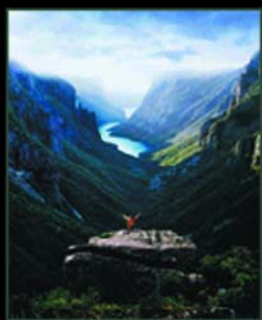
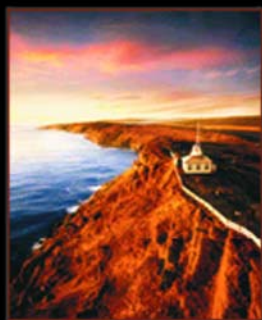


Department of Tourism, Culture and Recreation



ANNUAL REPORT 2001-02



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

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ABOUT THE DEPARTMENT

VISION

Through its programs and initiatives, the Department of Tourism, Culture and Recreation works to realize the *best possible quality of life* for the people of the province. This vision is achieved when:

- Newfoundland and Labrador becomes a **four-season travel destination** of choice;
- A **balanced approach** is taken to preserving the province's past and protecting our natural and cultural resources;
- The natural and cultural heritage of Newfoundland and Labrador is recognized as rich, diverse and unique; and **our natural and cultural heritage is valued and preserved** as the foundation and touchstone of a healthy, dynamic society;
- Investment in natural and cultural resources **brings economic and social returns**;
- The treatment of cultural and heritage professionals reflects an appreciation of **the value of creativity and respect for our cultural identity**;
- A **healthy, engaged population** are motivated to keep fit and involved through lifelong active living and community recreation;
- The Department develops **broad, well-supported partnerships** within a climate of trust and we show leadership through best practices and sound policies;
- The Department has **strong leadership, effective management, skilled employees, and capable volunteers** on our Boards and Committees;
- We **account efficiently and effectively** for our broad directions, policies, programs and public expenditures and use our resources wisely; and
- Clients are better served by **continual improvements in the accessibility and delivery of programs and services**, especially through the use of available, appropriate technology in all areas of our mandate and operations.

MANDATE

The mandate of the Department of Tourism, Culture and Recreation is to support economic growth and employment in the tourism industry, foster creativity through the contemporary arts, preserve and interpret the province's natural and cultural heritage, manage the Province's wildlife and inland fish resources and promote recreation and sport and the benefits of active living for the well being of the people of the Province.

This mandate is fulfilled through the establishment and operation of parks, historic sites, archives, arts and culture centres, and recreation facilities, through the regulatory protection of wildlife and inland fish, ecological reserves, natural areas, rivers, archaeological sites, artifacts and historic documents, by promoting the living culture, marketing these resources to the tourism markets, enhancing transportation links with markets and developing tourism businesses.

LINES OF BUSINESS

The Department undertakes its mission through the following lines of business:

Tourism

This line of business includes marketing Newfoundland and Labrador as a top-of-mind travel destination and working with the tourism industry to develop high-quality, competitive products and a professional tourism industry.

Programs: Advertising and Communications; Strategic Tourism Product Development;

ABOUT THE DEPARTMENT

Touring and Travel Trade; Visitor Services; Labrador Regional Office; Regional Support; Special Celebrations.

Cultural Heritage

This seeks to protect, preserve and interpret the province's cultural heritage which is held in public trust for the people of the province, and in doing so, provide attractions and infrastructure in support of the tourism industry.

Programs: Provincial Historic Sites; Provincial Museum of Newfoundland and Labrador; Archaeology; Provincial Archives of Newfoundland and Labrador; Records Management; Built Heritage; Heritage Foundation of Newfoundland and Labrador (including designation and grants for properties of provincial historic significance); Grants to community museums and archives.

Contemporary Arts

This provides financial assistance to artists through the Newfoundland and Labrador Arts Council and the Art Procurement Program, and cultural infrastructure such as Arts and Culture Centres. It includes supporting artistic expression of the province's unique and diverse culture through all forms of artistic endeavour. It also means sustaining dynamic and diverse cultural industries which are able to flourish artistically and financially.

Programs: Arts and Letters Awards; Newfoundland and Labrador Arts Council (including Grants to Artists and Arts Organizations); Newfoundland and Labrador Film Development Corporation (including grants to film producers); Art Procurement Program; Arts and Culture Centres.

Natural Heritage

This includes the operation of a system of provincial parks, wilderness and ecological reserves, and the responsible management of natural resources for the protection and conservation of our natural heritage. This will ensure that our outdoor resources continue to be valued and enjoyed by future generations and our natural heritage industries will be viable and sustainable. The newly created Science Division, the Institute for Biodiversity and Ecosystem Science and the Natural Heritage Stewardship Secretariat are three new components of the Department's approach to improved resource conservation of the province's natural areas.

Programs: Provincial Parks and T'Railway; Wilderness and Ecological Reserves; Environmental Education and Promotion; Administration and Licencing; Endangered Species and Biodiversity; Conservation Services; Salmonier Nature Park; Game Species Management; Environment and Land Use; Enhancement, Stewardship and Partnership; Inland Fish.

Recreation and Sport

This encompasses active living, sport and recreation programs in support of healthier lifestyles and community-based organizations, and support for provincial and national sports programs. It encourages healthy lifestyles, supports voluntarism and community development, and promotes excellence and participation in sport. This division assists human resources by supporting the many sports organizations and disciplines with funding, as well as through the Provincial Sport Governing bodies and programs such as Athletic Assistance. This division also oversees the Newfoundland and Labrador Winter and Summer Games Program, the Labrador Games and this

ABOUT THE DEPARTMENT

Province's participation in the Canada Games Program.

Programs: Active Living; Community Recreation Development; Sport Development; Provincial Training Centres and Pools; Newfoundland and Labrador Winter and Summer Games; Canada Games; Human Resource Development; Athlete Assistance; National Coaching Certification; Summer Active; Go for Green; Consulting Services; Grants to Provincial Sport Organizations.

Organization and Location

As of March 2002, the Department of Tourism, Culture and Recreation had 295 employees: 211 Permanent, 51 Temporary, 27 Contractual and six Seasonal. The Department's Head Offices are located on the 2nd Floor West Block, Confederation Building, St. John's. The Department's various divisions and business entities are located as follows:

St. John's

Executive

Finance and General Operations (Administration Division)

Strategic Planning and Policy Division

Human Resources Division

Tourism Marketing Division

Strategic Tourism Product Development Division

Culture and Heritage Division (including Provincial Historic Sites, the Provincial Archaeology Office and the Comprehensive Economic Development Agreement)

Recreation and Sport Division

Arts and Culture Centre

Science Division (Avalon Regional Office)

Provincial Museum of Newfoundland and Labrador

Provincial Archives of Newfoundland and Labrador

Special Celebrations

Information Technology Division

Newfoundland and Labrador Film Development Corporation

Natural Heritage Stewardship Secretariat

Bay Roberts

Regional Consultant Recreation and Sport Division

Grand Bank

Regional Consultant Recreation and Sport Division

Gander

Strategic Tourism Product Development Regional Support

Grand Falls/Windsor

Arts and Culture Centre

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Lewisporte

Regional Consultant Recreation and Sport Division

Deer Lake

Parks and Natural Areas Division

Steady Brook

Marble Mountain Development Corporation

Corner Brook

Inland Fish and Wildlife Division

Strategic Tourism Product Development Regional Support

Institute for Biodiversity and Ecosystem Science

Arts and Culture Centre

Regional Consultant Recreation and Sport Division

Stephenville

Arts and Culture Centre

Happy Valley-Goose Bay

Labrador Regional Office

Labrador Interpretation Centre

Regional Consultants Recreation and Sport Division

Labrador City-Wabush

Labrador Regional Office - Labrador West.

Arts and Culture Centre

FIGURE 1 LISTS THE DEPARTMENT'S SITES AND FACILITIES AROUND THE PROVINCE.

ABOUT THE DEPARTMENT

FIGURE 1 - TCR SITES AND FACILITIES AT-A-GLANCE

- 4 provincial museums (Provincial Museum of Newfoundland and Labrador, St. John's; Mary March Museum, Grand Falls-Windsor, Seamen's Museum, Grand Bank and the Logging Museum, Beothuk Park, Grand Falls/Windsor
- Labrador Interpretation Centre, Northwest River
- 7 Visitor Information Centres (Port Aux Basques, Deer Lake, Notre Dame Junction, Clarenville, Whitbourne, Argenta and North Sydney, Nova Scotia).
- 10 Provincial Historic Sites (Cape Bonavista Lighthouse, Heart's Content Cable Station, Lester Garland Premises, Point Amour Lighthouse, Trinity Interpretation Centre, Quidi Vidi Battery, Mockbeggar Property, Hiscock House, Commissariat House and Boyd's Cove).
- 13 Provincial Parks (Barachois Pond, Blow Me Down, J. T. Cheeseman, Pinware River, Pistolet Bay, Sandbanks, Squires Memorial, Dildo Run, Notre Dame, Frenchman's Cove, Lockston Path, Butter Pot and La Manche).
- 2 wilderness reserves (both on the island of Newfoundland), 14 ecological reserves (12 on the island, 2 in Labrador) and 2 provisional reserves (on the island).
- 6 Arts & Culture Centres (St. John's, Gander, Grand Falls/Windsor, Corner Brook, Stephenville and Labrador City).
- 1 Provincial Archives, St. John's
- 1 Government Record Management Centre, St. John's
- 3 training centres: Provincial Training Centre (Torbay) the West Coast Training Centre (Stephenville) and the Labrador Training Centre (Happy Valley-Goose Bay).
- 4 Tourism Regional Offices: Corner Brook, Gander, St. John's, Happy Valley-Goose Bay.

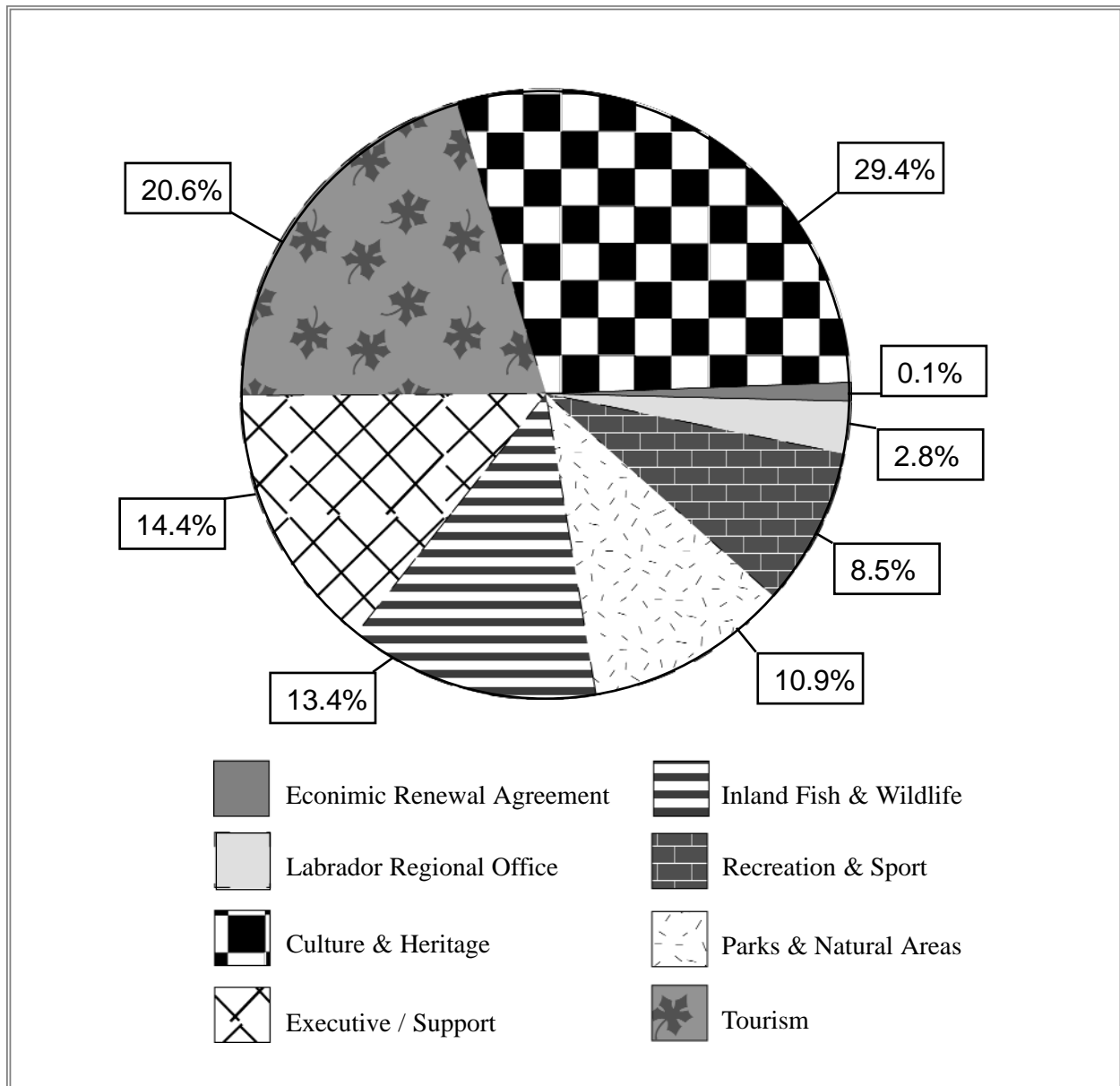
Key Financial Statistics

A summary of Department expenditures and revenues is provided in the final section of this annual report. The 2001-02 Budget highlights for the Department of Tourism, Culture and Recreation were:

- \$3.2 million provided for *Receiving the World: Celebrating Communications* to mark Guglielmo Marconi's 1901 transmission of the first Trans Atlantic Signal and the Province's history and achievements in wireless technology
- Heritage Grants, which help fund 200 community museums throughout Newfoundland and Labrador, were increased by \$80,000 to \$161,700
- In recognition of the 50th anniversary of the Arts and Letters Program in 2002, funding was increased by \$40,000, bringing the program total to \$76,000
- The Labrador Travel Subsidy of \$427,000 was provided to permit students living in Labrador to increase their participation in athletic tournaments throughout the Province
- \$250,000 was allocated for upgrading and maintaining the T'Railway Provincial Park
- \$130,000 was allocated to support resource management activities for the Natural Areas Strategy for Main River
- \$183,000 was allocated to expand programming for the Province's six Arts and Culture Centres to better serve the people in the communities where they are located
- \$30,000 was allocated to improve quality of service at community-run tourist chalets across the Province.

ABOUT THE DEPARTMENT

FIGURE 2 - PROGRAM FUNDING SUMMARY 2001-02



PARTNERS IN PROGRESS

The Department collaborates with key partners - agencies, boards and committees and their staff and volunteers - who help us provide better services to our customers, access additional resources and enable our clients and stakeholders to have input into our programs and services.

WILDERNESS AND ECOLOGICAL RESERVES ADVISORY COUNCIL (WERAC)

Members of the Council appointed by Cabinet to advise on all matters in relation to the establishment, management and termination of reserves and for the better administration of the *Wilderness and Ecological Reserves Act*. The Council, which is composed of 11 members (six of whom represent the public), works closely with the Parks and Natural Areas Division to ensure that all public and private interests are considered while reserves are established. The Council's major focus in 2001-02 was on a Natural Areas Plan, a strategy for protecting representative portions of provincial natural eco-regions¹ and outstanding and unique natural features. While there is no formal annual reporting process, the Council consults and meets frequently with personnel in the Department.

HERITAGE FOUNDATION OF NEWFOUNDLAND AND LABRADOR (HFNL)

As stipulated in the *Historic Resources Act*, the mandate of the Foundation is "to stimulate an understanding of and an appreciation for the architectural heritage of the province; to support and contribute to the preservation, maintenance and restoration of buildings and other structures of architectural or historical significance in the province; and to contribute to the increase and diffusion of knowledge about the architectural heritage of the province." It accomplishes this mandate by designating buildings of architectural/ historical significance, by providing matching grants to owners of designated buildings for restoration purposes and by educating the public and by advising the Minister. The Board comprises 11 individuals, representing most geographical regions of the province, including Labrador, as well as a departmental representative. In fiscal 2000-01, the Department announced \$400,000 in funding for the Heritage Foundation of Newfoundland and Labrador. This one-time contribution was applied to the educational, commemorative and granting efforts.

NEWFOUNDLAND AND LABRADOR ARTS COUNCIL (NLAC)

As stipulated in the *Arts Council Act*, the mandate of the Council is to "foster and promote the study, enjoyment of and the production of works of art of the province and to encourage the preservation and public awareness of cultural heritage." The mandate is accomplished by offering grants to individuals and companies for the creation of new works in all disciplines, by offering sustaining grants to arts organizations, by recognizing outstanding contributions through its Arts Awards, and by other means. The board is composed of ten members of the arts community, representing diverse disciplines, and two representatives from the Department of Tourism, Culture and Recreation. In the 2000-01 Budget, the Arts Council granting budget was increased by 51 per cent to \$732,000. The Council's major priorities for this fiscal period were developing guidelines on the use of the additional funds and amending the *Arts Council Act* to reflect changes in the operating environment since it was first enacted in 1980.

¹Eco-regions have distinctive, recurring patterns of soil and vegetation which are controlled by regional climate. The province is divided into 19 eco-regions (10 in Labrador and 9 in Newfoundland).

PARTNERS IN PROGRESS

ART GALLERY OF NEWFOUNDLAND AND LABRADOR (AGNL)

Established in 1994, the AGNL is the largest public gallery in the province. Its primary focus is on exhibiting, touring, collecting and publishing contemporary Canadian art, with a specific commitment to the visual art of Newfoundland and Labrador. With the establishment of The Rooms, plans are underway to transfer the AGNL from the Board of Regents at Memorial University to Government, reflecting Government's commitment to protect and present the arts, culture and the heritage of this province.

NEWFOUNDLAND AND LABRADOR FILM DEVELOPMENT CORPORATION (NLFDC)

The NLFDC was created in 1997 with a mandate to foster and promote the development of the Province's indigenous film and video industry, and to establish Newfoundland and Labrador as a competitive jurisdiction for on-location shooting. The NLFDC administers two programs: the Equity Investment Fund (EIP) and the Newfoundland and Labrador Film and Video Industry Tax Credit. The Corporation operates at arms length from Government with an independent Board of Directors and a staff of four. In 2001, the Film Development Corporation was moved from the Department of Development and Rural Renewal to the Department of Tourism, Culture and Recreation. The Department provides \$1 million annually to the NLFDC for investment in local productions. This investment in 2001 has enabled local producers to leverage over \$17 million and has resulted in three major film productions.

SPECIAL CELEBRATIONS CORPORATION

The Special Celebrations Corporation is a special operating agency of the Department whose Board comprises the Deputy Minister, Assistant Deputy Minister (Tourism) and Director of Finance and General Operations. As noted in the Renewal Strategy on Jobs and Growth, the Department of TCR, through its Special Celebrations Corporation, continued to incorporate special events in its tourism promotion, in particular the *Marconi: Receiving the World* celebrations in 2001, to complement its core "brand" marketing strategy.

MARBLE MOUNTAIN DEVELOPMENT CORPORATION

The Marble Mountain Development Corporation was incorporated in April 1988 and is a 100 percent provincially-owned crown corporation. The corporation's principal activities are developing the infrastructure of the Marble Mountain resort area and operating its ski and retail businesses. The Corporation, which was transferred to the Department of Tourism, Culture and Recreation from the Department of Finance in 2000, is managed by a Board of Directors who are embarking on an integrated business plan to bring Marble Mountain to a financially viable status.

COMMUNITY ADVISORY COMMITTEES ARTS AND CULTURE CENTRES

During the past year members of Advisory Committees for the Gander and Corner Brook Arts and Culture Centres were appointed by the Minister, following a public call for expressions of interest. The Arts and Culture Centres have a mandate to preserve, develop and present the cultural diversity of Newfoundland and Labrador through a wide variety of programming. These centres also address the needs and opportunities for cultural development in the regions where they are located. These committees are composed of volunteer representatives from each region who ensure that each centre's programs and activities meet and reflect local needs and aspirations.

PARTNERS IN PROGRESS

Applications from three other regions were sought in 2001-02 and will be reviewed for appointment by the Minister in 2002-03.

RECREATION AND SPORT ORGANIZATIONS

The Department works with 40 Provincial Sport Organizations (PSOs) and an estimated 250 Community Recreation Committees and Commissions. The Department provides approximately \$700,000 per annum for over 290 groups. These volunteer groups work with the Department and other partners to provide recreation and sport services including coaching, training, sporting and recreation events and activities. In 1996, the latest year for which data are available, participants in these various sport and recreation activities were estimated to be 80,425.

The Department also works with numerous other associations and groups in all parts of the province. Notably, in June 2001, the Association of Cultural Industries (ACI) submitted a proposal for a provincial cultural policy. In March 2001, Government's Renewal Strategy for Jobs and Growth and the Speech from the Throne committed to preparing an overall development framework and strategy for our cultural industries and the ACI's proposal is a critical component in delivering on that commitment.

Government's Renewal Strategy for Jobs and Growth also committed to the establishment of a new heritage development policy. In November 2001, the Association of Heritage Industries (AHI) submitted a report on the development of a heritage policy for the province. The AHI's report also provides critical input to the heritage development policy.

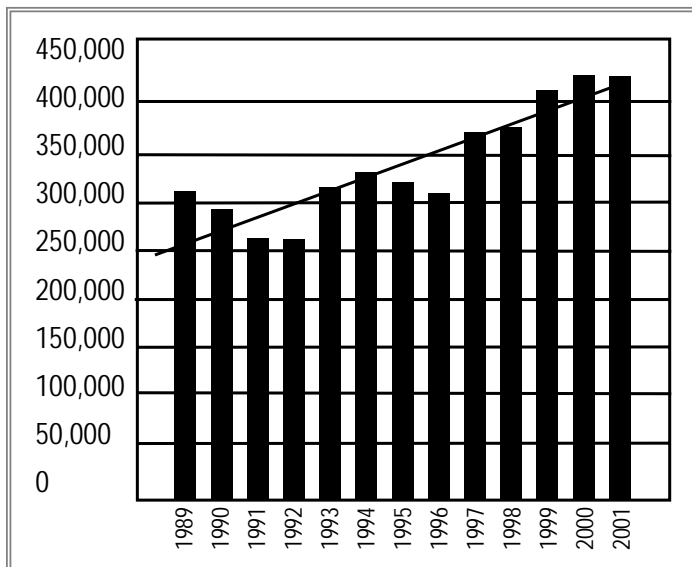
HIGHLIGHTS AND ACCOMPLISHMENTS 2001-02

CONTINUED RECORD TOURISM GROWTH

With the serious setbacks triggered by the September 11 terrorism attacks in the United States, tourism growth in 2001 was lower than anticipated. Nevertheless, non-resident visitation (air, auto and cruise) reached 427,500, up 0.3 per cent over 2000. Estimates of non-resident expenditures (air, auto and cruise) reached \$291,400,000, up 1.1 per cent over 2000.

The record growth trend of the last four years held, with non-resident visits and expenditures increasing 12 per cent and 22 per cent, respectively, since 1998. Estimated resident and non-resident expenditures exceeded \$620,000,000, approximately 2 per cent of the province's Gross Domestic Product (GDP). Tax revenues at all levels are estimated to be over \$100,000,000.

FIGURE 3 - NON-RESIDENT VISITATION 1989-2001

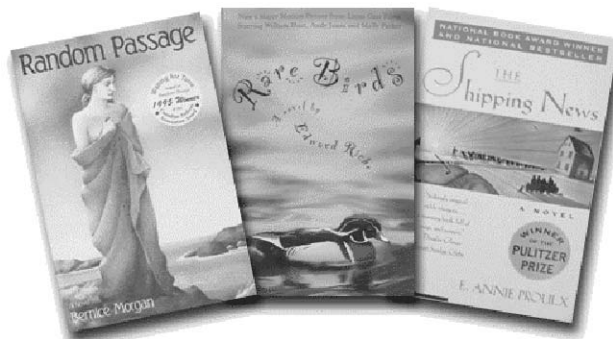


ENHANCED TOURISM MARKETING

The Province continued to make significant gains as a "must visit" destination in 2001-02 and Government recognized that increased investment in the provincial tourism marketing budget was fundamental to realizing tourism's potential. In March 2002, it was announced that the Department's tourism marketing budget would be increased by \$1,000,000, bringing the core budget for 2002 to a total of \$4,900,000.

The Department also undertook a new winter marketing initiative in the winter of 2002, building on the synergies created by the return of the Marble Mountain Corporation to the Department's mandate. MuchMusic hosted SnoJob 2002 at Marble Mountain during a one-week television special in March 2002. Since 2000 alone, the Province's tourism marketing and advertising strategy won 12 awards, including two new awards in March 2002. The provincial tourism marketing budget for 2001-02 also received a significant boost from the Tourism Atlantic Marketing Initiative which is a Government of Canada-sponsored program, delivered by the Atlantic Canada Opportunities Agency (ACOA). Including the provincial contribution, this initiative will provide \$1,200,000 to assist the province to boost tourism marketing in Ontario for 2002-03.

HIGHLIGHTS AND ACCOMPLISHMENTS 2001-02



IMPACT OF FILMS AND TELEVISION

As a travel destination, Newfoundland and Labrador suffers from a low level of market awareness compared to other, better-known destinations. Three major films - *The Shipping News*, *Random Passage* and *Rare Birds* - were released in 2001-02 featuring Newfoundland and Labrador and the Department was active in maximizing the potential of these films through a range of promotional activities in Toronto, the United Kingdom and New York.

To the end of March 2002, inquiries to the 1-800 call center were up 55 per cent over 2001. The response to *Random Passage* was especially positive and it was one of the most-watched programs ever broadcast on CBC. In 2001, TCR established a government/industry working group to develop an action plan to maximize the benefits of increased awareness of the Province through films and television.

NEW TOURISM DESTINATION PLAN AND ORGANIZATION FOR LABRADOR

In 2001-02, Government renewed its commitment to Labrador by providing leadership in economic development, including tourism. Destination Labrador, representing tourism and community economic development groups in Labrador, worked with the Department's Labrador Regional Office to finalize a new five-year tourism destination development plan. The strategy pays special attention to opportunities presented by the Trans Labrador Highway, the Labrador Winter Trails, and Aboriginal culture and heritage. After four years of significant investment, the Labrador Snowmobile/Winter Trail System was completed by the winter of 2002 and will provide opportunities for future tourism marketing and product development in 2002-03.

SUCCESS OF MARCONI: RECEIVING THE WORLD CELEBRATIONS

Marconi's 1901 achievement was one of the great scientific achievements of the last century and forever gave Newfoundland and Labrador a prominent place in communications history. The *Receiving the World* event in 2001 focused attention on this event and the province's remarkable communications history. These celebrations were the fourth in a series of special celebrations which included the *John Cabot 500th Anniversary Celebrations* (1997), *Soiree '99* (1999) and the *Vikings! 1000 Years Celebrations* (2000).

Receiving the World was smaller in scope and budget than previous celebrations - \$5.3 million of which the Province contributed \$3.3 million with the remainder coming from federal partners and corporate partners. The Celebrations were delivered through province-wide school programs, library activities, kite festivals, film and publishing initiatives, exhibits and presentations, industry-based initiatives and several major events.

HIGHLIGHTS AND ACCOMPLISHMENTS 2001-02

HIGHWAY SIGNAGE POLICY REVIEWED AND AMENDED

The Highway Signage Policy was first developed in 1999 by the Department of TCR and its partners, the Departments of Municipal and Provincial Affairs, Government Services and Lands and Works, Services and Transportation² to meet a variety of objectives: non-resident visitors' need for directional signs, maintenance of highway safety standards and preserving a clean, uncluttered environment which is a core theme of the Province's tourism strategy.

Following its implementation, Government received significant feedback on the policy and decided to assess its effectiveness and impacts over a period of one year. In September 2000, the Highway Sign Advisory Committee, composed of representatives of Hospitality Newfoundland and Labrador (HNL), the Federation of Municipalities, the Provincial Chamber of Commerce and officials from the four relevant departments assembled all feedback received during the first year and began the review process. Following the comprehensive review, the policy was amended and new regulations were developed and became effective December 3, 2001.

SIGNIFICANT PROGRESS ON *THE ROOMS*

In 2001-02, significant progress was made toward realizing the promise of the new \$47.5 million culture and heritage facility which, in the previous year, Government announced it was building to house the Provincial Museum of Newfoundland and Labrador, the Provincial Archives of Newfoundland and Labrador and the Art Gallery of Newfoundland and Labrador. In April 2001, the major contract for construction of The Rooms was awarded to Olympic Construction and work on the site began.



An exhibit showing a portion of the ruins of Fort Townshend at the archaeology level of The Rooms will create a year-round attraction. In May 2001, a 17-member advisory committee with experts and representatives from all regions and Aboriginal peoples of the Province was appointed to begin development of a permanent exhibit concept for The Rooms and curators for Aboriginal exhibits were announced in August 2001. Planning also began on the West Coast Exhibition Centre, a partner of The Rooms, which will serve the arts and heritage

needs of the west coast of Newfoundland and the southeast coast of Labrador and support the academic programming of the Wilfred Grenfell College of Memorial University.

²The Department of Municipal and Provincial Affairs (MAPA) is responsible for the legislation enacting the policy. The Department of Works, Services and Transportation (WST) accepts all applications as well as construction, installation and maintenance of fingerboards. The Department of Government Services and Lands (GSL) performs all permitting functions and represents government at any appeal hearings in accordance with the regulations. The Department of GSL undertakes inspections and monitoring functions with assistance from the Department of WST.

HIGHLIGHTS AND ACCOMPLISHMENTS 2001-02

COMMENCEMENT OF THE CULTURAL POLICY

In 2001, the Department began to prepare an overall development framework for our cultural industries, as committed to in the Speech from the Throne 2001. The cultural policy, to be developed with the Association of Cultural Industries, the Association of Heritage Industries, a working committee on cultural policy and officials of the Department of Tourism, Culture and Recreation, will clearly articulate priorities on cultural matters to our federal partners, and help us work collaboratively on identifying priorities and any gaps in our existing programs. Phase I focused on guiding principles which will form the basis for the Strategic Cultural Plan. Phase II of the plan will include the goals, objectives and key actions which flow from the guiding principles.

INTRODUCTION OF ENDANGERED SPECIES LEGISLATION

In November 2001, the Department introduced important legislation to protect species at risk in the Province. Newfoundland and Labrador has a number of threatened or endangered species which are important to their ecosystems, including the Newfoundland marten, wolverine, piping plover, eskimo curlew, long's braya, barrens willow, fernald's braya, peregrine falcon and the woodland caribou of Labrador.

The legislation provides for protection and recovery programs for threatened and endangered species, or those species which may have been extirpated (meaning they may no longer exist in the Province but exist in a more global geographic context). The *Endangered Species Act* sets the rules for administration and enforcement with many provisions taken from the *Wildlife Act*. Fines range from \$1,000 to \$400,000. Previously, species at risk were afforded minimal or no protection.

MEALY MOUNTAINS FEASIBILITY STUDY

In March 2002, the Department, along with the Department of Labrador and Aboriginal Affairs, the Department of Canadian Heritage, the Innu Nation and the Labrador Inuit Association, announced a joint study of the feasibility of establishing a new national park in the Mealy Mountains area, south of Lake Melville. This area, with its many forested river valleys and rugged mountain environment, offers spectacular scenery and is considered an ideal candidate for a national park, along with alternative development options that might otherwise occur in the study area.

The initiative also represents a significant contribution toward the national goal of completing Canada's network of representative protected areas. The Government of Newfoundland and Labrador has adopted an eco-region approach to protected areas establishment to ensure that each eco-region of the province is adequately represented in a protected areas system. Newfoundland and Labrador is a vast area with diverse ecology. If feasible, the Mealy Mountains National Park would see protection of four eco-regions.

FUNDING FOR ENHANCED SCIENTIFIC RESEARCH AND STRATEGIC PARTNERSHIPS

In March 2002, Government announced it would provide \$2.8 million annually to enhance the Department's Science Division to fund an Institute for Biodiversity and Ecosystem Science and to focus increased attention on the need to seek new research funds from both public and private sector institutions outside the Province. The Science Division is responsible for initiating and fostering best practices in programs of research and scientific inquiry, as well as the enhancement of this Province as a leader in science-based management and sustaining of resources. The Institute, to be established at the Sir Wilfred Grenfell College (Memorial University of Newfoundland) in Corner Brook, will ensure that research and knowledge requirements of the provincial government will become a focus of research of the academic

HIGHLIGHTS AND ACCOMPLISHMENTS 2001-02

community of the Province. MUN will extend its expertise and enhance its work by providing institutional and intellectual resources in the area of natural heritage conservation.

PROVINCIAL COALITION FOR ACTIVE LIVING

Trends over the last decade have shown that Newfoundlanders and Labradorians are becoming increasingly sedentary, with rates of heart and circulatory disease markedly higher than the national average.

Meanwhile, the demands for and costs of health care in the province are climbing and are expected to grow even higher with the province's aging population. Research continues to demonstrate the reductions to health care costs afforded by such preventative measures as active living. In 2001-02, the Department of TCR co-chaired a provincial coalition for active living in partnership with the Newfoundland and Labrador Parks and Recreation Association and 23 major stakeholder agencies. The federal, provincial and territorial ministers have focussed efforts on less active groups such as women and girls, low-income earners, Aboriginal people, persons with disabilities and older citizens. Newfoundland and Labrador is focussing on youth and children.

PROGRESS ON KEY ISSUES AND PRIORITIES 2001-02

TOURISM MARKETING - STRATEGIC OVERVIEW

The goal in tourism marketing is to substantially increase tourism visitation and expenditures with the objective of making Newfoundland and Labrador a "top of mind" travel destination in key markets. This involves motivating consumers and the travel trade to visit Newfoundland and Labrador, and to differentiate Newfoundland and Labrador from other travel destinations. Through its Tourism Indicators and Exit Survey Programs, the Department measures its progress toward this goal by monitoring rates of non-resident visitation and expenditures (both annual and peak season) as well as rates of retention of resident visitors.

STRATEGIES AND ACTIONS 2001-02:

a) Continue Core Marketing Strategy

- In 2001-02, The Department continued to employ consistent, targeted marketing and brand messaging concentrating primarily on markets in Ontario and the Maritimes and secondary markets including the Northeastern United States, the United Kingdom, Germany and Japan.
- The Department partners with the federal government and industry to strengthen tourism marketing efforts and also works with federal partners to support regional tourism association marketing efforts.
- In 2001, levels of tourism visitation and expenditure rose for the fifth straight year, a record cycle of growth.

b) Increased Emphasis on Tourism Marketing and Special Events

- The Comprehensive Economic Development Agreement (CEDA) contains a \$2.5 million marketing initiative over two years (2001-02 and 2002-03) which is focusing on winter tourism, the northeastern US, Europe and enhanced core marketing.
- In 2001-02, Government continued to incorporate special events in its tourism promotion, in particular the Marconi celebrations in 2001, to complement its core "brand" marketing strategy.
- In March 2002, the Department's tourism marketing budget was increased by \$1 million, bringing the total core marketing budget to \$4.9 million.

c) More Emphasis on Niche Products.

- The Department has placed increased emphasis on promoting Newfoundland and Labrador's niche tourism products in its overall tourism marketing strategy. Products include winter tourism, cultural-heritage tourism, outdoor adventure products and other product areas where we have a competitive advantage.

d) Tourism Marketing Strategy Review

- In 2002-03, the Department, in consultation with industry partners, will review the provincial tourism marketing strategy to enhance and update it for the next three to five years to complement development of a province-wide product development strategy.

PROGRESS ON KEY ISSUES AND PRIORITIES 2001-02

BUILDING QUALITY TOURISM PRODUCTS AND EXPERIENCES -

STRATEGIC OVERVIEW

To make Newfoundland and Labrador a "top of mind" tourism destination, the Province must have more diverse market-ready products to bring to market and a continuously increasing market share in its target markets of Sightseeing/Touring, Outdoor Adventure, Meetings, Conventions and Incentive Travel, Winter Product, and Hunting and Fishing.

STRATEGIES AND ACTIONS 2001-02:

- a) **Creation of Strategic Tourism Product Development Division.**
 - On August 13, 2001, The Department of Tourism, Culture and Recreation established the Strategic Tourism Product Development Division. The mandate of this division is to bring new and emerging tourism products and sectors to a market-ready state in collaboration with industry partners. The Division will also lead the department's liaison with Regional Economic Development Boards and Regional Tourism Associations.
- b) **Tourism Product Development Strategy**
 - Government has directed the Department to establish a joint government-industry team to address tourism investment and product development with particular attention to opportunities that have potential to extend operating seasons.

FEDERAL ACTION ON MARINE AND AIR INFRASTRUCTURE AND SERVICES -

STRATEGIC OVERVIEW

Time, cost and distance continue to be among the largest barriers to tourism development in the province. Sea, air and road access must be adequate in capacity and seamless between connections and modes of travel to ensure that visitors arrive quickly, easily, comfortably, safely and at a competitive cost. While the pressing issue of marine capacity is being resolved, there remains a need to focus on improving service quality and providing it consistently in marine travel. Air access also must be improved.

STRATEGIES AND ACTIONS 2001-02:

- a) **Progress on the Recommendations of the Gulf Ferry Forum.**
 - The Department, working with the Department of Works, Services and Transportation, the Intergovernmental Affairs Secretariat, Hospitality Newfoundland and Labrador, the Newfoundland and Labrador Chamber of Commerce, and the Newfoundland and Labrador Truckers Association, was successful in having Marine Atlantic and the federal government significantly improve capacity and service levels on the Gulf Ferry service in 2000-01 and 2001-02.
- b) **Improving Air Access to Newfoundland and Labrador**
 - In 2001, the Department completed an in-depth study of air access to the province following the re-structuring of Air Canada in 1999-00. The Department is continuing to closely monitor air access through the subsequent re-structuring and network-wide reductions (transborder and domestic) and will continue to work directly to influence the emerging strategies of airlines so that the Province benefits.
 - The Department also participated in a national study on air access completed in August 2001 and is currently part of a provincial/territorial working group on air access. The Department

PROGRESS ON KEY ISSUES AND PRIORITIES 2001-02

hosted the federal minister (responsible for tourism) and a committee of provincial and territorial ministers responsible for tourism at meetings in St. John's in September 2001. The ministers pledged to continue to actively work to improve air access across the country as a first priority.

OUTFITTING LODGE POLICY - STRATEGIC OVERVIEW

In the report, *Our Smiling Land*, Government committed to develop a more transparent and open policy on the approval of outfitting lodges to address public concerns expressed about the resulting privatization of land and restricted access to natural resources. The Committee on the Use of Outdoor Resources recommended that the Department of Tourism, Culture and Recreation develop a more transparent and open policy on the approval of outfitting lodges.

STRATEGIES AND ACTIONS 2001-02:

- a) **Policy Research and Consultation Undertaken**
 - The Department reviewed policies and public involvement processes in other jurisdictions and completed industry consultations regarding this policy. The new lodge approval process is targeted for completion /approval by Cabinet in 2003.
- b) **Moratorium Lifted on Non-Consumptive Lodges**
 - The moratorium on new outfitting lodges was lifted with respect to non-consumptive lodges, but will remain in place for consumptive lodges until the new approval process is approved. On October 18, 2001, following consultation with the Chair of the Cabinet Committee on the Use of Outdoor Resources, the Department of TCR advised the Department of Government Services and Lands (GSL) to recommence accepting applications for the establishment of non-consumptive lodges, as the intent of the review was to address concerns associated with hunting and fishing lodges.

FOCUSING ON LABRADOR - STRATEGIC OVERVIEW

One of Government's key priorities is to ensure that the people who live in Labrador share in the development of the area's wealth of resources. Labrador's tourism industry is poised for growth over the next five years. In 2001-02, the Department, through its Labrador Regional Office, worked with stakeholders to develop and implement new tourism strategies for Labrador which will capitalize on opportunities arising from the multi-million dollar investments in the Trans-Labrador Highway and the Labrador winter trail system, as well as the potential of aboriginal art, culture, tourism and the creation of two new national parks. Labrador is also on the leading edge of co-operative social planning and community capacity building through a partnered approach to community recreation and sport. In 2001-02, the Labrador Regional Office also undertook initiatives to further community planning and capacity building.

STRATEGIES AND ACTIONS 2001-02

- c) **Re-activate Destination Labrador**
 - Destination Labrador, comprising representatives of all five tourism associations, has been re-activated with a new focus on destination planning, product development, regional marketing, and inter-agency communication.
- d) **Develop a Tourism Destination Plan for Labrador**
 - To facilitate the strategic development of Labrador's tourism industry, a comprehensive destination

PROGRESS ON KEY ISSUES AND PRIORITIES 2001-02

plan for Labrador for the next five years has been completed. This plan incorporates the opportunities presented by the Trans Labrador Highway, the Labrador Winter Trails, and Aboriginal cultural heritage.

- Destination Labrador, representing tourism and community economic development groups in Labrador, is working with the Department to finalize the strategy and identify funding sources for the implementation of the five year plan. The new focus will be on destination planning, product development, regional marketing and inter-agency communication.

- e) **Maintain the Labrador Travel Subsidy**
 - The Department increased its travel subsidy program (which allows Labrador students to participate in athletic activities) in fiscal 2000-01 and maintained this program at its new level of \$427,000 in fiscal 2001-02. This enables Labrador students to maintain a program similar to that available on the island portion of the Province.

- f) **Development of Two New National Parks for Labrador**
 - Government is committed to a National Park in the Mealy Mountains that balances ecological integrity with interests of various stakeholders. Parks Canada, the Province, the Innu Nation and the Labrador Inuit Association (LIA), announced the commencement of a feasibility study to examine the potential impacts and benefits of establishing a National Park in this area of Labrador. Government is also committed to the creation of a National Park Reserve in the Torngat Mountains region. The proposed park extends from Saglek Bay in the south to Cape Chidley in the north.
 - The Labrador Inuit Agreement in Principle (AIP) provides for the establishment of the National Park Reserve in the Torngat Mountains. Government has provided strong interim protection to the area and is now actively negotiating the transfer of land to the federal government.

- g) **Coordinated Social Planning with an Emphasis on Recreation and Sport**
 - In partnership with the Strategic Social Plan's Labrador Committee, the Department of Tourism, Culture and Recreation hosted a Labrador Recreation and Health Summit in Happy Valley-Goose Bay in October 2001.
 - Based on extensive community consultation, the Committee has developed an action plan with four priority areas: 1) Recruitment and Retention of Professionals; 2) Human Resource Development; 3) Recreation and Sport; and 4) Health Care Delivery. A comprehensive policy on the community use of schools is being developed with the Labrador School Board, the Strait of Bell Isle School Board and TCR.

Preserving our Natural Heritage - Strategic Overview

In the Renewal Strategy on Jobs and Growth, Government committed to move to release a Natural Areas System Plan for the province and to press the federal government to properly support its jurisdictional responsibility for inland fisheries through a comprehensive multi-year recreational fisheries management and development program. The Department's goal is to ensure the protection of large wilderness areas, representative examples of the province's 19 eco-regions; and the province's rare and outstanding natural features. A fisheries management and development program is also needed to fully realize the economic potential of the recreational fishery.

PROGRESS ON KEY ISSUES AND PRIORITIES 2001-02

STRATEGIES AND ACTIONS 2001-02

a) Release of Government's Strategy to Develop a Natural Areas Plan

- In 2001, Government released *Protecting Our Natural Heritage*, which outlines its strategy on the province's Natural Areas Plan. Release of the Natural Areas Plan will occur after an extensive consultation process which will provide full opportunity for public participation and cooperation with other government and industry interests.

b) Comprehensive Agreement on Salmon Enhancement.

- The Inland Fish and Wildlife Division of the Department of TCR and the Department of Fisheries have developed a proposal for a Comprehensive Agreement on Salmon Enhancement (CASE/C 2), emphasizing economic objectives but also designed to fund science, enforcement and habitat protection as key development priorities.
- The Province continues to press the federal government to properly support its jurisdictional responsibility for inland fisheries through a comprehensive multi-year recreational fisheries management and development program.

An Emerging Cultural-Heritage Industry - Strategic Overview

Cultural industries have clearly demonstrated their promise but are still at an early stage of development. The current momentum must be sustained for cultural industries to reach a more mature, solid stage of development. The Department seeks to help increase the output and economic value and impact of cultural industries. Further investment and market development approaches will help cultural industries mature and prosper.

STRATEGIES AND ACTIONS 2001-02

a) A New Cultural-Heritage Industries Policy Framework

- In 2001-02, the Department began work on a cultural development strategy and a heritage development policy.
- Both the Association of Cultural Industries (ACI) and the Association of Heritage Industries (AHI) have submitted reports outlining recommendations for policy and strategy development. The Department reviewed these reports with a view to developing a cultural industry policy strategy and a heritage development policy in 2002.
- An inter-departmental committee with representation from 17 government departments and agencies has been formed to review the impact of these recommendations on their respective departments. Public and key stakeholder input was also initiated.

b) Cultural and Heritage Industries Development Fund

- In the Renewal Strategy on Jobs and Growth, Government directed the Department to partner with the federal government to establish a Cultural and Heritage Industries Development Fund.
- In 2001, the Government of Newfoundland and Labrador and the Government of Canada (ACOA) signed the "Culture and Heritage Industries Agreement" component of the *Comprehensive Economic Development Agreement* (CEDA), yielding \$3.4 million over two years - 2001-02 and 2002-03. The funding is directed to improve our capacity for product development, for marketing, conservation, research and policy development. The Department of Canadian Heritage and the Department of TCR are the programme delivery agencies for the agreement.

PROGRESS ON KEY ISSUES AND PRIORITIES 2001-02

c) Taking Film Industry to a Higher Level

- Since the Provincial Government established the Newfoundland and Labrador Film Development Corporation (NLFDC) in 1997, annual production activity has increased from \$2 million to approximately \$20 million. In partnership with the film industry and the Corporation, government initiated a review of the most appropriate strategy to take the industry to a higher level where private sector investment drives future growth.
- In 2001, the Film Development Corporation initiated a film industry development strategy to properly grow the industry. The study makes recommendations to Government relating to changes to the Equity Investment Program and the Tax Credit Program and other industry needs.

TRANSFORMING OUR ARTS AND CULTURE CENTRES - STRATEGIC OVERVIEW

To support the growth of the vibrant arts and cultural community in the province, the province's six Arts and Culture Centres require new focus and direction to become more relevant and integrated into the mainstream of cultural and community life. In 2001-02, Government pledged to work with municipalities, industry and other stakeholders to transform the centres into more dynamic, regionally based operations that respond to the artistic and cultural needs of the regions in which they are located.

STRATEGIES AND ACTIONS 2001/-02

a) Establishment of Advisory Committees to Arts and Culture Centres

- Government has committed to establishing Advisory Committees to the Arts and Culture Centres in all six regions where Arts and Culture Centres are located, with committee members representing a diverse group of stakeholders.
- In 2001-02, two such committees are established in Gander and Corner Brook. The department held a Call for Expressions of Interest during the summer of 2001 for the centres in Labrador West, Grand Falls Windsor and Stephenville.

b) Increasing Promotion of, and Access to, Newfoundland and Labrador Artists and Performers

- In 2001-02, the Department actively promoted Newfoundland and Labrador artists and extended touring circuits into more communities around the province.
- The 2001 Fall Programme for Arts and Culture Centres had 13 acts, or 50 per cent of the touring program dedicated to Newfoundland and Labrador artists. Extending this programme into more community touring circuits has increased the access to culture for more communities in rural Newfoundland and Labrador.

PHYSICAL INACTIVITY REDUCTION TARGET - STRATEGIC OVERVIEW

In 1997 Federal, Provincial and Territorial Ministers Responsible for Sport, Recreation and Fitness set a target to reduce physical inactivity by 10 per cent between 1998 and 2002. To date, indications are that specific population groups across Canada have not achieved the 10 per cent target and a significant portion of the population is still not active enough to receive optimal health and other benefits. In 2001-02, the Department of Tourism, Culture and Recreation co-chaired a provincial coalition for Active Living with the Newfoundland and Labrador Parks and Recreation Association and 23 major stakeholder agencies.

PROGRESS ON KEY ISSUES AND PRIORITIES 2001-02

STRATEGIES AND ACTIONS 2001-02

- Working with federal, provincial and territorial counterparts, the Department is focusing efforts on less active groups such as youth and children. The Department will host five regional consultation forums across the Province in 2002-03.
- The Department is using promotional and educational strategies to increase physical activity and participation in sport and recreation. An example of this is collaborating with the Departments of Education and Health and Community Services in planning and implementing selected initiatives designed to encourage children and youth to be more active. These initiatives include the development of a Physical Activity Guide for distribution to children and youth and the employment of a new Physical Education Coordinator in the Department of Health and Community Services.

THE ROAD AHEAD - OPPORTUNITIES AND CHALLENGES

TOURISM OUTLOOK 2002-03

The North American tourism industry is expected to face several challenges in 2002 given weak economic outlooks for the US as well as ongoing restructuring in the airline industry. At the same time, the events of September 11 have shaken the confidence of some travellers and will continue to pose new challenges for marketers.

New opportunities will emerge as North America's aging and more wealthy population demonstrate a higher propensity to travel as well as a thirst for new destinations. Newfoundland and Labrador will benefit from this trend. Nature and cultural heritage destinations are growing in popularity and the Province fits well into this niche.

The Province has achieved its remarkable growth rate in this industry by continuing to market what makes Newfoundland and Labrador special and unique. The province's traditional strengths are in its abundant natural beauty, small, safe communities, clean environment, rich culture and heritage and a growing global reputation for unequalled hospitality. These distinctive elements will be more relevant than ever and the provincial tourism marketing strategy will stay the course for 2002-03, focusing on niche strategies in core markets and seeking further insights from continuing consumer research on travel attitudes and motivations.

SPOTLIGHT ON LABRADOR - SPECIAL CELEBRATIONS

The Special Celebrations were developed as a special promotional tool, complementing the marketing strategy, raising awareness and enhancing marketing efforts in core markets. In the year 2002, the Government of Newfoundland and Labrador will commemorate the 250th Anniversary of the Moravian Mission in Labrador. Labrador's integrated winter trail system and improvements to the Trans Labrador Highway have made the region more accessible, thus allowing more tourists to take advantage of what the region has to offer. But the greatest advantage of the *Access North Labrador 2002* Celebrations will be the increased awareness of the importance of tourism to Labrador residents. Destination Labrador will work with the Department to finalize its tourism destination development strategy and identify funding sources for the implementation of a five-year plan.

DEVELOPMENT OF THE NEW TOURISM MARKETING STRATEGY

The Province is coming of age and realizing its economic promise as a tourism destination. After five years, it is time to work with stakeholders to review and revitalize the provincial tourism marketing strategy to ensure that the strategy is appropriate for the opportunities and challenges of the next five years in tourism.

TRANSPORTATION POLICY AND STRATEGIES

Time, cost and distance will continue to be among the largest barriers to tourism growth in 2002. Educating airlines and ferry operators concerning the economic opportunities and seeking them as major tourism partners could lead to increased market access, lower travel costs and marketing partnership opportunities. Joint efforts at the provincial government and national levels will continue work to address current constraints and issues in air, ferry and road access, with both industry and the federal government.

THE ROAD AHEAD - OPPORTUNITIES AND CHALLENGES

STRATEGIC TOURISM PRODUCT DEVELOPMENT

Tourism products and experiences need to be developed in key market categories which match market demand and will make the province more competitive as a destination of choice. In this, the conservation, protection and management of the province's natural resources are key to sustainable use, quality and the realization of economic benefits through tourism growth. A common framework, a provincial product development strategy, is needed to focus on key investment opportunities and priorities among funding and development partners in government, industry, regions and communities.

ENHANCED REGIONAL COORDINATION

A more systematic and coordinated approach to regional tourism marketing and development would ensure strategic tourism investments based on regional assets, strengths and natural advantages and better distribution of visitors to the Province's regions.

QUALITY - CREATING A RICHER VISITOR EXPERIENCE

Quality and richness of experience and consistently high standards of visitor service are key elements of global competitiveness in tourism. The Department aims to raise the quality of tourism establishments and visitor experience through grading programs, improved visitor services and tourism-related human resource development as part of the product development strategy.

REALIZING THE PROMISE OF "THE ROOMS"

Through "The Rooms", the province is renewing its commitment to preserving and promoting our unique cultural heritage. The cultural artifacts, natural history specimens, archival documents and works of art will be preserved and exhibited in the best possible manner. Realizing the great promise of "The Rooms" requires proper governance, facility and exhibit planning, interpretation and the use of advanced technology. This needs to be done in the context of providing a new, province-wide interpretation plan for all of the province's branch museums and historic sites.

CULTURE AND HERITAGE POLICY AND PROGRAM FRAMEWORK

The impacts of globalization, the internet and trans-national media corporations — all create pressure on the ability of government to nurture the culture and heritage of a small jurisdiction. Funding pressures grow as cultural and heritage industries expand and sectoral organizations are providing significant input into the public agenda. These industries are at an early stage in the development cycle. The current momentum must be maintained so that cultural industries will reach a more mature, solid stage of development. Otherwise, the gains of the last decade will be lost.

As historic sources of federal-provincial funding are ending, there is an urgent need to determine how to manage these significant investments. Next steps include developing a policy and program framework to properly address cultural policy and the conservation needs of built heritage, including those buildings which are government-owned. The development of these policies will occur over 2002-03 with a draft cultural policy being ready later in 2002. The Department will continue to consult with both the cultural and heritage industries and other stakeholders in the development of these policies.

REVITALIZATION OF ARTS AND CULTURE CENTRES

The Department has been directed to make the Province's Arts and Culture Centres more relevant,

THE ROAD AHEAD - OPPORTUNITIES AND CHALLENGES

accessible and community-based. Operating the centres in a more community-based way through the establishment of community advisory committees will increase the relevance and accessibility of the Centres to the people, communities and regions they serve.

The establishment of advisory committees and the process of change is occurring but without significant increase in the capital and operating budgets of the Centres. This imposes constraints on the type and amount of change that can be undertaken. In addition, a continuing downward trend in the rural population of the province is undermining the market base for Arts and Culture Centres and the labour market pool for the tourism industry. Strategies may be needed to deal with these issues.

ADVANCING FILM AND VIDEO DEVELOPMENT

2001-02 was a banner year for the Province's film and video industry with much of the estimated \$20 million economic return of this industry occurring in rural Newfoundland and Labrador. In 2001, producers in the Province proved they could create world-class programming through such successful local and global productions as *Rare Birds*, *Random Passage*, *The Shipping News* and *Messiah From Montreal*. Both *The Shipping News* and *Random Passage* were shot on location in the Trinity area. This growth clearly demonstrates that Newfoundland and Labrador film makers possess the talent, skill and experience to create quality work that succeeds in the national and international marketplace.

The recent addition of the Newfoundland and Labrador Film Development Corporation (NLFDC) to the Department is also providing opportunities for cross marketing and promotion with the tourism industry, as well as industry expansion to focus on policy, coordination, strategies. The NLFDC is eagerly looking forward to providing resources necessary to help producers continue this tremendous growth. The Province is presently reviewing all the needs of the film industry to determine the best way for Government to invest to create a sustainable film industry in 2002-03 and beyond.

NATURAL AREA SYSTEM PLAN

With Canada and the other provinces and territories, Newfoundland and Labrador has agreed to protect its special places. Government has committed to develop and implement a Natural Areas Plan consistent with economic and resource development priorities. In 2002-03, the Department is moving to bring forward the recommended candidate areas for reserve protection to the public for review and consultation. This will signify the importance the Province places on the preservation of natural heritage, as well as providing developers with greater certainty concerning our natural resources.

RECREATION AND SPORT

An aging and active population will demand a shift in emphasis from sport to recreation in the population. The Province also has an aging physical plant for recreation and sport and the capacity utilization and viability of these facilities must be assessed, now and for the future. The Department must promote active living and thereby contribute to the increased health and well-being of the Province's people, while at the same time reducing health costs related to sedentary lifestyles. The Province must develop an overall strategy for recreation and sport that addresses the need for more active living leading to reduced health costs, an assessment of the Province's aging physical plant and other issues related to recreation and sport development.

THE ROAD AHEAD - OPPORTUNITIES AND CHALLENGES

ALIGNING DEPARTMENTAL HUMAN RESOURCES WITH BUSINESS PRIORITIES

The Department faces the overarching strategic issue of attracting and retaining highly competent people, given the changing face and age of its workforce, greater competition for talent and shortages in work environments. New strategies such as the Tourism Marketing Strategy, the growth of cultural industries and new business entities such as "The Rooms" may necessitate considerable organizational change.

INFORMATION TECHNOLOGY

Rapid developments in the internet and the convergence of telecommunications technology with internet content are forcing new demands on the way that we undertake tourism marketing. The Department needs to modernize its internet services to remain competitive. The same technological changes are influencing the way that cultural and heritage content are delivered to the population. A major emphasis on IT-based museum exhibits is necessary, especially in "The Rooms."

FINANCIAL STATEMENTS

**DEPARTMENT OF TOURISM, CULTURE & RECREATION
STATEMENT OF EXPENDITURE AND RELATED REVENUE
FOR THE YEAR ENDED MARCH 31, 2002**

DIVISION	ACTUAL	AMENDED	ORIGINAL
Executive and Support Services Includes revenue (18,259)	5,056,846	5,094,300	4,564,800
Tourism Includes revenue (118,259)	6,967,468	6,923,100	6,392,300
Culture and Heritage Includes revenue (1,468,891) Includes capital expenditure of 1,413,536	7,738,067	7,772,600	7,695,100
Parks and Natural Areas	3,419,941	3,459,800	3,455,600
Wildlife Includes Revenue (39,000)	3,741,492	3,562,300	3,647,400
Recreation Services and Facilities Includes revenue (144,910)	2,616,282	2,600,900	2,534,000
Labrador Operations Includes revenue (82,461)	925,882	948,300	824,400
Total Economic Renewal Includes revenue (15,115)	747,743	758,000	8,000
Total Department	31,213,721	31,089,300	29,121,600

Please refer to Volume III of the Government of Newfoundland and Labrador Public Accounts for 2001-02 which were previously tabled in the House of Assembly, for detailed financial information.