

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

**COMMITTEE ON
NATURAL RESOURCES AND
ECONOMIC DEVELOPMENT**

Tuesday, November 26, 2019

COMMITTEE ROOM

Nova Scotia Tourism 2018 Campaign and Results

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**NATURAL RESOURCES AND
ECONOMIC DEVELOPMENT COMMITTEE**

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Keith Irving
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Hon. Pat Dunn
Elizabeth Smith-McCrossin
Claudia Chender
Lisa Roberts

[Hon. Pat Dunn was replaced by Tim Halman.]

In Attendance:

Darlene Henry
Legislative Committee Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Tourism Nova Scotia

Michele Saran - CEO

Anna Moran - Director of Research and Policy



House of Assembly
Nova Scotia

HALIFAX, TUESDAY, NOVEMBER 26, 2019

**STANDING COMMITTEE ON
NATURAL RESOURCES AND ECONOMIC DEVELOPMENT**

1:00 P.M.

CHAIR
Suzanne Lohnes-Croft

VICE-CHAIR
Hugh MacKay

THE CHAIR: I call this meeting of the Standing Committee on Natural Resources and Economic Development to order. My name is Suzanne Lohnes-Croft, and I am the Chair of the committee.

Our meeting today is a presentation from Tourism Nova Scotia with Michele Saran, CEO and also Anna Moran who is the Director of Research and Policy for Tourism Nova Scotia.

I'll ask committee members to introduce themselves, beginning with Mr. Maguire.

[The committee members introduced themselves.]

THE CHAIR: I'd like to remind everyone to turn your phones on silent or vibrate. Washrooms and coffee and tea are in the anteroom to my left, most of you on your right. Should we have to exit, we will go out onto Granville Street and proceed over to the St. Paul's Church in the Grand Parade and gather there.

I would like witnesses to wait to be recognized so that we can have your microphone turned on so Hansard can pick up your entire conversation.

I welcome you and ask you to make opening remarks, starting with Ms. Saran.

MICHELE SARAN: Thank you for having us today. We were asked to come in today to talk about our 2018 tourism campaign and results.

The mandate of Tourism Nova Scotia is to achieve tourism growth and maximize the value of tourism for Nova Scotia and its economy. We are charged with creating the strategy that will align with government's economic inclusive growth priority. We are to communicate and collaborate with industry, but it's important to remember Tourism Nova Scotia is not a catch-all for all issues in tourism, nor all opportunities in tourism. We are specifically about marketing and sector development.

Everybody knows that we at Tourism Nova Scotia created the ad campaign for the province, but you might not know we also have a sales department that works with tour operators and travel agents to get Nova Scotia packaged in itineraries for the province. We also have an experienced development department and it's their job to create the product that's going to get people on planes right away - off the bucket lists and onto planes.

We have a world-class research department because everything we do at Tourism Nova Scotia is underpinned by research. We never just throw a dart and think that might be something that would be cool to try. Every concept is tested pre and confirmed post. Until March 30, 2020, we will be engaged in the accommodation licensing for the province. We manage six provincial information centres and the provincial contact centre, which is the 1-800 number people call when they need trip planning information.

Our strategy is actually an organic document and for this reason it lives on our corporate website. The strategy for Tourism Nova Scotia is one of being export focused. What this means is, we focus on those markets that bring new money into the province. So we don't market in Atlantic Canada because the farther away you come, the longer you stay, and the more that you spend.

As I said before, everything we do is based on research and visitor trends. There was also a time when we at Tourism Nova Scotia would be just writing out cheques to cover overheads, if you will, for regional marketing organizations. Those days are gone. Everything we do now is about collaboration, co-investment, and accountability.

I have to say the competitive landscape is more challenging than ever. Pretty much any destination in the world that has access to social media can be a tourism marketer. It's important to be smarter and more consistent with the markets that we're in.

Marketing is important because it builds foundational interest in the destination and builds that emotional connection that makes people want to visit now. It's essential to stay top-of-mind in all of our markets. We can't go in and out of markets based on extraneous factors. We have to be consistent, because it really does take a good three years to create a

good brand awareness for it to stick and have people interested and start moving the needle when it comes to visitation.

We were asked to come here today to show our 2018 campaign results. While this is specific to 2018, it's important to remember that we do a lot more than marketing. We encourage you all to read our 2019-20 business plan to get the full range of what our strategic initiatives are all about.

Our research tells us that people have a really good feeling, if you will, of Nova Scotia, but they might not have a full understanding of how they could spend a whole week here. What we need to do with marketing is help them create that mind movie so that they know how they can plan the itinerary in their heads.

The campaign we did in 2018 was called "If you only knew." The strategy behind it was to juxtapose what's known about Nova Scotia with things that people might not know, so taking the icons - things like the Cabot Trail, the Bay of Fundy, and Peggy's Cove - and showcasing other areas of the province and other experiences that people might not know as much about. In the 2018 campaign, we had a TV spot, and we did digital banner ads and videos, and out-of-home ads in high-profile locations.

In terms of geographic markets, the campaign ran in Ontario, Quebec, northeastern U.S., U.K., and Germany. It's important to know that we don't pursue every single person to get them to come to Nova Scotia. We go after the individuals who are predisposed to like the product that we have here. We rely on psychographic profiling based on travel values. We know that the people who would like the product here are authentic experiencers and cultural explorers. What that means is, for instance, if you're somebody who would be really interested in going to Vegas or Disney - those are really contrived-type locations. You probably wouldn't be the type of audience we would want for Nova Scotia, which is giving that really authentic, real experience.

Unless you're a huge HGTV fan like myself, you probably might not have seen our ad campaign which was on that channel. That was bought through our national buy (Interruption) It is a nice photo. I thought you would like that, just for you. This campaign ran in Canada and the northeastern U.S. This was our 30-second TV spot. Because we don't market Nova Scotia to Nova Scotians, we wanted to make sure you got to see it here today.

[Audiovisual presentation]

MICHELE SARAN: Straight to the point. That's our 30-second spot that's on TV. These were our out-of-home ads. This was specifically in Toronto. As you can see, these huge billboards juxtapose the known against the unknown. Because we're Canada's Ocean Playground, you might know that we have sailing here, but you might not know we're a great hiking destination, so the Skyline Trail is inside the sailboat. You may know we have

incredible whale watching, being Canada's Ocean Playground. You may not know that we also have incredible vineyards, and that's what's inside the whale.

These were very well received. They also move, too, so supercool. When they came out, I was so proud of them. I actually made my sister, who lives in Toronto, take a picture right downtown. I thought they were so great.

A big part of what we do at Tourism Nova Scotia, obviously in this day and age, is pushing our content out through social channels: Facebook, Instagram, Pinterest, and YouTube. A large part of what we push out there is video, because that's where we get the highest level of engagement - both our campaign videos and videos that we work on with our partners through our partnership programs. This is one of our social videos.

[Audiovisual presentation]

MICHELE SARAN: I'm going to turn it over now to Anna Moran, and she's going to take us through the campaign assessment research.

THE CHAIR: Ms. Moran.

ANNA MORAN: Thank you for inviting us here today. It's always a tough act to follow that amazing creative with the more dry research results, but I'll give it a try. As Michele said, we take our jobs very seriously and we make sure that we conduct the kind of research that doesn't just tell us how well our ads are performing, but also provides us with information on how we can improve and evolve our messaging.

When we're looking at our campaign in particular, we're really looking at two things. We're looking at the campaign to understand if it's resonating with the target audience. We really need to be able to understand that our ads are creating that foundational interest and awareness, because without generating that initial awareness, we're not going to be able to move people down that decision journey to actually make the decision to come to Nova Scotia.

The second thing that we really want to understand is how well our campaign is influencing visitation to Nova Scotia. In 2018, we actually did three studies, and each one provided information that helped us evaluate and learn from our 2018 campaign. We did a quantitative study with our partners in the Atlantic Canada Agreement on Tourism with travellers in the northeast U.S. We did a campaign assessment study in our target markets of Ontario, Quebec, and the northeast U.S. We also did a campaign ROI study in the target markets of Quebec, Ontario, northeast U.S., and the U.K. Each of these studies contributed really valuable information.

The first piece of information I'd like to share with you about the performance of our campaign comes from that study that we did with ACAT in the northeast U.S. What

the study did was interview travellers from that northeast U.S. target market, and as part of the study, we showed the tourism ads for that year from Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador.

We tested them against four attributes: How appealing were the ads; did they include information that was interesting; did they make the viewer want to find out more about the destination; did they make the viewer want to visit the destination? Across each of those four attributes, Nova Scotia's 2018 tourism ads came in first place - not just first place, but wide-margin first place.

That told us that that's great. In this northeastern U.S. market, our ads are compelling. They do position us incredibly well versus the local competition, but that's not enough. In this increasingly digital landscape, we're competing with the world. We market in destinations where a lot of other destinations are competing for eyeballs and attention. So we did a campaign assessment study and the marketing ROI study, and what these studies allow us to do is to see how well our advertising is really resonating in that broader global competitive landscape.

One of the things that we look at as a performance measure is prompted ad recall. The respondent to the study sees the ad; they're asked if they see it. Through this study, we're also able to compare ourselves to global industry standards.

What we learned about the 2018 campaign was that from a prompted ad recall perspective, we did exceptionally well in the two markets of Ontario and Quebec. In the northeast U.S., we were a little bit lower than the industry standard. That was really good learning for us.

For the 2019 campaign, we did a really thorough evaluation of our media by post-campaign and really worked with our media buying company to identify new opportunities and improvements so that when we go out into the field in 2019 with our campaign, we see that number going up.

What we did learn though is that once the respondents and travellers are aware of our ads, they find them highly interesting, engaging, and motivating. One of the measures of this is called brand link. What we do is we show the ads, but we mask who the ad is for. Then respondents are asked: Who did that ad? As you can see, compared with industry standard across all three markets, we perform exceptionally well. What that says is that based on the imagery and the music, viewers are really making a strong connection with the Province of Nova Scotia when they see our ads.

Then finally, as part of the study, we assessed our ads across a range of campaign diagnostics. These are the diagnostics that tell us if we are creating that interest. Are we standing out? Are we showing Nova Scotia as a compelling place to visit? Is it telling the viewer something new? That's a really important measure because one of the things that

we knew and what informed our creative strategy is that we knew that people had kind of a shallow awareness of Nova Scotia, but they really needed to be able to make that deeper connection. In order to do that, they needed to learn more about what makes Nova Scotia a compelling vacation destination.

[1:15 p.m.]

Across that whole range of attributes, the Tourism Nova Scotia ads performed well above industry standard. That answered that first question that we wanted to answer about the campaign. That told us that our ads are sending the appropriate messaging to the audience. They are creating that foundational interest.

We also asked an open-ended question, which was: Tell us what you thought of the ads. I'm not going to read everything that's on this slide, but the sentiment - this is called the sentiment measure. What the study told us was the verbatim reactions to our ads really confirmed that the messaging that we wanted people to take away from the ads is indeed being taken away by the viewer.

That brings us to, now what are these ads doing in terms of driving tourism spending to Nova Scotia? We did conduct a campaign return on investment study. Again, this was an online study with travellers in our target markets. What the approach to an ROI study does, in a nutshell, is estimates the amount of tourism spending that's influenced for each dollar that we invest in the media buy. It then takes that spending and brings it down to a tax level. A good ROI is when you are able to generate between two and four dollars in taxes - that would be total HST taxes - for each dollar that's invested in the media buy.

We're so pleased to say that for the 2018 study, for each dollar that we invested in our media buy, that generated about \$26 in actual tourism spending in Nova Scotia. When you take that down to the tax level, it generated \$3.90 in total taxes, of which \$2.60 would be returned to the province and then \$1.30 would be returned in federal taxes. Really, really strong results both from generating that foundational interest in Nova Scotia as well as providing evidence that our ads are driving those boots on the ground in Nova Scotia.

I'm now going to turn it back over to Michele just to summarize.

THE CHAIR: Ms. Saran.

MICHELE SARAN: Overall, we can say the 2018 campaign performed exceptionally well. In fact, we're very proud of it. In 2019, we're actually using still the same, "If You Only Knew" creative in both the U.K. and Germany. In North America, we did evolve the campaign based on our learnings and our post-testing.

What we did learn specifically in the northeast area of the U.S. was they thought the water was always cold in Nova Scotia, so we made sure that in the new ads we put

people in the water. We learned that they didn't think we had a vibrant urban centre, so we showed more city life. It was an evolution, not a revolution, as my CMO likes to say. We just constantly, with the learnings, become better and better.

Overall, the 2019 campaign focus is about creating awareness in Nova Scotia as a vacation destination and continuing to help people visualize what they can do when they're here. Thank you, that's our presentation.

THE CHAIR: Thank you for your opening remarks. I'd like members to take note that we will be ending the meeting at 2:30 so that we can have our business portion of the meeting because we have to set our agenda for coming meetings. It will take probably a little bit longer.

I will start the round of questioning. I'll give everyone a question and a supplementary. Remember, one question - not two or three questions clumped together in one sentence, if you can, please. I've been taking note that some of our witnesses have found it challenging to realize what you are actually asking when you have two or three questions compounded into one sentence.

We'll start with the PC caucus. Mr. Halman.

TIM HALMAN: Thank you very much for your presentation and your ongoing work to promote our beautiful province in the United States, in Canada and throughout the world.

We know tourism in Nova Scotia fundamentally is concentrated in the Summer. We can all agree why that's the case. I'm curious about what incentives there are, or policies being developed or ideas in development to try to make Nova Scotia a tourism hub all year round.

MICHELE SARAN: We know that seasonality is a game-changer and something that we need to get to our \$4 billion goal. We know that we're not going to get to \$4 billion in 2024 on the backs of four months a year, so it's critical that we explore opportunities in the shoulder and Winter season. We know it's so important that there's a working group that has been struck through the Tourism Industry Association of Nova Scotia in which we're providing leadership at Tourism Nova Scotia. We're providing statistics and helping them craft a framework for a strategy that will address business opportunities in the shoulder season.

We're looking to organizations like the Department of Communities, Culture and Heritage to encourage events to come in those seasons. We're encouraging communities to look to long-standing events - local type events - that perhaps don't spend as much money, that come in the high season when the visitors that we want in the export markets want to come and spend more. We have capacity issues in the high season so it's really

important that we engage in some really strong revenue conversations. Let's maximize how much money we can make in that four-month season of the year and let's try to push some of the regional events out to the shoulder season maybe a little bit more.

We're working with those communities to create experiences for a more local audience in the Winter, for example. We might not have access to bring in those high yield visitors from overseas because the flights don't come in then, but we can create experiences that will appeal to our regional drive audience - things like the snowmobiling tours that they're doing in the Cape Breton area. These are incredible things. Things like the South Shore Lobster Crawl with Lucy the Lobster. This is drawing a regional audience and it's smart.

These are people, communities and operators owning their roles in the different areas. Tourism Nova Scotia will focus on those export markets in the high season when we can make the most money. The communities and regions can work in the shoulder and off-season to create those that will pull from a regional audience. Everybody owns their roles. We reduce redundancy. We maximize return on investment.

TIM HALMAN: Thank you for outlining those new initiatives. I think that's fantastic. How are those new initiatives being evaluated for success?

ANNA MORAN: When we have information, we are able to demonstrate impact of initiatives that will create demand off-peak. An example would be - if you think back to February of this year, there were two fairly significant curling events in Nova Scotia. We had one major event hosted in the Sydney area and another major event was hosted in the Liverpool area.

What we were able to see through our monthly tourism indicators is that the licensed room nights sold in each of these regions saw an immediate and significant bump when you looked at room nights sold in the month of February in those two regions versus the year before.

Another way we have of demonstrating impact is some of the case studies that we see from operators. One example would be a resort down in the St. Margaret's Bay area of Nova Scotia that was a very successful June to September operation. They had no need to operate year-round except they were finding it difficult to stay open in October because a lot of their Summer staff are gone back to school. They were also having trouble with letting people go and re-hiring them. There were labour issues.

What they did was look at that November to April period and really looked hyper-local to create demand. They went after local weekends. They'd bring an artist in for the weekend and they'd advertise to Halifax, Chester and Hubbards, and really draw in local demand. They also opened up their meeting space and went to the local markets to drive meetings. They are now a full year-round operation.

We collect that kind of information because we believe that it's really inspirational and demonstrates that it is possible. The art of the possible is there; you can create that demand off-peak. To go back to what Michele said, it does take that collaboration and will at the community level. There is a real role for events, as well. We're so happy to collect whatever information we can.

The other thing that we do as part of our accelerator experience development program is, we work with operators and we develop experience concepts that we then take out and test to assess that ability to motivate travel to Nova Scotia. We're increasingly incorporating experiences that can be developed off-peak so that when we work with operators who are accelerator program, we are focusing on those experiences that have that art of the possible to create demand outside of those peak months.

THE CHAIR: Thank you. We'll turn it over to the NDP caucus. Ms. Roberts.

LISA ROBERTS: Thank you, and my apologies for arriving a little late.

We are hearing about the lack of affordable and adequate housing across the province and how that is actually having unfolding impacts on industries including tourism. Across the province the vacancy rate is shrinking, rents are rising, and we've heard from tourism operators - for example in Baddeck and in Lunenburg - that they're having challenges with the workforce because the workforce can't find housing.

Can you explain what the impact of the housing shortage is on the tourism industry's ability to retain workers, particularly in rural areas?

MICHELE SARAN: The whole Airbnb issue and housing issue is something that jurisdictions across the world are grappling with right now. It's certainly a challenging one. I can say that back in 2017, Tourism Nova Scotia conducted an accommodation needs assessment - what we need from a tourism standpoint - and we know that to reach the \$4 billion goal, we need between 5,500 and 7,000 rooms to reach the goal.

We have problems in our province with both capacity and quality. Particularly in rural areas, unfortunately, no one's lining up to build more accommodations. If you look at a place like Canso, for example, where there's the one event a year for Stanfest and there's a huge demand for accommodation, it wouldn't make sense to build an accommodation just for that one event a year. That's why it makes good sense to leverage these sharing economy platforms so that the supply can contract and expand as needed.

We understand that every jurisdiction is different in terms of their needs. We hear that Halifax, for example, has a lack of long-term rental housing for people. We hear Victoria County, for example, has a problem with accommodations for both visitors and for workers. The challenges are different in every single area. I think that's where the

municipality really comes into play, because they can enact the zoning and the bylaws that can really control the sharing platforms.

I will say this is not a genie that's going to go back into the bottle. This is something that our visitors are demanding. They like to purchase their product on these sharing platforms. It isn't just unlicensed properties that are on them anymore - the currently licensed ones are using it as a distribution platform as well. It's really about having those conversations to see how we can work better with these groups.

I know that now with the TAA being repealed, our friends at the Department of Business are working with Municipal Affairs and Housing, and are having conversations throughout the communities of the province to get everybody to weigh in on what they feel the regulations associated with the changes should be. I know that's ongoing, and we are part of those conversations wherever we can be as they work toward the new registration system that will take the place of the Tourist Accommodations Act.

LISA ROBERTS: I appreciate that the genie's certainly not going to go back into the bottle. When I was travelling in Cape Breton this summer, we had conversations with other travellers who were renting through Airbnb, but they were renting mobile homes and they were renting domes and yurts. So there are also possibilities of using those platforms to rent accommodations that are not actually removing forever homes, like winterized homes from the permanent rental market.

[1:30 p.m.]

I do again wonder - we've seen in Oxford where Oxford Frozen Foods is investing in basically financing new housing for their workers. We've seen it in Meteghan where Riverside Lobster is building accommodations for their workers. I don't know that tourism operators have it in - it's not a high-end enough industry. I don't know that we can rely on the tourism industry to invest in housing for tourism workers, and yet I wonder again if we're not seeing the constraints in our progress towards that \$4 billion goal when hotel operators and golf courses can't find accommodations for their workers. How is that being brought into the work plan of Tourism Nova Scotia?

MICHELE SARAN: We work closely with the Tourism Association of Nova Scotia, as well as the Tourism Human Resource Council. They address these types of issues; they work with industry. I just read the other day about a tourism operator that instead of closing an existing motel, was turning it into housing for individual workers. That's a great thing.

I've heard of another organization in Cape Breton that's providing busing services to go from one side of the island to the other to make it easier to get to work. There is work being done with universities and colleges throughout the province to change times when they go back to school to make it easier for them to stay and work in the off-season.

As I said in the beginning, it's a municipal issue when it comes to the zoning and housing and things of that nature to control if they see that there is a problem with the short-term rental market taking it away from workers. It's something that needs to be grappled with at the local level.

THE CHAIR: We'll turn it over to the Liberal caucus with Mr. Maguire.

BRENDAN MAGUIRE: Thank you for being here today. It's all pretty good news stories so it's good to see, especially in committee. It's not always super positive, but it's great to see.

I had a few questions, but I want to actually follow up on Ms. Roberts' line of questioning. We've heard a lot about Airbnbs lately and the impact that it's having on the housing market. What would be the impact on the tourist industry if the Airbnb was severely limited or removed from the accommodation portion of the tourist industry - in particular places like rural Nova Scotia - Canso, Brier Island, areas like that?

MICHELE SARAN: First of all, if there is no place to stay, people won't come. We have an incredible amount of competition in the world. Keep in mind, this is also a distribution channel that our visitors are demanding to use. If we don't have product on that distribution channel, we're not being in front of millions of eyeballs every single day. We're not very good tourism marketers if we don't take advantage of a platform where visitors are going and will continue to go, whether we're there or not. We need to have product on those channels.

ANNA MORAN: Just to add to what Michele said - and actually to address something that you said as well, Ms. Roberts - is that one of the things that we have noticed through the sharing economy platform is the creation and introduction of these really fascinating, unique, and totally authentic to the local landscape types of accommodations. They can be in and of themselves motivators to come to Nova Scotia.

There's that broader supply/demand issue where we absolutely need that supply of accommodations, but then there's also the ability for us to take these really funky and fascinating places to stay and leverage them with experience offerings and create these really high value experiences that, in and of themselves, motivate travel to Nova Scotia.

BRENDAN MAGUIRE: When you say that, you mean staying in a log cabin somewhere, say an old, rustic house in a fishing village somewhere and places like that?

The other question I had was, what is Tourism Nova Scotia doing on the ground to work with local organizations to help promote? Nobody knows their communities better than the people on the ground. I think in the past, I don't know if it was Tourism Nova Scotia or if it was Nova Scotia Business Inc. that was working with A For Adventure Group, and people like that.

Are you looking to go into communities, or are you going into communities and finding the experts on the ground and saying, help us promote, show us where the hidden gems are, and then use that expertise?

MICHELE SARAN: We work with operators from one side of the province to the other. We do go across the province. We have a whole experience development team that goes out and meets operators. We have a business development unit that is charged with coaching and mentoring. Whether you have an idea for an existing business or whether you want to enhance a new business, our fabulous research department led by Anna here will give them any information on visitor insights, trends information, or anything to make them the best success they can possibly be.

In our experience development department, which we actually just won an Innovation Award for, we test concepts that we know will resonate with our target visitor. We have a panel of 60,000 people. We test these concepts that we feel would resonate. They come back and say, yes, that would motivate me to come to Nova Scotia. The ones that test the highest, we go out to industry in Nova Scotia and say, hey operators, help us to build this. We'll create this amazing experience with them. We work with them on the marketing. We provide them with information on research. We make it a purchasable experience that we know is going to motivate travel. They're more willing then to invest in themselves because everything is backed by that research.

We have, I want to say, 60 new experiences in our portfolio now, and we have nine in the works. We're working with Indigenous communities right now on the same type of thing. We're making these as authentically Nova Scotian as we possibly can. One experience can involve any number of different operators in the province.

Obviously, the poster child is the Dining on the Ocean Floor experience. It started off as a couple hundred dollars a couple, and people could come and have this amazing white linen experience on the floor while the ocean is licking towards you while you're eating food that was foraged from the area. Now here we are four years in. The Flying Apron Inn & Cookery does this exclusively now because they're charging \$1,000 a couple now. It sells out in one minute. People are waiting with bated breath to book this experience every year. It isn't even about the fact that it can only host so many people a year.

It's what's getting us on the cover of magazines. It's getting Nova Scotia noticed. It's on the cover of the *Globe and Mail*. Influencers from around the world are reaching out to experience this. It's bringing attention to the province as a whole. That's what we're trying to do at Tourism Nova Scotia, to work with those operators from coast to coast.

THE CHAIR: We'll turn it over to Ms. Smith-McCrossin.

ELIZABETH SMITH-MCCROSSIN: So many questions. Oh my goodness. The Ivany report had recommended a goal to reach \$4 billion in tourism. I'm wondering if you

can share with us where you're at with that goal financially. What are your strategies to reach that goal? What is the timeline? Have you had to revamp your strategy based on where we're at today?

THE CHAIR: That was three questions in one. (Laughter)

MICHELE SARAN: The \$4 billion goal, we are tracking now. If everything stays exactly the same as we are today, we're projecting there to be about a \$1.2 billion gap in where we are and where we want to be. That's not to say that things haven't been going well. We have had four consecutive years of growth, strong growth, growth on growth, which is incredible.

Every business has peaks and valleys, but I can say that last year was the province's best year in its history. We ended the year - we had the best revenue year ever at \$2.61 billion. What that tells me is that even though visitation was down, and revenue was up, our strategy is working because we're getting those higher-yield visitors. They're coming from farther away, staying longer, and spending more. The strategy is working.

It's important to know that the \$4 billion is an industry goal, so it's not just about the marketing that Tourism Nova Scotia does; it's about everybody owning their roles, reducing redundancy, and leveraging the efforts of each other. As such, we decided that we're going to do a deep dive into this and see what we can do to mitigate that \$1.2 billion gap. We identified five game changers that we're rallying the industry around so that they can really galvanize. We're providing the leadership on all those files.

The first one is China. China is a market that has been fantastic for Canada as a whole. Ever since approved destination status was achieved for Canada in 2010, we've received double-digit, year over year growth. They've been to Toronto. They've been to Montreal. They've been to Vancouver. Nova Scotia can be the next hotspot; I firmly believe that.

I just got back from China - that's why I still have bags under my eyes - and they have so much interest in the product we have. They've seen the urban experience. Nova Scotia is giving them something completely different. It's quite eye-opening when you sit there and you talk to them about what we have. I was flipping through and showing them pictures and the photo that resonated the most was a picture of stars. That was it: stars in the sky.

We can't make money from just telling people to look up at the stars, so we're creating experiences around star viewing and building it with our culinary products and things of that nature, so they learn about the history of our product. Having Indigenous people tell the stories that they're going to see. We're working closely on government trade missions to leverage how far we've come on the trade file, tourism should be part of that mix.

We've got an in-market rep in China right now and we're working very hard with the trade over there - that being tour operators and travel agents - to get them to package Nova Scotia product. We're working with the Airport Authority to try and get direct flight access from China so we can send the plane belly full of lobster on the way home and bring people on the way in for their vacations. China is definitely a game changer. Air access is critical. As I said, the farther away you come from, the longer you stay, and the more you spend so we're working with the airport to get those direct flight links.

We talked a little bit earlier about the need for capacity and quality when it comes to accommodation; we're working on that front. Seasonality, we also talked about that - we're not going to make \$4 billion on the backs of four months. We have all kinds of groups that meet regularly to talk about how we can build those experiences that will inspire visitation in the shoulder seasons.

Labour is obviously a critical one, so we're working with universities to get kids to go back to school a little bit later in tourism programs. We're working with the Department of Immigration, the Tourism Industry Association of Nova Scotia, anyone that can help us move the needle and get more labour into the tourism sector. We do have this variety of game changers that we think will help mitigate the gap to get to that \$4 billion. We're working hard.

ELIZABETH SMITH-MCCROSSIN: How does golf integrate? I don't hear it as being one of the five game changers, but is it one of the strategies and if so, can you elaborate?

ANNA MORAN: Golf is definitely an important activity and attracts high spending visitors. We have some tremendous golf assets in this province that we're tremendously proud of. We market golf as part of our campaign. We distribute golf content through our various channels, so yes.

There are a number of activities that we wouldn't be calling game changers, so it would be things like golf, whale watching, hiking - there's all sorts of really amazing activities and attractions in Nova Scotia. We need to see more of them being developed and we need to see operators really upping their game in terms of what they offer - getting involved in promoting themselves. We work with them through our partnership programs as well as collecting those beautiful visual assets that we showed you just a few examples of earlier on this afternoon.

[1:45 p.m.]

THE CHAIR: We'll turn it over to the NDP caucus. Ms. Chender.

CLAUDIA CHENDER: All super-interesting information. I have a lot of questions, sparked by a conversation before this meeting. You mentioned as one of the game

changers: capacity, quality, and accommodation. We talked a little bit about Airbnb and, just for the record, I don't think anyone thinks that genie can be put back in the bottle, but I think there's a role for government in regulation. I think that falls to the Department of Business, but you guys are certainly positioned to be involved in that. I think that effective regulation could go a long way in terms of labour force issues that we're hearing about.

On the other side of that, it's not all the sharing economy. There are actually very few resorts in Nova Scotia, relatively speaking. I know the government has been working to divest itself of the signature resorts, and I'm curious if there's any update. I know that Mr. Balsillie has a lease on the Keltic. I'm not sure about Liscombe and Digby Pines. I'd love to hear something about that, but also about anything else that's going on in that area of resorts.

You mentioned the St. Margarets Bay example of the year-round operator. I know White Point Beach Lodge is super successful and The Quarterdeck, down that way. Are there any plans or is there encouragement around other projects of that scale that also bring people from afar who would spend more money?

MICHELE SARAN: In terms of the divestiture of the signature resorts, Develop Nova Scotia leads the file on that, so I have to defer to them to respond on that count. In terms of plans for other resorts and things that I've heard, I just had a meeting a couple months ago with a couple of individuals that were interested in creating a spa type of resort on the South Shore, which seems incredibly exciting. That seems amazing. I had another one in my head two seconds ago and it went away.

There is definitely some interest in what we do as we meet with them and give them the facts - what they need to know in terms of the target audience to make sure that they're making the right decisions, that the area is really going to draw people in. We tell them the unvarnished truth about what to expect in terms of what the challenges will be with labour, what they can expect in terms of visitation, what the access is in terms of air into the province. That's really our role in terms of our business development unit.

CLAUDIA CHENDER: I guess ancillary to that, you mentioned the challenges that you discuss. One of the challenges that has come up today, which you just mentioned, is labour. There are issues around housing, there are issues around seasonality, but I wonder if you could just take a second and speak more broadly to the labour force issues and maybe some of the work that you are doing to address that. Is it concentrated in specific regions? Aside from trying to take those operators full season, are there other strategies that you're working with - maybe with LAE or other departments to address that? Certainly, we need more labour to be able to meet the demand that we're discussing.

MICHELE SARAN: Tourism Nova Scotia's mandate is around marketing and sector development, and specifically, product creation. It really is the role of the Tourism Industry Association and the Tourism Human Resource Council to deal with labour issues.

We will feed into them with research and things of that nature to help them with their arguments, but we don't lead that file. It's definitely TIANS that does. I know they're working closely with Immigration, Labour and Advanced Education, and all of those organizations.

Everyone comes together. Everybody is aware of the issue and working together. They're also working with the Tourism Industry Association of Canada. This isn't just a Nova Scotia issue. This is a national issue - seasonality and labour issues.

THE CHAIR: We'll turn it over to the Liberal caucus. Mr. MacKay.

HUGH MACKAY: I'm so glad to hear of industry investing in the tourism sector now. I know in my own constituency - you mentioned a spa - there are actually two Nordic spas opening in Chester-St. Margaret's: one on the Aspotogan Peninsula and another one, which will probably open in December or early January in Chester.

I was also pleased that one of our long-standing resorts and conference centres - the Oak Island Resort & Conference Centre - is investing millions of dollars in upgrading their facility and their rooms to, I think, provide a higher standard of accommodation and other amenities there. Good things are happening from the industry. I think we're seeing that investment because they have the confidence in what Tourism Nova Scotia's strategic plan is and what you have accomplished to date. None of that has anything to do with the question necessarily, so I better get on to that before I get my knuckles rapped.

You have been recognized nationally, perhaps internationally as well, but I'm certainly aware of nationally, by Destination Canada and the Tourism Industry Association of Canada. Can you tell us a little bit about why you were recognized and what that does for the profile not so much of Tourism Nova Scotia but of Nova Scotia itself?

MICHELE SARAN: Yes, a month or so ago Destination Canada honoured us with an Award of Excellence for our media relations program. We were supposed to create a media campaign that would inspire visitation in the off season or shoulder season. We used the South Shore lobster crawl with Lucy the Lobster. We highlighted that. We brought media in from around the world, and we showcased what an incredible time this is to come to Nova Scotia. It was seen as so trailblazing. We won the national award for that.

Just last week, I was very proud of my team - again on the national stage. The Tourism Industry Association gave out an Award of Excellence for innovation, and we got that for our experience accelerator program, where we worked with industry, as I was explaining before, testing concepts for experiences we know will resonate with our target visitors. The specific target around that is free-spirit visitors. Those are the visitors who stay longer. They spend more. They're the ones who go on social media and just brag and show photos and everything.

The accelerator experience that works with our industry from coast to coast was seen as so trailblazing in Canada. We were the only one in Canada until recently that has taken this approach. In fact, British Columbia copies us now. We are very proud, and we won the innovation award. My team was there to accept it last week. This is great for the province. We look like the trailblazers that we are. We look like an industry that has its act together.

HUGH MACKAY: I'm glad you mentioned Lucy the Lobster, who will be the proud patron of our lobster crawl again this year. I attended a meeting yesterday, in fact, down in Bridgewater regarding the lobster crawl. They have rebranded it from the South Shore Lobster Crawl to the Nova Scotia Lobster Crawl. Maybe my colleague for Dartmouth East doesn't have a lot of lobster coastline, but I know some of the other colleagues will, and I hope that other parts of the province are going to jump on board, although I would have to say Chester-St. Margaret's still owns it.

THE CHAIR: Lunenburg. (Laughter)

HUGH MACKAY: I was very taken by the number of attendees who came to that and a subsequent meeting I had regarding tourism marketing yesterday from so many rural operators. It's obvious what a tremendous foundation this provides to our rural economies. With changes in natural resources and so forth, we do have to think outside in our rural areas about how to expand our economic base. I'm wondering, can you speak to how Tourism Nova Scotia's strategy might align with the business interests and economic development interests of the Nova Scotia Government?

MICHELE SARAN: I think a great example of how we're aligning with business interests is the work that we're doing with the government in China, for example. We have seen, due to the government's efforts, trade go from \$64 million on that file to almost \$800 million. We would be remiss if we in Tourism Nova Scotia didn't jump on that bandwagon and start to go after Chinese visitors. Every time there's a trade mission, we join in.

Our in-market representative is involved heavily in every one of those trade missions. You see organizations like EduNova going over there. We leverage the work that they're doing so that they're not just inviting people to go to school here, we're inviting the families to come and visit the students when they're here. People are excited about lobster when we're in China, so we're working with the Department of Fisheries and Aquaculture to come up with ways that we can perhaps work together with them in some kind of branding exercise and things like that.

We're working with all other government departments and making alignment. We really do fall under the inclusive economic growth priority for government. We're about export in tourism. I know people find that hard to believe sometimes, but I always say that this is about new money. We're the number one service export in Nova Scotia, as I understand, so we add a lot to the Nova Scotia economy.

ANNA MORAN: I just want to build off of the inclusive economic growth and specifically Tourism Nova Scotia's pillars of our strategy. Our pillars are to attract first-time visitors and to attract visitors from markets of highest return. We have a specific focus through our travel value-based segmentation.

One of the things that we know is that when visitors come to Nova Scotia - if you look at the overall visitor population, about three-quarters of visitors come into the Halifax area and then visitors disperse themselves out to the other regions of Nova Scotia. Who Tourism Nova Scotia is going after very specifically is that pleasure visitor - that visitor who is coming into Nova Scotia for a vacation. What we know about that pleasure visitor is that, yes, three-quarters of those pleasure visitors come in and visit the Halifax region, but a much greater proportion of them distribute themselves throughout the province.

So when you're looking at a benefit to the province throughout the whole province, if we are able to get more pleasure visitors coming into Nova Scotia, that means that those regions outside of the Halifax area are going to see great benefit because these pleasure visitors are much more likely to disperse themselves throughout the province.

THE CHAIR: We'll turn it over to the PC caucus. Mr. Halman.

TIM HALMAN: I would like to continue with this topic of China and our relations to China. This is such an important topic to the economy of Nova Scotia. Is there a goal or a timeline that you can divulge to us in terms of when Nova Scotians can expect to see direct flights from China to Nova Scotia?

MICHELE SARAN: I know it is public knowledge that the Premier has made this a priority, to have direct flights. We've been working very closely with the Halifax International Airport Authority and government on that. We've been meeting with airlines while we're over there. I would say we're quite close to some kind of air deal.

TIM HALMAN: What have been the obstacles to achieve these direct flights? Could you outline that?

MICHELE SARAN: You have to have landing rights to have regularly scheduled service into a destination - that has to go through Transport Canada. There have been challenges on that front. If we do have direct flight access from China in the near term, it will be through a charter type of arrangement. That's what we've been talking about and working through.

THE CHAIR: We'll go to the NDP caucus. Ms. Roberts.

LISA ROBERTS: I'm quite interested in the research that you know. Obviously, Tourism Nova Scotia is working on moving from the baseline towards those high-spend new visitors. I'm interested to understand a little bit more about the actual baseline in terms

of what percentage, for example, of revenue for tourism operators actually comes from local driving visitors now, and anything else you can share. In Halifax, I can't even imagine how you would determine who is a tourism operator because we're a city. A restaurant serves people who are local, and the same thing in Wolfville, I imagine, and the same thing in Annapolis Royal.

I don't know, Ms. Moran, if you could just broadly share - what do we know about how tourism operators actually make money and hopefully break even and then some?

[2:00 p.m.]

ANNA MORAN: I can speak more broadly to how we develop tourism revenues. The United Nations World Tourism Organization defines tourism as moving outside of one's normal environs for a number of reasons be it business, pleasure, to visit friends and relatives. Being able to measure what is tourism activity and the associated spending is notoriously difficult, and it's notoriously difficult for a number of reasons.

You made a very good point: we could all be at a restaurant in Halifax and we could all be having a lovely meal and spending money at a restaurant in Halifax, but not all of us are spending money on a tourism activity. I'm not because I live in Halifax and I'm out for dinner, but the person who's sitting across the table from me who is visiting me from Yarmouth, New Brunswick, or London, is spending money on a tourism activity.

For that reason, there's not what we would call a NAICS code for tourism, because if you use restaurants as the example, only a portion of those restaurant receipts would be considered tourism spending. Statistics Canada and all of the major destination marketing organizations, including Tourism Nova Scotia, rely on visitor reported spending to develop estimates of tourism revenues.

For Tourism Nova Scotia, we use our visitor exit survey combined with our visitor enumeration to determine tourism revenue estimates for non-resident visitors, and then we use Statistics Canada's National Travel Survey to determine estimates of spending by Nova Scotians who are travelling within Nova Scotia. So they're both two survey-based measures of assessing tourism revenues.

I don't have the number in front of me, I'm sorry, but it's something that we can certainly send to you afterwards. What we've seen over the past seven to eight years is that the proportion of tourism revenues that are generated by non-resident visitors to the province get higher because of that very strong growth in visitation to Nova Scotia. The growth in tourism revenues to the province is coming solely from an increase in visitation and the associated spending by those non-resident visitors.

If we look at the various categories for tourism spending - again, don't quote me on these numbers because I don't have them right in front of me, and we can send them to you

afterwards. A number of spending categories are included as tourism spending: accommodations; transportation within the province; and money spent at restaurants, grocery stores, gas stations, and on ferries. A portion of the transportation costs for people coming into Nova Scotia are included. There's no one single category that stands out as important. Accommodations, transportation, restaurants - they're all roughly similar in terms of their overall importance to the 100 per cent of tourism revenues.

We then take those tourism revenues and allocate them to the various tourism regions, and we do the allocation based on our visitor exit survey as well as data from our accommodations database. I think the number for the Halifax region is anywhere between 53 and 54 per cent of tourism revenues, and then the balance of the province gets the remainder. I don't have the exact numbers, but I can share that with you after this meeting.

LISA ROBERTS: Thank you very much. While that information could also be used and mined to inform rural economic development plans, I'm wondering how that information is shared - understanding that it's not the mandate of Tourism Nova Scotia, necessarily, to accomplish that aim. Is there some way in which that information is being mined - be it by the RENs or municipalities - to inform conversations around rural economic development, recognizing that some regions of the province are benefiting more than others?

ANNA MORAN: We actually do a lot of mining of that information proactively and bring it out to communities. We do stakeholder engagement throughout the year and we go out to the various regions. This past year in particular with our visitor exit survey, we were able to get quite granular with the results and go almost to the county level to say, this is what the visitor to Nova Scotia who includes you as part of their visit looks like. We were able to show that for some regions of the province, they're not particularly - I use the word "sticky." Visitors who include that part of the province as part of their visit don't spend a great deal of their actual visit in that region.

I can say for one region in particular, learning that visitors are stopping, they're getting gas, and then they're driving through - a whole bunch of them are not spending the night - really informed their whole tourism planning because their focus is on looking at identifying the types of products and experiences that will encourage visitors to stop and stay and spend the night.

The short answer is, yes, we mine it proactively, but we also get, on quite a regular basis, information requests from various tourism organizations in the province. We very happily slice and dice our visitor exit survey data to provide the information to help inform decisions at the local and the regional level.

THE CHAIR: We'll move over to the Liberal caucus. Ms. DiCostanzo.

RAFAH DICOSTANZO: While I was listening to you, I'm just wondering - two or three years ago when the convention centre was built, I was so excited because I thought a lot of people would come and get a taste. They don't have time to spend it. How are we capturing that market? How are we going after them? Are there any statistics that you're following that capture or show them a video when they're there to find a way that they come back? Is that something you're working on? Have we targeted those visitors?

MICHELE SARAN: Our friends at Events East and Discover Halifax actually lead the file to go after meetings and convention business, meetings and convention business of such a size that really the only place they can come as a collective is in the Halifax area. The marketing of that is very different, going after a meeting or convention, than it is a leisure visitor.

That said, Tourism Nova Scotia does work closely with them to get those pre and post visits to encourage them to visit. We have information on our website that they would obviously source like any leisure visitor, so that we can encourage them to stay pre and post. We also have a pop-up visitor information centre that we put in the convention centre in the off season to encourage pre and post visits so that when the convention visitors are finished with their business, they can go and explore the rest of the province.

The actual solicitation of meetings and conventions is really the role of Events East and Discover Halifax. I actually stood on the board of Discover Halifax. They're very strategic in what they go after. I think it's very smart, how they do it. They pursue meetings and conventions that are aligned with the trade agenda of the province. It makes more sense to go after business that is aligned with what you do best. You're able to showcase your best practices and you're able to bring in thought leaders from that given thing.

Say, for example, it would make sense to go after an ocean convention because that's an area where we shine. We can work with our different universities and thought leaders, and we can get them to invite the leaders of those associations to come into the province and bring their large-size groups with them.

I thought it was such a trailblazing and smart strategic approach when you have a limited fund to work with that when I was with Destination Canada, I created that on a macro scale for Canada. I used the strategy from Halifax to go after business for Canada because it was such a leadership role that they were taking in their strategy to go after meetings and conventions.

RAFAH DICOSTANZO: Do we have any statistics we're following about how much the convention centre is helping tourism, or do we not track that?

MICHELE SARAN: Events East absolutely would have the statistics on how well the convention centre is doing. We do capture visitation for meetings and conventions in our visitor exit survey, just like any other visitor who comes to the province. That's one of

the reasons we ask: What was your reason for coming to Nova Scotia? We would capture that kind of data that way.

THE CHAIR: Ms. Smith-McCrossin.

ELIZABETH SMITH-MCCROSSIN: To reach this \$4 billion goal, I'm curious your thoughts about what needs to be done - interdepartmental work here in the province. I'll give you an example. Back in August, I had a strategy planning meeting with local entrepreneurs and government leaders in Cumberland North around growing our economy. Tourism is one of our top five. When we spoke about what needs to happen provincially in order for us to reach our goals and grow tourism, one of our leaders of our one and only five-star resort made it very clear that the province has a role and a responsibility. His direct quote was, "to have more than cow paths for people to drive on when they come to the province."

He spoke very passionately about the need for the province to step up and improve the road infrastructure in the province for those that are coming so that they'll want to return. He also spoke about health care - and I've heard other employers say the same - how it's very hard to attract executives, employees, and/or any other employees when they can't simply even get a family doctor, and if they did need to access care, they'd have to wait in an emergency department for 10 hours.

There is a role for the other provincial government departments to be part of your strategy in order for you to be successful. I'm wondering if you could share with us what work has been already done and what work do you think needs to happen by other government departments in order for you to achieve the \$4 billion tourism goal.

MICHELE SARAN: That's a great question and it's something that the Department of Business has mandated all of the Crowns to do to make sure that we're aligned with each other, that we're all aware of the strategies of the other. We've been involved in not only a road tour around the province to talk to operators, but also to different government departments.

We were just in TIR, for example, a couple of weeks ago, and Lands and Forestry - anyone that touches the tourism file. Develop Nova Scotia, you name it - we go in and share our strategy. We listen to what their strategy is and look for areas of alignment where it's possible.

Speaking to your point about the roads, I've heard this from a number of operators. In truth, we were just talking about this earlier. Actually, I think the operators are more concerned about it than the visitors are saying on their visitor exit surveys. They see it as part of the authentic experience of the province apparently. (Laughter)

That notwithstanding, as the tourism CEO, I would like to see the roads fixed as well. I know for our part, we're advising our friends at Transportation and Infrastructure Renewal what are the most travelled parts of the province and where our visitors are going and where it makes sense for those roads to be the focus, to make sure they're maintained in the best possible way.

Know that there is constant outreach with our other departments - I meet with the Crown CEOs on a regular basis to discuss this - but the Department of Business is sort of the umbrella encouraging alignment wherever possible and shared priorities.

ELIZABETH SMITH-MCCROSSIN: Can you share with us how your Crown corporation is working with other departments around climate change crisis? I think you're doing amazing work, but of course when one of your strategies is to increase airfare, we know that is increasing greenhouse gas emissions. I'm curious as to how you incorporate the urgency to reduce CO₂ emissions. Are you working with other provincial departments and/or federal and municipal to address that as part of your strategy?

MICHELE SARAN: At the present time - I'll be honest - no. We need capacity. We need lift coming into the province. I will say, whenever we're creating new experiences and things of that nature, we are concerned about the environment and sustainability and things of that nature. It's put into the programming and that sort of thing. In terms of the air, at the present time, in terms of climate and emissions, it's not something we have on our agenda right now.

[2:15 p.m.]

THE CHAIR: We'll move over to the NDP. Ms. Chender.

CLAUDIA CHENDER: I think my colleague mentioned rural economic development and how some of the data you have might inform that. While I'm happy to see the conversation about conferences and that that is strong, I still have to think that probably the bulk of that 53 per cent in HRM might not be those high-spending visitors. If we're marketing authentic experience - if you look at all that creative - it's around beaches and whale watching and things like that that don't happen in the HRM. Presumably, we're sort of emphasizing some of the rural experiences.

Can you talk a little bit about which regions outside of HRM are doing really well and which ones might be having a harder time - I know the Eastern Shore represents a very small amount of the tourism budget - and some specific strategies around increasing spend in those regions?

ANNA MORAN: If I could go back to the first part of your question about Halifax and authenticity, when we were preparing to administer the Tourism Revitalization of Icons Program, we did a study to really understand and confirm that the icons that we were

identifying as being iconic truly were. The number two icon in Nova Scotia is actually the Halifax waterfront, and it is this wonderful, amazing, authentic experience.

Some of our experience development does happen in the Halifax region. The bulk of it does happen in regions outside of Halifax. Our Experience Development team really does focus and look at those less developed parts of the province, because we recognize that tourism growth has to happen across the province. It's the same as seasonality; all tourism growth can't happen in Halifax and all tourism growth can't happen in that June to September period.

So yes, we do have a very defined focus to try to increase the capacity of regions to attract visitation through experience development and through our business coaching activities.

To the other part of your question, which was around which areas of the province are doing particularly well and which ones do maybe a little less well - don't quote me, as I don't have the numbers in front of me, but I will send them. I have a lot of follow-up to do after this.

If you look outside of the Halifax region and we're looking through the pleasure visitor lens, Cape Breton does an exceptional job of attracting and retaining visitors. After Halifax, it's the one region where visitors who include Cape Breton as part of their visit to Nova Scotia, they spend at least half of their Nova Scotia visit in Cape Breton.

South Shore and Bay of Fundy/Annapolis Valley both have very strong levels of visitation from non-resident visitors. If you move further away from the Halifax region and also up along the Northumberland region, Eastern Shore, Yarmouth, and Acadian Shores - now, Yarmouth and Acadian Shores has a very small geography, so to say that it is very underdeveloped would be unfair. It is a small geography. But in terms of opportunities to increase capacity to be able to attract visitation into regions, I would say Eastern Shore and the Northumberland region of the province.

CLAUDIA CHENDER: Thank you. That's helpful. Are there specific projects or strategies happening around those regions that you could speak to?

ANNA MORAN: Our Experience Development and Business Development arms, that's really where they have a focus. We have Business Development officers and each one has a specific region of the province that is their focus. They spend time, energy, and boots on the ground in that region to work directly with operators to look at the landscape, to get an idea of what is possible in these regions. Are there experience concepts that can capitalize on the natural assets? Is there a new operator that has come in that can be leveraged from an experience development perspective?

They spend a lot of time out of the office and in the regions to really help identify how we can, within our mandate and strategy, really help the underdeveloped regions develop those kinds of experiences that will grow towards them in those areas.

THE CHAIR: We'll hand it over to the Liberal caucus. Mr. Irving.

KEITH IRVING: My first question may be a few years premature, but I'm just going to put this out there. The Ivany report has given us a stretch goal to increase tourism. I just want to kind of situate it in terms of the worldwide trends in tourism.

We've been reflecting on it as my son is visiting a country that my wife visited 40 years ago and there were eight million tourists that visited that country and now there is 100 million - China, that market that you've talked about. There are so many more people travelling in the world. Some sites are really becoming overrun. Why bother seeing the Mona Lisa or the tearful lion in Lucerne that I couldn't even see through the selfie sticks? That's sort of the downside of huge tourism growth, I guess.

We're well-positioned now with respect to where we sit with stars and lakes without houses, and that's where we're going to begin to grab that. I think your strategy on high value and authentic is where we need to be. In a number of years, will we be regretting Peggy's Cove being overrun and becoming less of what our tourism product could be?

I'm just wondering, how do worldwide trends influence our strategy? How do we capture this market, but don't ruin our product five or ten years from now?

MICHELE SARAN: That's something that we talk about all the time. We've all seen what has happened in places like Venice and even in our own country in Banff. I don't think we have or even close to that challenge, with the exception of maybe in Peggy's Cove in terms of over-tourism.

I actually just saw a TV spot on that earlier today about the cruise ship visitors being responsible for Peggy's Cove getting more and more people. I think we're very cognizant of that and we're working with our friends at Develop Nova Scotia. They're in the process of creating a master plan specifically with those types of concerns in mind that will help mitigate over-tourism.

At Tourism Nova Scotia, we're looking at things like creating experiences that will drive visitation to Peggy's Cove at times, say, earlier in the morning to be the first people to see the sunrise at Peggy's Cove and miss the crowds, to spread the visitation out over a course of a day rather than centralize it and clumping on top of each other. Also, looking at ways to make traffic in and out more simple and safe.

These types of things are always in the backs of our minds, particularly when we look at our icons. The Tourism Revitalization of Icons Program is part and parcel, and

Tourism Nova Scotia is administering that fund with a view to do just that - to be concerned about things such as over-tourism around those five iconic sites. If they're not in the best possible shape, if they're not the best they can be, they're not going to be much use to us because we're using them to leverage everything else in the province. I believe the master-planning process around those icons is going to put us in a good state going forward.

KEITH IRVING: The other thing I just wanted to mention is in terms of strategies and trends in tourism - again, appreciating and supporting wholeheartedly the idea of high-quality tourism experiences. We've got a barrier with accommodation so creating higher value out of our tourism and getting them spending on experiences rather than driving on our beautiful roads (Interruption) Our authentic roads, yes. (Laughter) I'm waiting for that commercial.

One of the modern tools that we have found around authentic experiences is Airbnb experiences. My sense is that that will gain more and more traction going forward. We're a long way from that. You're doing work on developing experiences and product. I'm just wondering whether we're fully leveraging that tool. We visited Porto in Portugal a year ago, 288,000 - a bigger area around there, as most European cities are. They have over 400 experiences. You can make tiles or jewellery, historic rocks, learn to surf, paint, cooking, fashion. Halifax has five right now. These are opportunities for individuals to participate in that authentic made-in-Nova Scotia - a starving artist who can teach people to paint and have additional income.

I'm just wondering whether we're leveraging that kind of tool or whether we can put more energies into alerting our Nova Scotia tourism industry to that platform that could really enhance our experiences, keep people more in rural communities, and create a lot more employment. Am I off base on that, or is there a real opportunity there?

MICHELE SARAN: You're right on base. Anything that adds to the authenticity of a person's experience is fantastic. We go around the province and explain to individuals what our Experience Development department does. In essence, it's bringing together those things - those artisans and those people with great ideas - and pulling them together into a purchasable experience. If anyone has a concept that they want to test, we have a panel of 60,000 individuals who are excited, who have shown interest in coming to Nova Scotia. We can test that concept with them before they ever make any investment in their business going forward. That's something that we're here to help them with. Experiences are the thing now.

Airbnb isn't just about buying accommodation now - you're able to buy experiences on those sites as well. We are looking at trying to get as much consistent brand Nova Scotia experiences on those types of platforms as possible. We would be pretty bad tourism marketers if we didn't look at platforms where two million to three million eyeballs are every single day.

To your point, there are many destinations around the world that are a little bit ahead of us in terms of experience development. We have come a long way in just a couple of years. We have some 60-plus experiences and ones in the works. We're working with Indigenous communities, we're working with Acadian communities - you name it. We're bringing people together to get the most authenticity possible into the experience people have here.

THE CHAIR: We're going to do a very quick, one question, no pre-ramble round. We'll start with Ms. Smith-McCrossin.

ELIZABETH SMITH-MCCROSSIN: Thank you. I was hoping to have this opportunity.

One of the authentic experiences that people can have in Nova Scotia - particularly in northern Nova Scotia - is with off-highway vehicles and ATV associations. I know one of the barriers is with TIR not opening up trail connectivity - millions of potential tourism dollars there. Can you let us know if there's anything in the works, if that's part of your strategy, and what's currently being done to promote the off-highway vehicle industry here, tourism industry?

MICHELE SARAN: Our Manager of Experience Development sits on a trails committee actually, and she's working closely with the different communities and Transportation and Infrastructure Renewal to help make those types of things happen. She's working specifically actually with our friends at DCBA on that file. We're doing everything we can to help make that happen, because we know that that's business that will help the shoulder season in our province, absolutely.

THE CHAIR: Ms. Roberts.

LISA ROBERTS: I want to circle back quickly to Airbnb. David Wachsmuth, who is a professor at McGill, was here speaking about the impact of Airbnb. He said very clearly that looking at very many different jurisdictions and different regulatory regimes, he hasn't seen a circumstance where in an urban context there is less tourism as a result of regulating Airbnb. My question is, are you aware of that research? How does it relate to the particularities of rural and urban rollout of accommodations for Nova Scotia as we try to continue growing?

MICHELE SARAN: No, I'm not aware of that research. All I can speak to is the research we at Tourism Nova Scotia have done about our need for more accommodation capacity and quality and are seeing platform sharing economy platforms as the way to give us that capacity, particularly in rural regions. If we don't have that capacity and quality, we will lose visitors. If we don't allow them access to the platforms to use, we will lose visitors. That we know to be true.

[2:30 p.m.]

ANNA MORAN: If I may just add one thing. While our CEO was in China, the professor did come into the Department of Business and shared findings. They are the group that's implementing the new registration system, and they invited him to come in and share his information.

THE CHAIR: We'll turn it over to Ms. DiCostanzo.

RAFAH DICOSTANZO: Just quickly as an item to do with Airbnb and increasing that experience, my family has been using Airbnb for 10 years all over the world. I feel guilty at the same time because it is the money; they're not paying taxes and I'm against Airbnb in one way, but I have used them for 10 years. It's very difficult for me. We've just booked something - whenever we travel, we try to get the authentic - and this apartment came with a cook. It wasn't about the cook; it's about eating the local food and how they cook it. I'm so excited.

Do we have things like that that the tourism department works with Airbnb to add that extra touch that allows what is a Nova Scotia meal, and how are you working with Airbnb in order to do that experience?

THE CHAIR: We'll talk about Lunenburg sausage and sauerkraut.

MICHELE SARAN: You've got a deal. We haven't been able to work with Airbnb thus far because the large portion of what they put forth on their sites is non-licensed accommodation. Right now, Tourism Nova Scotia only works with licensed accommodation, though going forward, we will work with any entity that meets the legal requirements to operate in the province after the TAA is repealed, so we can do exactly what you say. We're currently working with licensed operators to create those experiences that do just that. We will continue to do it as our accommodation supply expands.

THE CHAIR: Thank you. That will wrap up our questions. Do you have some closing remarks? Ms. Saran.

MICHELE SARAN: Thank you to everybody for giving us the opportunity to share our 2018 marketing campaign results with you today. I hope we've left you with the understanding that evidence-based research underpins everything we do at Tourism Nova Scotia, and research shows we're having an impact.

As we mentioned, analysis by an independent firm showed that for every dollar invested in our 2018 advertising campaign, it generated \$26 in visitor spending. These are strong results for the 2018 campaign and results we're proud of.

While our work to promote Nova Scotia in key markets is critically important, our role as a destination marketing organization, or DMO, goes well beyond that of an annual advertising campaign. We take a collaborative approach to industry growth that focuses on both marketing and experience development. We offer programs, coaching, workshops, and tool kits to help improve business competitiveness. We focus on what the travellers want and expect in a travel destination.

We conduct a range of markets research, including a visitor exit survey and surveys with travellers in our key markets, and we share that research widely with our industry partners to help them inform their planning and encourage alignment with our strategy.

We also operate six visitor information centres and a tourism contact centre where visitors to Nova Scotia can receive detailed and personalized trip planning, inspiration, and assistance. We recognize the importance and value of building tourism confidence with government, industry, and the public. We need everyone to understand the value and potential of tourism in Nova Scotia and be ambassadors for our province.

Nova Scotia's tourism landscape is much different than it was just five years ago, and about 0.5 million more visitors are coming to our province. The industry's evolving to keep up with the trends, and we're seeing more of this investment in unique, authentic experiences and more visitor spending as a result.

I hope you'll join us in celebrating the hard work of our industry. Thank you for your support as we work with businesses, communities, and all levels of government as we work toward that \$4 billion goal.

THE CHAIR: I'd like to thank you, Ms. Saran and Ms. Moran for your eye opening to what's happening in tourism here in Nova Scotia and the work you're doing abroad to promote tourism in Nova Scotia. Good luck in reaching that \$4 billion goal.

You may leave - there may be media out there who would like to ask you some questions. We'll have a very short break - very short - and we'll resume for our business meeting.

[2:35 p.m. The committee recessed.]

[2:38 p.m. The committee reconvened.]

THE CHAIR: We will come to order, please.

I draw your attention to the business of the committee. You have the list of items for future meetings. We will go through them one by one and we'll start with the Liberal caucus for your topics.

Mr. Maguire.

BRENDAN MAGUIRE: For the Liberal topics, we'll be going with - can I just say all three?

THE CHAIR: No, we're going to go one by one because our researcher has pointed out a few things that need clarification.

BRENDAN MAGUIRE: Okay. Efficiency Nova Scotia, regarding programs and green jobs. The witnesses will be Deputy Minister Simon d'Entremont and CEO Stephen MacDonald.

THE CHAIR: So, is there a specific program or type of program?

BRENDAN MAGUIRE: We want representatives from Efficiency Nova Scotia, the Department of Energy and Mines, and the Department of Environment.

THE CHAIR: You want this to show the connection between their programs and green jobs. Okay - just clarification for the researcher.

Ms. Roberts.

LISA ROBERTS: I'm just begging for the Third Party that will only get one topic: might the members opposite consider inviting Leon de Vreede, the sustainability planner from the Town of Bridgewater which is doing all this phenomenal work with energy efficiency and energy poverty, adding him as a witness to that topic? He's on our list but we only get one topic, so we will end up not asking for him. I just think it has been referenced so many times in the Legislature and I've never had a chance to hear from him personally.

THE CHAIR: He's quite remarkable.

LISA ROBERTS: I know. He's very non-partisan and I would love to have him.

THE CHAIR: Thank you for bringing that forward. Are we in agreement? Efficiency Nova Scotia, programs and green jobs.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Mr. Irving.

KEITH IRVING: The second topic we're proposing is Innovacorp and the work of Nova Scotia start-ups. We would like to ask the Deputy Minister of Business, Bernie Miller and the CEO of Innovacorp, Malcolm Fraser as witnesses.

THE CHAIR: The researcher would also like to know if there is a certain aspect of interest that she should collect information about.

KEITH IRVING: It's with respect to start-up companies that Innovacorp works with, with respect to their venture capital programs.

THE CHAIR: Are there any questions?

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Mr. MacKay.

HUGH MACKAY: For our third topic, we would like to propose the Solar Electricity for Community Buildings Pilot Program, with the witness being the Deputy Minister of Energy and Mines, Simon d'Entremont. This is an active program so the researcher can just look into the results of the program to date and report on the parameters of the program and a designate.

THE CHAIR: Ms. Roberts.

LISA ROBERTS: I wonder if the department might consider inviting one of the recipients of the program. It would be really interesting to hear from the perspective of either a non-profit or I know that many churches and other community programs - I would just be interested if there was somebody available to come to share the experience. I know the application process is a bit involved. I would be interested in having an additional witness.

THE CHAIR: Excellent suggestion. We could see if we could submit. Mr. Maguire is a recipient - not of the community, but he does solar. Ms. Smith-McCrossin, you had a comment.

ELIZABETH SMITH-MCCROSSIN: I think that while it's a very important topic, we just recently had solar as one of our agenda items and when I'm looking at the limited number of meetings that we have per year, to broaden the information that we're able to bring forth in this Economic Development and Natural Resources Committee meeting. While it's important, where we've already had a presentation on solar here - I think within the last year - I would recommend looking at your other topic, if we can only pick three.

THE CHAIR: The Greater Halifax Partnership, it wasn't here but it was at another. Mr. Maguire.

BRENDAN MAGUIRE: We're going to continue down the road with this topic. There are many different aspects to solar electricity and the green economy and all that, and there are many things that we could touch on.

[2:45 p.m.]

I would say that the one meeting that we had will be completely different from this meeting here. This is for community buildings program so working with non-profits and industry. We've just seen recently where there was a CBC article about the Tesla batteries and things like that.

Those are things that weren't brought up in the last meeting and I think this will be a great idea to have a discussion with people on the ground and community groups and how we can not just talk about residential impact, but also business impact.

ELIZABETH SMITH-MCCROSSIN: May I make a suggestion? If we went with this topic of solar, could we also include - to your point about battery storage - maybe a company like Surrette Battery or a company that's here in Nova Scotia that actually does work on innovation around battery storage for the solar? That's something we haven't heard about and is an important part of that whole package of information.

BREDAN MAGUIRE: I appreciate the suggestions, but as of right now, we'd like to get this topic on the agenda and get as much information as possible. That would mean bringing in Deputy Minister Simon d'Entremont. I think most people around this table would know, if anyone in Nova Scotia knows about these programs intimately inside and out, it would be Mr. d'Entremont. Thank you.

THE CHAIR: Could people submit a name for Ms. Henry of someone who is a community entity that has used one of these programs? Ms. Roberts?

LISA ROBERTS: My suggestion was that the department might have a suggestion.

THE CHAIR: Okay, great. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll go to the PC caucus for their topics. Ms. Smith-McCrossin.

ELIZABETH SMITH-MCCROSSIN: Thank you, Madam Chair. Our first topic is with the Halifax Port Authority. We'd like to hear from the new CEO of the Halifax Port

Authority, Captain Allan Gray and ask him if he'd be able to share his strategy for the future of the port.

THE CHAIR: Okay. The researcher would like to know if this will be the full title or is the second part just for clarification, the future of the port?

ELIZABETH SMITH-MCCROSSIN: We would like to hear his strategy as the new CEO coming in and the impact that will have on the economy of the province.

THE CHAIR: Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Ms. Smith-McCrossin.

ELIZABETH SMITH-MCCROSSIN: Thank you. For our second recommendation - this has been in the news and it's our understanding that environment falls under the jurisdiction of this committee - we are proposing the topic of lead in the ground water: provincial testing and notification regime with the witness being Frances Martin, Deputy Minister of Environment.

THE CHAIR: Will this be also the full title and the provincial testing and notification, is that all part, for clarification?

ELIZABETH SMITH-MCCROSSIN: Yes.

THE CHAIR: Also, if interest is based on the recent news, do you want to include both ground and drinking water? Or keep it general?

ELIZABETH SMITH-MCCROSSIN: Yes. I think more specific is probably better and good to have that information, I think.

THE CHAIR: Okay - that was for our researcher's purposes. Any questions?

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We'll go to the NDP caucus. Ms. Roberts.

LISA ROBERTS: We would like to call Housing Affordability and Economic Development with the witnesses being Diana Devlin, executive director of Welcome Housing & Support Services; Nancy Green, team lead for South Shore Housing Action

Coalition; and Ren Thomas, Assistant Professor of the School of Planning at Dalhousie University.

THE CHAIR: Mr. Maguire.

BRENDAN MAGUIRE: It's a very important topic, but I would also like to add someone: Stephan Richard from Housing Nova Scotia, so we could at least have everybody in the room. We could all have that discussion. If Stephan's not available, then maybe Ed Lake or someone like that, but at this point, we'd like to tag stuff on Richard.

THE CHAIR: You're in agreement? Okay. Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

We have a request to appear. There was a letter; I'll hand it to the clerk to speak to it.

DARLENE HENRY (Legislative Committee Clerk): BIRD Construction had put in a request to appear during our last agenda setting and they were approved to come in. However, I have them tentatively booked for December 12th, but that was based on whether the committee was going to entertain the motion from the Public Accounts Committee to bring in TIR for the Art Gallery project.

This was a motion from June 12th from the Public Accounts Committee to bring in the Departments of TIR and Communities, Culture and Heritage. I don't know if the committee wants to switch out BIRD Construction at this time or schedule the Art Gallery for another date.

THE CHAIR: Ms. Roberts.

LISA ROBERTS: The committee did approve BIRD to be a topic. I think if another agenda item has been referred from another committee, that can be considered and scheduled, but I don't see how a recommendation from another committee should bump out someone who has already been invited. I'm looking forward to hearing him speak.

THE CHAIR: Ms. Smith-McCrossin.

ELIZABETH SMITH-MCCROSSIN: Would you be able to share what the topic or what the agenda item is for BIRD Construction?

DARLENE HENRY: Wood use in public buildings.

THE CHAIR: That being said, just a reminder that our meeting has been moved up for December as well to December 12th. We decided that a few months ago.

Our next meeting will be from 1:00 p.m. to 3:00 p.m. on December 12th with BIRD Construction.

We will conclude our meeting. If there's no further business, this meeting is adjourned.

[The committee adjourned at 2:51 p.m.]