Adventure award finalist for 'IcebergFinder' at the Canadian Tourism Awards; Inaugural winner of Strategy Magazine's Small Agency Campaign of the Year; and, a record breaking 21 awards at the 2019 Innovation, Creativity and Enterprise Advertising Awards.

Recognizing Achievement and Dedication in Tourism Industry

The Tourism Achievement Award is presented by the Government of Newfoundland and Labrador to recognize a group or individual's long-time achievement and dedication to the tourism industry, and serves as an inspiration to all striving for excellence in tourism. In February, 2019 at the Hospitality Newfoundland and Labrador Convention, TCII awarded the 2018 Tourism Achievement Award to Tineke and Marieke Gow of The Artisan Inn in Trinity, who are true visionaries dedicated to their guests, their community and to tourism in Newfoundland and Labrador.

Indigenous Tourism

Recognizing the opportunities that exist in Indigenous tourism in Newfoundland and Labrador, the Qalipu First Nation undertook various activities in 2019-20 as part of the implementation of its Experience Qalipu Tourism Strategy. The five-year strategy will help

to further develop and promote Indigenous tourism in the province, enhance community capacity and build stronger Indigenous communities.

Phase I of the strategy included creating a database of member tourism businesses, enhancing online entrepreneurial skills training, developing a marketing plan, hosting a tourism forum, designing signage and displays and conducting facilitation training. Phase II involves further analysis and design of tourism assets, hosting an additional tourism forum, advanced facilitation training, infrastructure improvements and tourism product development.

The Government of Newfoundland and Labrador is contributing \$157,892 towards phases I and II of the tourism strategy, and the Government of Canada is providing a non-repayable contribution of \$418,257.

Investing in this initiative will better position the Qalipu First Nation to advance Indigenous tourism in Newfoundland and Labrador, encourage entrepreneurship and foster economic development in Indigenous communities. Indigenous tourism is a key part of Canada's growing tourism industry and is outpacing the growth of the sector overall as more travelers seek to experience Indigenous cultures and heritage. The Provincial Government is committed to ensuring this growth continues by helping Indigenous communities showcase their authentic products, traditions and histories, while generating new economic opportunities and creating jobs. This project will help to ensure the stories, traditions and beliefs of the Mi'kmaq are captured as a vital part of this region's growth and development.

Provincial Historic Sites

Provincial Historic Sites' staff developed and delivered a Visitor Experience Plan that included programs and events to engage visitors in learning more about the heritage of Newfoundland and Labrador. Partnerships are a vital component of the Visitor Experience Plan delivery and in 2019-20 a new partnership was struck with The Florian Hotel in Forteau to deliver a special family picnic event at the nearby Point Amour Lighthouse Provincial Historic Site. This program was well received by local and out of region visitors.

Provincial Archaeology

The Provincial Archaeology Office developed an exciting partnership with the Sheshatshiu Innu First Nation and Indigenous Services Canada on a strategy to assist the Band Council in advancing land use development for the community that acknowledges and protects the known extensive archaeological sites in the area.

Supporting the Innovation Ecosystem through the Innovation and Business Investment Corporation

TCII worked with the board of the Innovation and Business Investment Corporation to deliver on the Business Innovation Agenda. Supporting the innovation ecosystem is key to driving start-ups, which are important drivers of economic development and diversification for Newfoundland and Labrador. In 2019-20, the Department funded organizations and programs in the innovation ecosystem through the support of the Corporation, to assist new entrepreneurs in strategically building their businesses more efficiently and effectively through focused programming and support services.

In particular, the Department supported enhanced programming in Genesis and Memorial Centre for Entrepreneurship and supported other initiatives, such as Bounce Health Innovation and Propel ICT, which have significantly improved the capacity of the ecosystem.

As committed in the provincial Business Innovation Agenda and Technology Sector Work Plan, the Provincial Government supports innovative and entrepreneurial companies that create new jobs and opportunities, while fostering innovation in our provincial economy.

Internationalization for Business Growth

International business development is vital to the retention and growth of Newfoundland and Labrador companies. In collaboration with its many industry, government, academic, and pan-Atlantic partners, TCII worked to develop and execute trade initiatives that deliver value to Newfoundland and Labrador companies pursuing global opportunities.

Newfoundland and Labrador is home to many high impact and growth focused firms. We are seizing global opportunities and expanding markets:

- Based in Clarenville, SubC Imaging is the developer of advanced and intelligent video equipment for the offshore and subsea markets. They are growing their global client-reach by adding three new distributors of their products in China and France.
- Labrador Rewinding Inc., headquartered in Wabush, specializes in the repair, on-site verification, service, and sales of electrical and electro-mechanical industrial components. Through their dedicated and continued market development efforts in Guyana and Suriname, and with the internationalization supports provided by TCII, Labrador Rewinding was able to expand their operations by establishing a local presence in Paramaribo, Suriname, with longer term plans to expand into Guyana. Establishing an in-market presence and local partnership engagement is an essential element for conducting business in this particular region.

These are just a couple of examples of many who have engaged with TCII to pursue business opportunities at home and abroad. The Department was proud to work with them, providing both the market development opportunities, network facilitation, and export counselling, along with the financial supports they needed to accomplish their internationalization and business growth objectives.

In October 2019, the Department and its partners undertook an International Business Development mission to Guyana and Suriname. This mission was the fifth in a series of TCII-supported in-market visits since 2017 and saw 15 companies participate. During the mission, the Canadian High Commission announced the planned creation of the Canada-Guyana Chamber of Commerce. Consequently, in early 2020, the Department became one of 10 founding members of the Canada-Guyana Chamber of Commerce, which includes an inaugural lifetime membership. This membership builds upon other activities already established, including the series of trade missions that TCII has funded and led with partners, and the multitude of newly developed NL-Guyana business relationships and joint ventures.

European Regions Network for the Application of Communications Technology (ERNACT)

ERNACT (headquartered in Ireland) is an international network that accesses European Union digital technology programs and funding to implement innovative projects to improve Network members' digital needs. TCII (now IET) represents the Government of Newfoundland & Labrador as one of ten core members of the ERNACT network, which is involved in setting ERNACT policy and strategy and can access EU project funding for innovative digital projects.

NL is an Associate Partner in ERNACT's Smart Atlantic Seafood Clusters (SAFER) project. SAFER aims to improve innovation in the seafood industry by increasing technology adoption (Blue Tech) and transnational cooperation. In November 2019, a representative from the Department and Marine Institute (funded by ERNACT), as part of the Fishery Regional Innovation Systems (RIS) Steering Committee, attended workshops and trade show at the Business2Sea2019 in Portugal to strengthen strategic cooperation between marine economy stakeholders. This was an opportunity to explore new partnerships related to innovation and technology adoption and transfer.

Supporting Young Entrepreneurs in Partnership with Community Business Development Corporations (CBDCs)

TCII continued to partner with the Newfoundland and Labrador Association of CBDCs to deliver Kick\$tart and Drive programs, which assist with establishing or expanding youth-led businesses by providing financing through micro-loans up to \$5,000 and \$10,000 to young entrepreneurs in Newfoundland and Labrador. To support young entrepreneurs, in 2019-20, an additional allocation of \$200,000 was approved for Kick\$tart and Drive. 23 start-up businesses were supported and six businesses expanded existing operations. Through the loans, 47 full-time and 26 part-time positions were created. The partnership with the CBDCs also enables Government to leverage connections with existing youth entrepreneurs involved in the CBDC's Youth Ventures program.

Report on Performance

Issue #1: Strengthening our Economic Foundation

As a department with the mandate to strengthen the province's economic foundation, we supported and funded initiatives to create an environment that drives a strong and diversified economy. The Department was engaged at every level with businesses and clients to facilitate business development and growth.

TCII provided support to accelerate the growth of high-potential firms; identified and supported high priority sectors; collaborated with industry and academia to support advances in sector productivity and diversification; and, worked directly with companies to innovate, scale and grow their sales in national and international markets. The Department supported organizations and programs in the innovation ecosystem to assist new entrepreneurs in strategically building their businesses, avoiding many of the pitfalls along the way.

Small businesses are a huge part of energizing local economies and sustaining rural communities. TCII's Regional Development Fund supported regional development by funding non-commercial client projects that have an emphasis on regional industrial development and can create linkages between industrial development and small business creation. These investments take into consideration the strategic growth sectors, new industry development, diversification, and creating an environment for business development.

Goal Statement

By March 31, 2020, TCII will have supported economic development initiatives that strengthen the province's economic foundation.

Indicator 1: Supported sector diversification.

Throughout 2017-2020, TCII committed to collaborating with sector associations and stakeholders to develop strategic work plans and implement initiatives to facilitate sector

growth. Utilizing research, analysis and industry engagement to identify gaps and opportunities for diversification within sectors, the Department established and advanced industry development collaborations among multiple sectors and increased cross-sectoral learning. By advancing innovation-driven sector supports, including start-up services, research and innovation programming and telecommunications, sector work plans have implemented actions relevant to immediate opportunities as well as solutions for major barriers to support innovation and economic diversification. Some of the sector plans delivered upon in partnership with sector organizations and stakeholders were:

- In May 2017, the 2017-2020 Provincial Tourism Product Development Plan was launched. It identified four areas of focus for growing visitation and spending in the tourism industry.
- In February 2018, a Provincial Technology Sector Work Plan was launched that outlined the steps to increase business activity and increase private sector jobs that support the creation, development, and adoption of technology throughout the province.
- In 2018-19, the Department partnered with the Craft Council of Newfoundland and Labrador and other key craft industry stakeholders to develop a provincial Craft Industry Strategy. The Strategy supports initiatives to enhance the profitability of craft businesses, maximize and expand markets, and understand the market and the industry value.
- TCII collaborated with the Canadian Manufacturers and Exporters to produce an annual work plan to support programming and initiatives within the manufacturing sector.
- TCII collaborated with other provincial departments on the mining, forestry, agri-food and aquaculture work plans.

Indicator 2: Supported business growth.

Delivering on the Business Innovation Agenda with the goal to expand the pool and capacity of innovation and growth-focused businesses, TCII enabled businesses to grow and be more innovative, productive, and competitive. The Department worked with

numerous stakeholders to support a strong start-up, entrepreneurial support network through which research ideas, business innovation and ecosystem support can maximize opportunities for innovators and entrepreneurs.

Activities of TCII that supported business growth include:

- TCII invested in the Atlantic Trade and Investment Growth Agreement (ATIGA), and leveraged federal funds to support Newfoundland and Labrador companies looking to build export capacity and diversify markets. ATIGA is a federal-provincial agreement from April 1, 2017, to March 31, 2022, with a total budget of \$20 million, of which Newfoundland and Labrador's investment is \$1,000,000 over the five year term (\$200,000 per year). Last fiscal year, \$7.13 million in ATIGA funding was approved, meaning that Newfoundland and Labrador's \$200,000 contribution to this larger federal/provincial fund granted Newfoundland and Labrador companies access to more than \$7 million in funded projects, which were targeted at increasing the export capacity of Atlantic Canadian companies.
- Through the Cabinet Committee on Jobs Initiative and the Federal Government's Accelerated Growth Service Initiative, the Department supported initiatives that are designed to help accelerate growth, find efficiencies in operations, and improve knowledge and skills, to assist companies in gaining a competitive market advantage globally.
- TCII supported Newfoundland and Labrador's global trade presence through a number of local and Atlantic programs and initiatives, such as the Atlantic Trade and Investment Growth Strategy and Agreement, the Regional Trade Network, the Guyana Cooperation Initiative, the Europe Market Development Initiative, the China Trade Development Initiative, the Grow Export program, and through the promotion of free trade agreements.
- TCII attracted new investment and new industries - it facilitated the establishment of the cannabis industry in the province that generates opportunities for economic diversification, employment, growth and wealth for the province.

- Through its various programs and initiatives, the Department is making targeted investments towards business expansion and innovation; sector and industrial developments; and regional development initiatives. Working directly with businesses in the regions, as well as supporting economic development groups and industry associations in their regional efforts, TCII supports direct and indirect business development and growth.

Indicator 3: Supported development and diversification of regional economies.

Using commercial and non-commercial funding, TCII invested significantly in priority initiatives that have a strong focus on diversifying regional economies. Effective co-ordination between government and business, and having well developed policies and financial programs to support economic and business development initiatives were key to supporting regional development and diversification.

For example, the Regional Development Fund was utilized to support initiatives in multiple sectors throughout all regions of the province. The initiatives are diverse with investment made in infrastructure, capacity building, marketing and research. For 2017-2020, TCII approved 306 projects for total of \$23.6 million through its Regional Development Fund. Since 2017-18, the RDF has approved approximately \$23 million and leveraged more than \$88 million from Federal and Private Sources plus Client Contributions (not including other provincial sources).

To support development and diversification, the Department coordinated and facilitated five Regional Innovation Systems (RIS) pilots. These pilots supported innovation and advanced specific regional opportunities, in collaboration with industry partners, academic institutions and various levels of governments. Each RIS sought to identify unique characteristics and assets in a specific region and highlighted its competitive advantages by targeting supports for research and development and innovation; promoting and facilitating information sharing and collective action; and leads to stakeholder engagements to discuss opportunities for regional and business development.

In 2019-2020, 89 steering committee members representing five Regional Innovation System pilots participated in seven RIS meetings. This included representation from 41 private sector and industry organizations throughout various traditional and emerging sectors in various regions.

The RIS process encouraged collaborative intersections to enhance between private sector players, academia and various levels of governments.

- In 2019-2020, the Fishery RIS steering committee met to conduct an opportunity identification session to prioritize potential initiatives derived from the committee's information gathering and discussions. This resulted in the formation of three working groups comprised of private sector and academic partners to explore initiatives specific to the fishery sector on the Great Northern Peninsula and Southern Labrador, with a focus on inventory and value of resources assessment and utilization of new gear technology utilization.
- In 2019-2020, representatives from the Industrial Technology Development RIS steering committee established a working group comprised of the private sector, industry associations, academia and government to explore conducting research to quantify environmental waste streams in the target region of Clarenville and Burin Peninsula. The objective is to explore collaboration between industry partners towards improving the competitiveness of business and economic development in the region related to industrial waste.

Opportunity identification, planning, and supporting regional capacity building efforts is an ongoing priority. TCII's Community Capacity Building (CCB) funding provides training opportunities and planning support that is often a catalyst for stakeholders to advance economic development opportunities. In 2019-20, CCB funding of approximately \$128,000 was approved for up to 50 sessions.

2019-20 Objective

By March 31, 2020, TCII will have supported economic development through regional innovation and sector diversification activities.

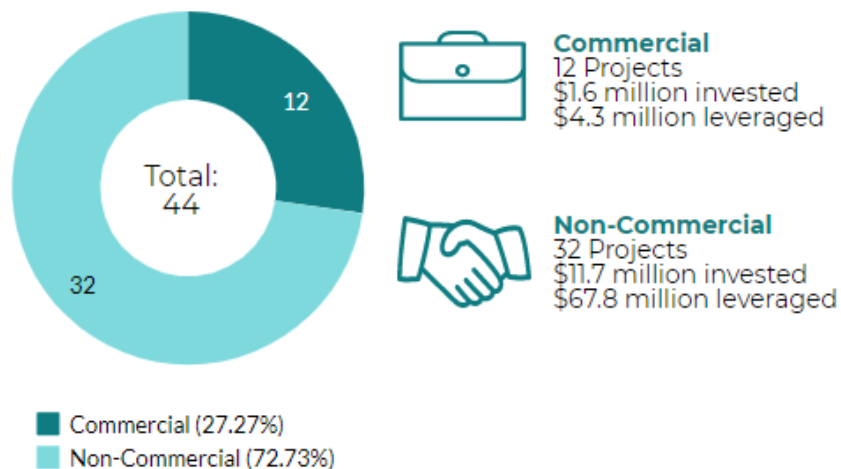
2019-20 Objective and Indicators

Indicator 1: Conducted activities to strengthen business innovation and growth.

Support for innovation and technology delivers on a commitment to strengthen the province's economic foundation. The Department supported the strengthening of the province's economic foundation through such initiatives as the Business Innovation Agenda, Technology Sector Work Plan, Cabinet Committee on Jobs, and Regional Innovation Systems.

The Innovation and Business Investment Corporation is a Crown agency and reports to the Minister of the Department. It administers funding for the purpose of supporting innovation in businesses and creating a competitive and sustainable innovation ecosystem in the province. Investment in the non-commercial projects and initiatives leads to the foundation of the commercial success. In fiscal 2019-20, the investment in the research and development and innovation funding for commercial and non-commercial clients to support business innovation and growth was:

R&D and Innovation - Projects in 2019-20



In addition to funding, the Department supported incubators and accelerators in the province, which are the breeding ground for entrepreneurs. As committed in the Business Innovation Agenda and Technology Sector Work Plan, the Department collaborated with organizations, such as Genesis, Memorial Centre for Entrepreneurship, and Navigate to provide supports for innovative and entrepreneurial companies.

One example of an investment in a commercial client was \$524,000 for a project led by Virtual Marine Technology Incorporated, which aims to increase market growth for Virtual Marine, resulting in the company securing 20 new high-skilled positions locally, and assisting the company to bring cutting-edge technologies to export markets.

Indicator 2: Supported Government's economic growth action plans.

TCII supported government's agenda for economic growth through implementation of various growth action plans in multiple sectors.

Innovation and Technology: As innovation and technology are drivers in diversifying economies, the Province prioritizes the technology sector. This was accomplished by implementation of the priorities established in the Technology Sector Work Plan. Creating an environment where entrepreneurs and innovators can excel; supporting start-up support organizations, such as Genesis and the Memorial Centre for Entrepreneurship; developing talent and interest in science, technology, engineering and mathematics; and supporting youth technology experience programs are a few initiatives under this work plan.

Ocean Technology: Newfoundland and Labrador has the largest ocean economy in Canada and it plays a significant role in the provincial economy through the development of sectors, such as the fishery, aquaculture, oil and gas, ship building, transportation and technology. The Department, along with industry partners, helped local companies diversify with new emerging opportunities and sector growth. Advanced technology, aquaculture, and marine biotechnology developments resulted in the introduction of new, innovative start-ups to established multinational companies bringing growth, employment and competitive advantages. The Province is also a partner engaged in the Ocean

Supercluster, led by the private sector with funding from the Government of Canada, for greater collaboration, research and development, and commercialization of digital technologies.

Clean Technology: Newfoundland and Labrador's green economy, driven by the global transition to low-carbon growth and greater energy efficiency, provides opportunities for economic development focusing on the products, activities, and processes that reduce non-renewable energy and raw materials consumption, as well as harmful emissions and their impact on the environment. TCII worked with stakeholder groups to coordinate provincial clean technology priorities and align cross-sector activities and investment.

Health Innovation: TCII supported innovation in the health sector and numerous start-up companies have produced innovative medical technologies that are receiving significant attention from investors.

Manufacturing Sector: TCII worked closely with the Canadian Manufacturers and Exporters to develop and support programming and development initiatives, including cooperatively delivering the Manufacturing Insights and Manufacturing Productivity programs. In addition to workshops and conferences for companies, the Province has provided support for website development, market research, linking market research to new product design and development and enhanced market development activity within the sector.

Craft Industry: In 2019-20, TCII continued its partnership with the Craft Council of Newfoundland and Labrador and other key craft industry stakeholders to implement the provincial 2018-2021 Craft Industry Strategy. The Strategy identifies three main priority areas that Government and industry will focus on to grow the industry. Collective efforts will drive initiatives to enhance the profitability of craft businesses, maximize and expand markets, and understand the market and the industry value.

Tourism Industry: For growing visitation and spending in the tourism industry, TCII launched the 2017-2020 Provincial Tourism Product Development Plan that identified focus areas to support the tourism sector. The Department and its partners focused

significant effort into building a foundation of collaboration throughout the province; bringing together tourism stakeholders in an effort to build awareness of the priorities and the opportunities for driving tourism visitation and spending through tourism initiatives.

Cultural Action Plan: In April 2019, the Department released a new Cultural Action Plan to help set priorities and key actions towards supporting and sustaining the cultural sector over the next five years. Its implementation is critical to the importance of culture in the quality of life, vitality, and health of our people and communities and as a significant economic driver for the province.

Social Enterprise Action Plan: TCII worked in partnership with key organizations and stakeholders with a goal to support the innovative efforts of existing social enterprises and promote the creation of new social enterprises, ensuring the province gains social and economic benefits as a result.

Indicator 3: Supported tourism related activities to grow the sector.

Government supported tourism through the implementation of the Tourism Product Development Plan (TPDP). In 2019-20, the implementation of the TPDP mainly focused on “Collaborating to Compete”, which identified the priorities of planning through the visitor journey lens, engaging with diverse stakeholders to ensure differentiation and linkages in experience stories and regions of the province, leveraging tourism attractions and clusters, and providing experiences in all seasons. This phase of collaborating was about engagement at the sub-regional, cluster and municipal/community level to create fully integrated and aligned tourism development priorities at these levels.

Through its Community Capacity Building Program, TCII developed a Tourism Planning Process to work with regions, clusters and communities to develop their own collaborative tourism development plans that drive visitation and spending. In 2019-2020, the Department worked with 15 destination areas to implement the tourism planning process throughout the province with attendance of more than 1100 tourism operators, potential entrepreneurs, municipal representatives and other stakeholders.

As market-readiness is another key priority of the plan, TCII also promoted market-readiness guidelines to help guide tourism investments in the province. These guidelines were developed and shared with tourism stakeholders to help enhance the tourism industry's ability to meet and exceed the expectations of visitors and included: General Market-Readiness, Export Readiness, Sense of Arrival, Destination Trails, and Food Tourism Experiences.

TCII also guided several collaborative initiatives around Sense of Arrival. Specifically, the Department committed to collaborating with tourism operators, municipalities and transportation organizations at major entry points, gateways, hubs and attractions to establish common sense of arrival goals and priorities and initiate partnership activities. Several sense of arrival projects were instigated, including initiatives in: St. John's, Argentia, Gander, Port Aux Basques, Deer Lake, St. Barbe–Labrador Straits and Happy Valley-Goose Bay.

Indicator 4: Invested and supported regional innovation and sector diversification initiatives.

TCII invested in and supported regional innovation and sector diversification initiatives. The economy of Newfoundland and Labrador demonstrates diversification and the Department continued to invest in many growth sectors – technology, including ocean tech; aerospace and defense; manufacturing; oil and gas; mining; tourism; craft; forestry; film; fisheries; aquaculture; and, agriculture. TCII supported regional priorities that are based on linkages to strategic sector and industry development.

TCII implemented Regional Innovation Systems to support innovation and advance specific regional opportunities. This was facilitated by industry-led steering committees that include academic institutions, and various levels of governments. The Department worked collaboratively with industry, economic development groups, the Federal Government and other provincial departments to develop and implement ideas that support regional growth and diversification. The Department used a variety of programs and services, to provide financial and non-financial support to its clients - businesses and

community groups. It provided funding and business expertise on a broad range of regional proposals.

TCII staff had strong relationships with commercial and non-commercial stakeholders in all regions, acted as local contacts on the ground, and assisted in planning and assessment of financial requests. The Department also provided non-financial supports such as facilitation, client counseling, and capacity building. These are the key driving supports of daily regional and business development activity.

In 2019-20, TCII continued to support business development and partnered successfully with large industry and small businesses to create new opportunities through all regions. Through TCII funding programs (investment details in infographic below) the Department made targeted investments towards business expansion and innovation, sector and industrial developments and regional development initiatives.



Note: Infographic above represents the approved amounts for each program/fund.

Indicator 5: Implemented priority initiatives identified in the Social Enterprise Action Plan.

In 2019-20, TCII continued to consult with Social Enterprise stakeholders to seek their input and provide updates on the action plan. The Department undertook priority initiatives, most notably the implementation of the social enterprise call for research proposals. In February 2020, the Department issued a call for proposals for social enterprise research projects. The objective of this open call was to identify research projects related to the social enterprise model within the province, focusing on social,

community, economic, cultural and/or environmental impacts, as well as stakeholder engagement.

Issue #2: Strengthening Cultural, Historical and Natural Resources

The ongoing protection and management of the province's cultural resources is essential to preserving the foundations of our culture and to the creation of a vibrant, sustainable and creative society. Cultural stewardship is a broadly-focused endeavor that strives to support, enrich and celebrate the innumerable components of a complex and ever-changing mixture of social customs, traditional knowledge, language, art, heritage and our relationship with the natural environment. Bound together, these elements are the basis of culture. TCII's mandate included strengthening the economic foundation as well as strengthening cultural, historical and natural resources of the province.

Goal Statement

By March 31, 2020, TCII will have developed and supported initiatives that strengthen Newfoundland and Labrador's cultural, historical and natural resources.

Indicator 1: Completed renewal of the Cultural Plan.

TCII completed the renewal of the Cultural Plan. To support the cultural heritage of the province, the Department released the new Cultural Action Plan on April 16, 2019. The Plan recognizes the importance of culture to the provincial economy. It was developed with input from stakeholders throughout the province, and will serve as a guide for cultural collaboration.

- A steering committee was established in 2018 to guide the development of the Cultural Action Plan. This committee consisted of representatives from the Department, ArtsNL, Heritage NL, Newfoundland and Labrador Film Development Corporation, The Rooms, and Canadian Heritage.
- A province-wide consultation process was undertaken over an eight-month period. Between April to December 2018, 280 cultural stakeholders participated in the development of the Cultural Action Plan through 15 facilitated sessions, written submissions and one-on-one interviews. The participants represented: sector organizations; cultural practitioners; museums, archives, and art galleries;

Indigenous partners; Fédération des francophones de Terre-Neuve-et-Labrador; the Association for New Canadians; the LGBTQ community; related non-profit organizations; post-secondary institutions; and the Premier's Youth Council.

- In addition to the consultations, a review of cultural plans from across Canada was completed and discussions were held with specific jurisdictions to learn more about their processes and best practices.

The Cultural Action Plan has three themes that emerged from the consultation and research process: Culture in Communities; Cultural Stewardship; and the Creative Economy; each theme has a goal and actions. They reflect the significant contribution culture makes to the lives of Newfoundlanders and Labradorians and the importance of supporting our artists, cultural practitioners and sector organizations in developing a prosperous sector. This Action Plan is being implemented using a phased approach.

Indicator 2: Developed Status of the Artist legislation.

In 2017, TCII led the development of the **Status of the Artist Act**, which came into effect on December 7, 2017. Through the Act, the Provincial Government has encouraged government departments and agencies to lead by example, by paying artists fairly and equitably based on existing industry pay scales for their genre.

Officials from the Department and the Newfoundland and Labrador Arts Council met with the Arts Advisory Committee to seek input into government's plans for Status of the Artist legislation in Newfoundland and Labrador. With support from the Public Engagement and Planning Division, TCII held a consultation with representatives from the various artistic sectors including: visuals arts, craft, music, literary and publishing, dance, theatre and film. At the same time, the Department launched an online survey of artists. The survey had 256 responses from artists across the province that was used to inform the legislation.

'Status of the Artist' is an internationally recognized term describing a category of legislation, policies and programs intended to improve the economic and social status of professional artists. TCII supported the artistic community through several programs and government agencies including:

- Agencies: Newfoundland and Labrador Arts Council; Newfoundland and Labrador Film Development Corporation; the Province's Arts and Culture Centres; The Rooms Corporation of Newfoundland and Labrador.
- Funding programs: Cultural Economic Development Program (CEDP), Publishers Assistance Program, Cultural Events Fund, and the Arts and Letters Awards.
- Partnerships and industry development; Annual grant to Music NL; and an Annual grant to the Lawrence O'Brien Arts Centre.

Indicator 3: Completed capital improvements at the Arts and Culture Centres.

In 2017-18, the Department invested \$1.4 million, leveraging \$1.9 million in Federal Government funding, for upgrades and specialized equipment for six Arts and Culture Centres throughout the province. This will enable increased community use and capacity, expanded programming, and the ability to reach wider audiences.

In 2018-19, the Arts and Culture Centres completed infrastructure upgrades with a two-year investment of \$3.3 million from the Provincial and Federal Government. For all Centres, the upgrades included specialized equipment, enhanced technical lighting, modern equipment for performances touring the province, and plastering and painting of dressing rooms and common areas throughout the buildings. The St. John's Arts and Culture Centre completed several crucial upgrades, including: improved accessibility at Barbara Barrett Theatre (basement theatre) with a new accessible entrance; installed new theatre seating and updated the concourses and common area; and, installed a new air conditioning system that will ensure a more comfortable environment inside the theatre in the summer months.

Indicator 4: Re-envisioned and re-invigorated the provincial parks system.

There are more than 30 Provincial Parks located in Newfoundland and southern Labrador; 13 being parks where one can camp overnight. The Provincial Parks range in size and in services provided. Over the last three years, TCII facilitated various initiatives to re-envision and re-invigorate the provincial parks system.

- The Department conducted Client Satisfaction Surveys in 2018-19 to seek information from park clients regarding their level of satisfaction with existing park services and to gather their feedback on the priorities for new services. The information gathered will inform priorities for improvements to park services and amenities. For example, as a result of feedback from this survey, Wi-Fi services were improved in provincial parks and the number of water taps were increased.
- A new brand identity, logo, and client facing website for Provincial Parks, www.parksnl.ca was developed to market and promote parks among users. A splash page was launched for the new website; however, due to COVID-19, the full package will be launched in 2020-21.
- A proposal to replace diesel generators at three Provincial Park campgrounds with solar systems was developed to bring improvements to these parks. This proposal for \$455,000 was approved under the federal Climate Change Challenge Fund and will be implemented in 2021-22.
- Parks Division partnered with the T’Railway Council, Business Branch of TCII, ACOA and the Trans Canada Trail Federation to support a funding application for redecking bridges in the T’Railway Provincial Park. Funding of \$493,000 was approved and construction projects will be initiated in 2020-21.

Indicator 5: Protected and promoted cultural, historical and natural resources.

Cultural

TCII strived to protect and promote our provincial cultural, historical and natural resources and made significant investments to support them. For 2019, Government made an investment of \$568,000 for major festivals and cultural attractions to support professional arts organizations for events or projects that stimulate sustainable economic development in the cultural industries.

In April 2019 the Provincial Government released a new Cultural Action Plan to help set priorities and key actions towards supporting and sustaining the cultural sector over five

years. The actions identified in the three themes of the Plan (Culture in Communities, Cultural Stewardship, and Creative Economy) all support the protection and promotion of the province's rich cultural and historical resources.

TCII provided \$3,330,000 annually, through its Cultural Economic Development Program, to arts and heritage organizations across the province to assist with the protection and promotion of the province's tangible and intangible cultural and historical resources. This includes community museums and archives, festivals, performance venues, indigenous groups, sector organizations, book publishers, and community cultural events.

Historical and Natural Resources

Since 2017, Provincial Historic Sites staff supported the protection of cultural and historical resources, including undertaking required restoration/maintenance on a number of the 30 plus heritage buildings across the 11 sites.

The Provincial Archaeology Office continued to support the development and protection of historical resources. Between the 2017 and 2020 fiscal years, the staff reviewed approximately 7,480 land use applications and issued 127 archaeological permits and 13 paleontological permits. In 2019-20, the staff reviewed approximately 2,500 land use applications and issued 45 archaeological permits and three paleontological permits.

2019-20 Objective

By March 31, 2020, TCII will have implemented initiatives to create, protect, manage and promote Newfoundland and Labrador's cultural, historical and natural resources.

2019-20 Objective and Indicators

Indicator 1: Increased support for artists to further their creative processes and making connections to the community.

Budget 2019 allocated a \$1 million increase to the ArtsNL grant program in support of artists, bringing the total Provincial Government investment in ArtsNL to over \$2.9 million. This additional investment will increase ArtsNL funding programs that directly support artists to create, produce and showcase their work, building on our previous commitment under the Status of the Artist legislation. Budget 2019 also allocated \$3.45 million for the Cultural Economic Development program and a \$4 million equity investment in the Newfoundland and Labrador Film Development Corporation and renewal of the Newfoundland and Labrador Film and Video Industry Tax Credit.

Indicator 2: Enhanced programming and engagement at the Provincial Historic Sites.

During 2019-20, Provincial Historic Sites continued to enhance its public programming and engagement at its 11 sites. This included regular daily interpretation (such as demonstrations) as well as 22 special events. Some of the special events included:

- Dinner Series at the Mockbeggar Plantation, Cape Bonavista, and Point Amour
- Family Picnic in Trinity
- Wind Festival at Cape Bonavista Lighthouse
- Port and Cheese Tasting at Newman Wine Vaults
- Voices on the Wind at Beothuk Interpretation Centre
- Point Amour Lighthouse at Night
- Cable Landing Anniversary at Heart's Content Cable Station
- Christmas at Commissariat
- Eerie Evening at Mockbeggar Plantation

Provincial Historic Sites staff also enhanced its public engagement efforts in 2019-20 and site specific partnerships included local individuals, organizations and businesses. These include: Bacalieu Trail Heritage Corporation, Labrador Straits Heritage Development Corporation, Trinity Historical Society, Garrick Theatre, Parks Canada, Town of Heart's Content, Cupids Legacy Centre, Port Rexton Brewery, Newfoundland Chocolate

Company, Labrador Adventures Inc., Florian Hotel, Bonavista Social Club, and local schools.

Indicator 3: Commenced implementation of the Cultural Action Plan.

The Cultural Action Plan was released on April 16, 2019. Actions outlined in the plan will be implemented using a phased approach. Seven actions were commenced immediately in 2019-20, including:

1. Supporting the ongoing development and delivery of cultural activities in communities;
2. Collaborating with provincial and federal partners to provide cultural stakeholders and Indigenous communities with expertise and advice, and identify potential partnerships and funding opportunities;
3. Initiating a review of cultural funding programs within TCII;
4. Supporting the ongoing protection and preservation of Newfoundland and Labrador's heritage assets;
5. Promoting the community benefits of cultural stewardship;
6. Providing artists with financial, technical and other necessary resources to further develop new work and create meaningful connections with potential audiences; and
7. Identifying and supporting cultural tourism opportunities with tourism partners.

Indicator 4: Advanced work towards the development of a waterway provincial park along the Eagle River, Labrador.

In 2019-20, the Department submitted a proposal to the Environment and Climate Change Canada, Canada Nature Fund seeking funding to advance the establishment of a waterway provincial park along the Eagle River, Labrador. The proposal requested \$677,000 from the Federal Government and identified a \$350,000 contribution from foundations, for a total of \$1.27 million over three years.

A Contribution Agreement between the Federal and Provincial Government was signed in March, 2020. The park establishment activities for the Eagle River will begin in 2020-21 and will include Indigenous and public engagement, assessment of natural, cultural and recreational values, boundary refinement, stewardship and monitoring, and park proclamation.

Opportunities and Challenges

New Industry Facing Technology - NL Tourism Operator Portal

The tourism industry in Newfoundland and Labrador is an important economic contributor. Government supports the tourism industry and its over 2,600 businesses and 20,000 jobs by working in partnership with industry to grow non-resident visitation and spending, and to maximize the economic benefits that tourism brings to the province.

The Newfoundland and Labrador Tourism Operator Portal (NLTOP) was rolled-out in 2019. The portal allows operators to update business listings, images, travel offers, accommodations and outfitter statistics and tourist establishment licenses in order to operate and/or avail of marketing partnership opportunities with the Department. This is an opportunity for the tourism sector to advance the service. The adoption of the new portal surpassed expectations as 98 per cent of operators renewed businesses using the portal in 2019, a significant increase over 2018 when 40 per cent of operators used the Tourism Destination Management System Web Update. The challenge was with the two per cent of operators who requested paper forms due to either technical issues with their devices/connection, or low/no technical knowledge. Additionally, for 2020, 79 per cent of tourism businesses renewed; 100 plus businesses who missed the 2019 renewal back in 2018, renewed their 2019 and 2020 listings.

Internet connection in rural areas did not seem to impact the user experience or prevent users from successfully completing their renewals. Accommodators submitting occupancy reports online also increased in 2019. Restaurants were offered listings in 2019; however, adoption has been slow for this group. Only 136 restaurants are now listed on NewfoundlandLabrador.com, despite multiple mail-outs and encouragements from DMO partners.

Broadband and Cell Service

Modern telecommunications are fundamental to economic prosperity, social development, and global competitiveness. Broadband in Newfoundland and Labrador

has been a concern for many residents, as high-speed services are still not readily available throughout the entire province.

Though there is an opportunity to collaborate with the Federal Government and other service providers to bring connectivity to all parts of Newfoundland and Labrador, ongoing challenges exist such as geography and length of time to implement new broadband infrastructure. As telecommunications is a federally-regulated environment, TCII continued to work with the Federal Government and service providers to improve telecommunications capacity, specifically broadband access to households and businesses. Projects announced under the last round of broadband funding continued to be implemented in 2019-20.

Further to a pilot project introduced in 2018-19, TCII partnered with service providers, community partners and other governments to continue to implement cell service initiatives that support improved coverage in Newfoundland and Labrador. The first round of funding saw the Provincial Government contribute nearly \$1.5 million to ten cost-shared agreements, leveraging over \$4.4 million from partners. In February 2020, TCII issued a second call for proposals for a cost-shared cellular service initiative.

Cannabis Industry in Newfoundland and Labrador

With the establishment of the cannabis industry in Newfoundland and Labrador, opportunities have emerged. TCII is able to report that a minimum of 117 person years of employment will be created as a result of the Atlantic Cultivation's cannabis production facility alone, and this impact does not include construction jobs and retail jobs that have already supported a net benefit to Newfoundland and Labrador's economy in 2019-20. However, the challenge is that the industry is still in its infancy and the economic benefits of businesses establishing in Newfoundland and Labrador and the role that TCII's initiative is playing will not be able to be quantified until future years.

COVID-19 Pandemic

On March 12, 2020, the World Health Organization declared the emerging COVID-19 outbreak a pandemic. Subsequently, on March 18, 2020, the Minister of Health and

Community Services declared COVID-19 a public health emergency under the **Public Health Protection and Promotion Act**. This declaration led to numerous public health restrictions that affected businesses and the tourism industry across the province. Going forward, COVID-19 will present challenges to business models and simultaneously, will create opportunities such as increasing the use of online services.

Financial Information

<u>TCII Expenditures by Main Allocation</u>		2019-20	2019-20	2019-20
Line Item	Source of Expenditure	Original Estimate (\$)	Amended Estimate (\$)	Actual (\$) (Unaudited)
1.1.01	Minister's Office	264,700	264,700	211,680
1.2.01	Executive Support	990,900	990,900	947,382
1.2.02	Corporate Services	1,214,100	1,214,100	1,097,760
2.1.01	Accelerated Growth	2,393,400	2,188,400	1,521,588
	(Less: Revenue)	(300,000)	(300,000)	-
2.1.02	Investment Attraction Fund - Capital	8,000,000	6,280,000	1,981,944
2.2.01	Business Analysis	2,643,300	2,577,800	1,578,176
2.3.01	Innovation and Business Investment	16,836,000	16,836,000	16,836,000
3.1.01	Sector Diversification	2,739,000	4,109,000	3,442,238
	(Less: Revenue)	(150,300)	(150,300)	(182,686)
3.2.01	Regional Economic Development Services	4,502,000	4,319,900	3,876,683
3.3.01	Comprehensive Economic Development	9,960,600	9,960,600	7,338,146

ANNUAL REPORT 2019-20

<u>TCII Expenditures by Main Allocation</u>		2019-20	2019-20	2019-20
		Original	Amended	Actual (\$)
Line Item	Source of Expenditure	Estimate (\$)	Estimate (\$)	(Unaudited)
3.4.01	Sector Research	663,600	667,100	604,390
4.1.01	Tourism	15,002,200	15,029,200	14,833,744
	(Less: Revenue)	(80,000)	(80,000)	-
4.1.02	Marble Mountain Development Corporation	306,400	656,400	656,400
4.1.03	Marble Mountain Development Corporation – Capital	400,000	400,000	400,000
4.2.01	Arts and Culture Centres	6,594,400	6,724,400	6,669,691
	(Less: Revenue)	(5,178,000)	(5,178,000)	(5,101,545)
4.2.02	Arts, Heritage and Historic Development	6,138,700	6,143,700	5,915,649
	(Less: Revenue)	(150,000)	(150,000)	(141,418)
4.2.03	Newfoundland and Labrador Arts Council	2,936,600	2,936,600	2,936,600
4.2.04	The Rooms Corporation of Newfoundland & Labrador	6,280,800	6,446,300	6,446,300
4.2.05	Newfoundland & Labrador Film Development Corporation	611,000	678,100	678,100

ANNUAL REPORT 2019-20

<u>TCII Expenditures by Main Allocation</u>		2019-20	2019-20	2019-20
		Original	Amended	Actual (\$)
Line Item	Source of Expenditure	Estimate (\$)	Estimate (\$)	(Unaudited)
4.2.06	Heritage Foundation of Newfoundland & Labrador	398,000	398,000	398,000
4.2.07	Newfoundland & Labrador Film Development Corporation - Capital	4,000,000	4,000,000	4,000,000
4.3.01	C.A. Pippy Park	261,000	261,000	261,000
4.3.02	Park Operations	4,347,800	4,469,400	4,430,339
	(Less: Revenue)	(139,200)	(139,200)	(171,671)
	Gross Budget	97,484,500	97,551,600	87,061,810
	Related Revenue	(5,997,500)	(5,997,500)	(5,597,320)
	Net Budget	91,487,000	91,554,100	81,464,490

To Obtain a Copy of This Document:

Electronic

Website: <https://www.gov.nl.ca/tcar/publications/>

Paper

Department of Tourism, Culture, Arts and Recreation

2nd Floor, West Block

Confederation Building

P.O. Box 8700

St. John's, NL A1B 4J6

Telephone: (709) 729-7000

Toll Free: 1-800-563-2299

Facsimile: (709) 729-0654

E-mail: tcar@gov.nl.ca

Available in alternate format upon request.

