

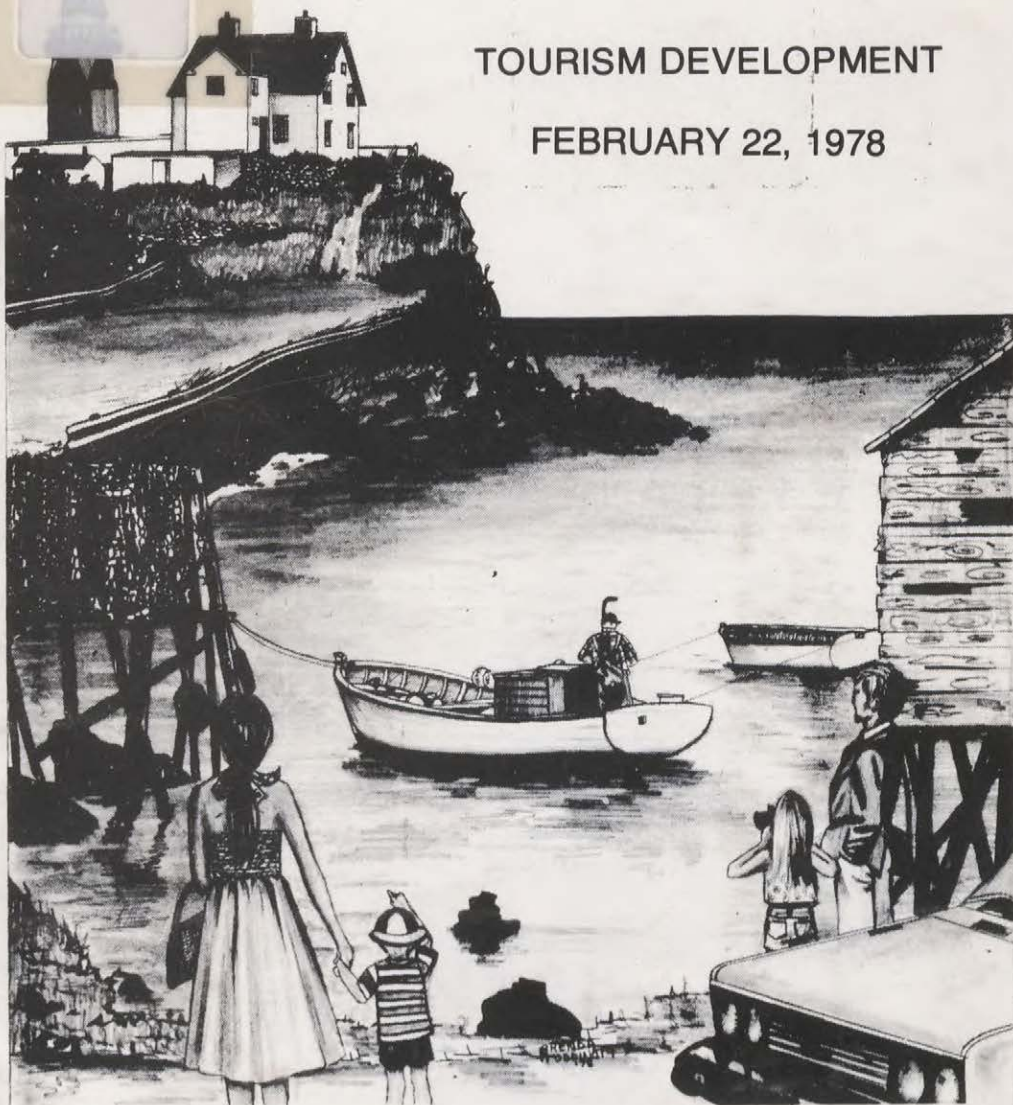
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CANADA — NEWFOUNDLAND

SUBSIDIARY AGREEMENT

TOURISM DEVELOPMENT

FEBRUARY 22, 1978



Government  
of Newfoundland  
and Labrador



Government  
of Canada

Regional  
Economic  
Expansion

Gouvernement  
du Canada

Expansion  
Économique  
Régionale

This printing of the Canada/Newfoundland  
Tourism Development Subsidiary Agreement is valid  
to September 30, 1978, and does not reflect any  
changes or amendments beyond that date.

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CANADA-NEWFOUNDLAND

TOURISM DEVELOPMENT SUBSIDIARY AGREEMENT

THIS AGREEMENT made this 22nd day of February, 1978.

BETWEEN: THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada"), represented by the Minister of Regional Economic Expansion,

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE OF NEWFOUNDLAND (hereinafter referred to as the "Province"), represented by the Minister of Tourism,

OF THE SECOND PART,

WHEREAS Canada and the Province signed a General Development Agreement dated the first day of February, 1974, (hereinafter referred to as the "GDA") to achieve the objectives stated in section 3 thereof;

AND WHEREAS Canada and the Province have agreed that, in the interest of the economic development of Newfoundland, the programs listed in Schedule "A" attached hereto will be carried out in accordance with the procedures set forth in this Agreement;

AND WHEREAS Canada and the Province have agreed that public investments will be required to assist in the pursuit of this strategy;

AND WHEREAS the Governor in Council by Order in Council No. P.C. 1978-5/236 of the 26th day of January, 1978, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant-Governor in Council by Order in Council No. 1352-77 of the 8th day of November, 1977, has authorized the Minister for Intergovernmental Affairs and the Minister of Tourism to execute this Agreement on behalf of the Province;

NOW THEREFORE, the parties hereto mutually agree as follows:

**SECTION 1 — DEFINITIONS**

1.1 In this Agreement:

- (a) "eligible costs" means those costs referred to in section 4 of this Agreement;
- (b) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
- (c) "Provincial Minister" means the Minister of Tourism of Newfoundland and includes anyone authorized to act on his behalf;
- (d) "Ministers" means the Federal Minister and the Provincial Minister;
- (e) "fiscal year" means the period commencing on April 1st of any year and terminating on March 31st of the immediately following year;
- (f) "Management Committee" means the committee referred to in section 5 of this Agreement;
- (g) "program" means the subject matter of this Agreement as specified in Schedule "A";
- (h) "project" means a specific activity forming a self-contained unit within a program; and

- (i) "capital project" means any specific project, or part thereof, as determined by the Management Committee, in which construction or activities related to construction are involved;
- (j) "element" means a specific activity forming a self-contained unit within a project.

## **SECTION 2 — OBJECTIVES**

2.1 The objectives of this Agreement are:

- (a) to promote the expansion of, and to assist in the development of, the private tourism industry;
- (b) to increase the net benefit of tourism to the provincial economy. This will include such factors as:
  - to extend the length of the tourist season;
  - to increase tourism-related employment;
  - to increase tourism spending;
- (c) to improve the quality and availability of tourism plant and services (accommodation, food, information and other services) throughout the province to meet the expanding requirements of the industry through public investments in areas such as natural and historic attractions and public infrastructure which are important tourism industry resources and where the private sector cannot be expected to contribute;
- (d) to induce tourism growth in selected regions in association with the rural development objectives of the Province; and
- (e) to ensure that all tourism development programs are consistent with the preservation of the Province's culture and heritage.

## **SECTION 3 — SUBJECT MATTER**

3.1 Schedule "A" attached to and forming part of this Agreement shall consist of a list of programs that the Province shall arrange to have carried out under this Agreement, and which shall consist of the following:

### **(a) MARKETING**

Development of a comprehensive marketing development strategy;  
Acquisition of external services.

### **(b) ATTRACTIONS**

Restoration of historically significant houses; Development of a fisheries lifestyle exhibit; Historic restoration within the community of Trinity; Development of natural and scenic attractions.

### **(c) PACKAGED TOURISM DEVELOPMENT**

Development of packaged tours and special interest tours; Acquisition of external services.

### **(d) TOURIST SERVICES**

Promotion of the "Taste of Newfoundland" theme within the industry; Assessment of industry manpower and training needs and coordination of training delivery; Support of the organization technical support for marketing activities; Construction of tourism information facilities and tourist highway signs.

(e) ACCOMMODATION

Provision of financial assistance for tourist facility operators; Conducting of experiments in the feasibility of low-cost seasonal accommodation; Construction of tourist campgrounds; Acquisition of external services.

(f) PLANNING COORDINATION AND EVALUATION

Acquisition of external services to conduct tourism development planning studies; Provision for program evaluation; Provision for public information activities.

3.2 Upon completion of each element of the projects outlined in the attached Schedule "A", the Province shall take over, or arrange to have taken over, each capital project undertaken under this Agreement and shall accept full responsibility for its operation, maintenance and repair, except in cases where other federal-provincial arrangements may apply.

3.3 It is understood and agreed that, where a project under this Agreement is to be undertaken by a municipality or other institution or agency under provincial jurisdiction, such arrangements as are necessary with respect to such an undertaking shall be the responsibility of the Province.

3.4 Canada will not share in any revenues resulting from the operations of facilities financed under this Agreement.

#### SECTION 4 — FINANCIAL PROVISIONS

4.1 Subject to subsection 4.2 the eligible costs to be financed or shared under this Agreement by Canada and the Province in respect of the programs or portions thereof listed in Schedule "A" are:

- (a) all costs of non-capital projects reasonably and properly incurred and paid by the Province under all contracts entered into, in accordance with this Agreement by the Province, with any person or corporation for the acquisition of equipment or the performance of work or services;
- (b) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance of those contractual or temporary personnel, as determined by the Management Committee, who are to be engaged under this Agreement, solely for the implementation of the projects;
- (c) the incremental costs for office space and services necessary to accommodate the contractual personnel mentioned in paragraph 4(1)(b). Costs of accommodation in provincially-owned buildings and costs for regular telephone and other utility systems shall be excluded except as otherwise agreed by the Management Committee;
- (d) properly incurred travel and relocation expenses (fares, accommodations, meals, communications) of contractual or temporary personnel engaged in the implementation of the projects, which expenses are in accordance with applicable provincial regulations;
- (e) with respect to capital elements, all direct costs but excluding administration, survey, engineering and architecture costs that have been reasonably and properly incurred by the Province, plus ten per cent (10%) of these costs in lieu of the excluded costs specified above;
- (f) all costs relating to public information including those covered in section 10 of this Agreement.

4.2 The eligible costs to be financed by Canada shall not include any costs relating to the acquisition of lands and buildings or interests in lands and buildings, or any costs arising from conditions of acquisition.

4.3 If, at any stage of a program, it appears to the Province that the costs thereof may exceed the estimated costs specified for any project in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such anticipated increase.

4.4 Upon being informed, the Management Committee shall consider the circumstances which have contributed to the anticipated increase in the estimated costs and terminate the project or transfer funds from one project to another within any program in Schedule "A". Funds may not be transferred from one program to another without the written agreement of the Ministers.

4.5 Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement with respect to the programs listed in Schedule "A" shall not exceed ninety per cent (90%) of the total eligible costs up to an amount of \$11 938 140.

## **SECTION 5 — ADMINISTRATION AND MANAGEMENT**

5.1 Each of the Ministers shall designate one or more senior officials to be responsible for the administration of this Agreement. These officials shall constitute the Management Committee whose function it shall be to oversee the implementation of the programs specified in subsection 3.1, and to fulfill responsibilities identified for the Management Committee elsewhere in this Agreement. The Federal Minister and the Provincial Minister shall respectively appoint one federal and one provincial official from the members of the Management Committee to act as Co-chairmen.

5.2 The function of the Management Committee shall be to establish a definition of each project specified in subsection 3.1 for the purpose of identifying the work to be financed, to establish procedures for and to oversee the implementation of those projects and to fulfill responsibilities identified for the Management Committee in section 5 of this Agreement.

5.3 A work program including the proposed scheduling and estimate of costs shall be presented by the Province for approval of the Management Committee for each program, or portion of a program identified in subsection 3.1 prior to calling tenders or initiating other commitments for the implementation of a project.

5.4 The signatures of the Co-chairmen, or their alternates, in their absence, shall be required in order to record formal approval of Management Committee documents including meeting minutes, project authorizations or any other recommendation, approval or decision within the jurisdiction of the Management Committee.

5.5 Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its function.

## **SECTION 6 — PAYMENT PROCEDURES**

6.1 Subject to subsection 6.2 payments by Canada shall be promptly made to the Province on the basis of audited claims setting out the costs actually incurred and paid for on the projects, submitted in a form and verified in a manner satisfactory to the Federal Minister.

6.2 In order to assist with the interim financing of projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred as certified by a senior officer of the Province.

6.3 The Province shall account for each interim payment by submitting to Canada, within 120 days after such payment by Canada, a detailed statement of the actual costs incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.

6.4 Payment of claims under subsections 6.1 and 6.2 shall be augmented by ten per cent (10%) for capital projects as provided for in paragraph (e) of subsection 4.1.

6.5 Pursuant to approval by the Management Committee expenditures made in respect of programs listed in Schedule "A" and which have been made prior to the date of signing of this Agreement but after January 1, 1978, may be accepted as complying with the provisions of this Agreement.

## **SECTION 7 — TENDERS AND CONTRACT AWARDS**

7.1 Subject to subsection 7.4, unless the Management Committee otherwise agrees, all construction, purchase and other contracts shall be let pursuant to tenders invited by public advertisement.

7.2 Opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders.

7.3 All contracts shall be awarded following approval of the Management Committee to the responsible and responsive tenderer who submitted the lowest evaluated tender, unless otherwise agreed by the Management Committee.

7.4 All contracts for personal and professional services shall be supervised in accordance with procedures to be approved by the Management Committee, and reports produced by consultants or resulting from such contracts shall become the property of both parties to this Agreement.

7.5 All announcements of contract awards shall be made jointly by Canada and the Province.

## **SECTION 8 — DISPOSAL OF FACILITIES**

8.1 Unless the Management Committee otherwise agrees, all contracts for the disposal of facilities financed under this Agreement shall be let pursuant to tenders invited by public advertisement.

8.2 Opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders.

8.3 All contracts shall be awarded following approval of the Management Committee to the responsible and responsive tenderer who submitted the highest evaluated tender, unless otherwise agreed by the Management Committee.

8.4 All announcements of contract awards shall be made jointly by Canada and the Province.

8.5 Subject to subsection 8.6 all revenues from the disposal of facilities during the term of this Agreement or within three years thereafter shall be shared by Canada and the Province in proportion to the financial contribution of each party as set out in section 4.

8.6 Shareable revenue shall be the net revenue after all costs incurred and paid by the Province have been deducted from gross revenue; such costs are to include capital improvements to, and the cost of the acquisition and disposal of such facilities, providing such costs have not previously been financed under this Agreement.

## **SECTION 9 — IMPLEMENTATION**

9.1 All substantive amendments to contracts shall require the prior approval of the Management Committee.

9.2 Any member of the Management Committee or his representative shall be permitted to inspect the projects at all reasonable times and shall be provided with any other information concerning the project which may be required by the Federal Minister or the Provincial Minister.

9.3 The Province shall forward to the Management Committee a report on the progress of the work, in such detail and at such times as may be required by the Management Committee.

## **SECTION 10 — PUBLIC INFORMATION**

10.1 Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting implementation of projects under this Agreement, and further agree to supply, erect and maintain on the direction of the Management Committee:

- (a) during the course of construction of capital projects, a project sign or signs consistent with Federal-Provincial Identity graphics guidelines, and in both official languages, specifying that the relevant project is a Canada-Newfoundland Regional Development Project, financed by contributions from the Department of Regional Economic Expansion of the Government of Canada (and any other Federal agency, where relevant), and the Government of the Province of Newfoundland, or such other wording to the like effect as may be agreed upon by the Ministers; and
- (b) where relevant upon completion of each project, a permanent sign or plaque to the effect set forth in (a).

10.2 Any public announcement of the measures covered and of the products generated by this Agreement, as well as any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the Ministers.

## **SECTION 11 — GENERAL**

11.1 This Agreement shall become effective on the date of signing by the Ministers and shall terminate on March 31, 1983, except that approved projects may be completed after the termination date. Canada shall not pay any claim received after March 31, 1984.

11.2 The terms and conditions of the GDA shall apply to this Agreement.

11.3 With regard to the applicability of labour standards, the parties to this Agreement agree as follows:

- (a) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
- (b) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 hours per week; and



- (c) labour conditions shall be specified in all tendering documents and shall be posted conspicuously in the work place;

it being expressly understood and agreed that, to the extent to which there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply.

11.4 No member of the House of Commons or of the Newfoundland House of Assembly shall be admitted to any part or share of any contract, agreement or commission made pursuant to this Agreement, or to any benefit to arise therefrom.

11.5 All documents, publications and information generated as a result of the projects provided for in this Agreement shall become the joint property of and be freely available to both parties.

## **SECTION 12 — EVALUATION**

12.1 During this Agreement, Canada and the Province shall jointly effect an evaluation of the programs listed in Schedule "A" with respect to the stated objectives of this Agreement. The Management Committee will be responsible for ensuring that the information and procedures necessary to conduct the evaluation of this Agreement are developed within the initial phase of program implementation.

12.2 A progress report shall be submitted by the Management Committee to the Ministers before each annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA.

## **SECTION 13 — AMENDMENTS**

13.1 This Agreement, and Schedule "A" thereto, may be amended from time to time by the Ministers by an exchange of correspondence. It is expressly understood and agreed, however, that any amendment to subsection 4.5 shall require the approval of the Governor in Council.

**IN WITNESS WHEREOF** this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion, and the Minister of Industry, Trade and Commerce, and on behalf of the Province by the Minister of Intergovernmental Affairs and the Minister of Tourism.

**GOVERNMENT OF CANADA**

**Minister of Regional Economic Expansion**

**Minister of Industry, Trade & Commerce**

**IN THE PRESENCE OF:**

**Witness**

**Witness**

**GOVERNMENT OF THE PROVINCE OF NEWFOUNDLAND**

**Minister for Intergovernmental Affairs**

**Minister of Tourism**

**IN THE PRESENCE OF:**

**Witness**

**Witness**

CANADA — NEWFOUNDLAND  
TOURISM DEVELOPMENT SUBSIDIARY AGREEMENT

**SCHEDULE "A"**

PROGRAM	Federal Share	Provincial Share	Total Shareable
1. Marketing			
1.1 Market Development Project	\$ 145 620	\$ 16 180	\$ 161 800
1.2 External Services	133 380	14 820	148 200
	<u>279 000</u>	<u>31 000</u>	<u>310 000</u>
2. Attractions			
2.1 Historic Houses Project	607 410	67 490	674 900
2.2 Trinity Restoration Project	1 392 840	154 760	1 547 600
2.3 Fisheries Lifestyle Project	161 100	17 900	179 000
2.4 Natural and Scenic Attractions Project	1 010 070	112 230	1 122 300
	<u>3 171 420</u>	<u>352 380</u>	<u>3 523 800</u>
3. Packaged Tourism Development			
3.1 Tour Development Project	337 680	37 520	375 200
3.2 External Services	234 450	26 050	260 500
	<u>572 130</u>	<u>63 570</u>	<u>635 700</u>
4. Tourist Services			
4.1 Taste of Newfoundland	54 540	6 060	60 600
4.2 Manpower Training Project	137 430	15 270	152 700
4.3 Industry Organization Project	81 360	9 040	90 400
4.4 Technical Support Project	223 920	24 880	248 800
4.5 Tourist Information Facilities Project	169 470	18 830	188 300
4.6 Tourism Signage Project	556 200	61 800	618 000
	<u>1 222 920</u>	<u>135 880</u>	<u>1 358 800</u>
5. Accommodation			
5.1 Financial Incentives Project	2 250 000	250 000	2 500 000
5.2 Low Cost Seasonal Accommodation Experiment	1 932 390	214 710	2 147 100
5.3 Tourist Campgrounds Project	1 317 080	146 340	1 463 400
5.4 External Services	487 820	54 180	541 800
	<u>5 987 070</u>	<u>665 230</u>	<u>6 652 300</u>
6. Planning Coordination and Evaluation			
6.1 External Services	539 100	59 900	599 000
6.2 Program Evaluation Project	99 000	11 000	110 000
6.3 Public Information Project	67 500	7 500	75 000
	<u>705 600</u>	<u>78 400</u>	<u>784 000</u>
<b>TOTAL</b>	<u><u>\$11 938 140</u></u>	<u><u>\$1 326 480</u></u>	<u><u>\$13 264 600</u></u>

**GOVERNMENT OF CANADA**

**Minister of Regional Economic Expansion**

**Minister of Industry, Trade & Commerce**

**IN THE PRESENCE OF:**

**Witness**

**Witness**

**GOVERNMENT OF THE PROVINCE OF NEWFOUNDLAND**

**Minister of Intergovernmental Affairs**

**Minister of Tourism**

**IN THE PRESENCE OF:**

**Witness**

**Witness**