

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, January 24, 2018

Legislative Chamber

Tourism Nova Scotia

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Public Accounts Committee

Mr. Allan MacMaster, Chairman
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Mr. Brendan Maguire
Mr. Hugh MacKay
Mr. Tim Houston
Hon. David Wilson
Ms. Lisa Roberts

[Ms. Rafah DiCostanzo replaced Ms. Suzanne Lohnes-Croft]

In Attendance:

Ms. Kim Langille
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

Ms. Nicole Arsenault
Assistant Clerk, Office of the Speaker

Mr. Michael Pickup
Auditor General

WITNESSES

Tourism Nova Scotia

Ms. Michele Saran, Chief Executive Officer
Mr. Michael Johnson, Chief Operating Officer
Ms. Anna Moran, Manager, Research, Planning and Decision Support



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, JANUARY 24, 2018

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN

Mr. Allan MacMaster

VICE-CHAIRMAN

Mr. Gordon Wilson

MR. CHAIRMAN: Good morning. I call this meeting of the Public Accounts Committee to order. This morning we have with us Tourism Nova Scotia, and we will be discussing the very bountiful tourism season we continue to have in the province. Let's start with introductions.

[The committee members and witnesses introduced themselves.]

MR. CHAIRMAN: Just a reminder for everyone to make sure your phones are on silent so we don't have interruptions. Ms. Saran, you can begin with opening comments.

MS. MICHELE SARAN: I'm pleased to be here this morning to discuss Tourism Nova Scotia and some of the great work that's happening across the province to grow Nova Scotia's tourism economy. As they introduced themselves, I'm joined today by Tourism Nova Scotia's chief operating officer, Michael Johnson, and our manager of research, planning, and decision support, Anna Moran. I would like to acknowledge Ian Thompson, who is the vice-chair of the board of Tourism Nova Scotia, and Lisa Dahr of the Tourism Industry Association of Nova Scotia, who are seated upstairs in the gallery.

The Ivany report, which was released in 2014, challenged the tourism industry to increase tourism revenues to \$4 billion by 2024. Tourism Nova Scotia was established as a private sector-led Crown Corporation in April 2015. We were given a mandate to drive sustainable tourism growth and maximize the value of tourism to Nova Scotia's economy. In just three short years, we made big changes to allow us to deliver on this mandate. We're working collaboratively with businesses, community-based organizations, and all levels of government to reach that \$4 billion goal.

To drive substantial revenue growth, we have developed an export strategy to bring new money to the province. Our marketing and sector development initiatives, investments, and programs align with the plan's four pillars, which are attracting first-time visitors, investing in markets of highest return, focusing on world-class experiences that will motivate travel to the province, and building tourism confidence.

To help reduce duplication and make limited resources go further, our strategy clarifies stakeholder roles and encourages innovation, collaboration, and private sector initiative. For example, it's the role of all levels of government to enable tourism growth by considering policies that will improve the operating environment for tourism businesses. It's the role of tourism operators to market and sell their products, drive repeat visitation through exceptional customer service, and invest in their businesses to stay current and remain competitive. It's the role of communities and local tourism organizations to develop attractive destinations that draw visitors, deliver on visitor needs such as parking and washrooms, and provide information to visitors that will keep them in given areas longer.

Tourism is a complex sector with many passionate stakeholders. At the provincial level alone, Events East operates the convention centre, which attracts meetings and convention delegates to Nova Scotia alongside Discover Halifax. The Department of Communities, Culture and Heritage operates provincial museums and provides funding to events and cultural initiatives that visitors can enjoy while they're here. The Department of Natural Resources operates the provincial parks. Waterfront Development Corporation has the responsibility for the two most visited sites in the province, those being Halifax and Lunenburg waterfronts. The Department of Business works closely with us to advance our strategy.

Tourism Nova Scotia is approaching things differently to maximize growth opportunities. Operationally, we're in the process of finalizing a corporate scorecard built on accountability measures established by government which we'll use to track our performance. We report on our activities and our results annually. We invest in research to inform our decision making. We survey stakeholders to see how we're doing. We assess results and course-correct as necessary. Our marketing campaigns are consumer-tested, and we promote experiences that motivate travel and differentiate us from other destinations. We're aligned with Canada's tourism marketing organization, Destination Canada, and we partner to extend our marketing reach into international markets.

We no longer fund initiatives. We co-invest with our industry for the benefit of both the province and the participating partners. In 2017, tourism businesses and organizations invested \$0.5 million in our digital marketing and inspiring content programs. We matched their contributions for a total investment of \$1.047 million. You can view some of those amazing photos and video assets on our website at novascotia.com.

Tourism Nova Scotia also works with operators to develop world-class experiences. Through our World Class Experience EXCELLerator Program, we test concepts with potential visitors and look for businesses to develop the ones that have the most appeal. We coach participants and provide research, photography, and video assets to help them launch and promote their experience.

Now in our second year of offering the program we're proud to report that Nova Scotia has 23 new experiences that are capturing the attention of visitors from around the world, experiences like Flying Apron, Dining on the Ocean Floor at Burntcoat Head, and Pleasant Paddling, and Private Island Yurt for Two on the Blue Rocks islands on the South Shore.

We're thrilled with our industry's commitment to elevate our competitiveness as a destination and it's also exciting to be recognized by other jurisdictions as a trailblazer, particularly in how we partner with the industry.

Final 2017 tourism results will be released in February. However, what I can tell you now is that Nova Scotia is celebrating four consecutive years of record growth, and business is booming. At the end of November, we have welcomed 2.3 million non-resident overnight visitors to the province, which is a 9 per cent increase over last year. Preliminary estimates suggest that tourism revenues will reach \$2.7 billion, and that's \$100 million more than last year and \$700 million more than 2010. These results are not by chance. We're working hard, we're working collaboratively, and we're working strategically to inspire visitors to visit and choose Nova Scotia. Thank you.

MR. CHAIRMAN: Thank you, Ms. Saran. We'll start with Mr. Houston of the PC caucus for 20 minutes.

MR. TIM HOUSTON: Thank you for those opening comments. There's a lot of optimism around tourism for sure, the numbers seem to be going up. People like that, Nova Scotians like that. Have you done any kind of analysis that would be able to show what the impact of lower gas prices might be on tourism?

MS. SARAN: Absolutely. There's a lot of factors that influence a visitor's decision to come to a destination. Lower gas prices certainly have been kind to us, along with a number of other factors, like the exchange rate keeping visitors at home and encouraging Americans to come here. It was really like the perfect storm of greatness this past year, everything led up to having a great tourism season that we did have.

Certainly, our marketing comes into play as well. We've had two of our most successful campaigns in history the past two years, so the stars aligned quite beautifully for us this past season.

MR. HOUSTON: Yes, but are you able to say which stars aligning contributed to which? Those are the things that I hear a lot - well, lower gas prices and the dollar, if we didn't have to spend a nickel on advertising our tourism would have gone up, or something that people say. I would be curious to see if you've done any analysis to say yes, that certainly helped, but in the grand scheme of things it helped this much as opposed to 100 per cent.

MS. SARAN: I'm going to pass those over to our research person, Anna.

MS. ANNA MORAN: Thank you for the question. We have not completed this analysis. We do rely on organizations that we partner with, like Destination Canada and other national research organizations, to do this type of analysis.

We have received some information related to how the exchange rate has an influence on whether or not people stay and travel within Canada and whether they travel outside of Canada. I don't have the exact numbers but I can certainly access that study and provide some information afterwards.

I know we talked about this before. From the price of gasoline, one of the things we have seen is when the price of gas goes down what we do tend to see is an increase in people who are arriving in the province by car and we tend to see a bit of a decrease in the proportion of visitors who are arriving by air - not a decrease in the number of visitors arriving by air but when we look at the overall visitor population we'll see the proportion of cars go up a bit.

The other thing we do is we assess our marketing efforts campaign by campaign, and we have some very good measures on how well our campaign is performing in terms of having an impact on the desire to visit Nova Scotia.

MR. HOUSTON: In terms of, if we talk about gasoline for a second, lower gas prices, then you would tend to see more arrivals by car and are you seeing that?

MS. MORAN: We did actually. If you think back a few years when the price of gas really plummeted, when it was down around the \$1 mark, that's really when we saw an increase in the proportion of car visitors versus air visitors. What we're seeing so far this year - let me just check to make sure that I'm not misquoting the numbers here. If you look at visitation year to date, so far what we have seen is actually a 12 per cent increase in visitors by air. That compares with a 7 per cent increase in visitation by car. Even though the price of gas is at a more reasonable level than it was when it was up around \$1.30 or \$1.40, what we're also seeing is a really nice boost in visitation by air, which is really good because we know that people who arrive by air spend more when they're in the province.

MR. HOUSTON: Cars are up but air arrivals are up.

MS. MORAN: Even more.

MR. HOUSTON: Ferry arrivals?

MS. MORAN: If we look at all four ferries, North Sydney is up by 5 per cent year to date. Digby is up by 6 per cent year to date. Non-resident arrivals by Caribou are up by 20 per cent. I'm sorry, I have "not applicable" because I'm a bit of a nitpicker when I'm doing year-over-year comparisons and the operating season was different for the Yarmouth ferry this year. We had more days of operation, so doing a per cent change to last year would be unfair because I would be over-inflating, but if I look at comparable months, in the month of July, non-resident visitations coming in from Yarmouth were up by 19 per cent, in August they were up by 1 per cent, and in September they were up by 3 per cent.

MR. HOUSTON: We might come back to that. I do want to talk about the partnership, the collaborative environment you referred to in your opening comments. When I look at the financial statements, I can see that for the year ended March 2017, there are \$2.9 million in professional fees and \$2.4 million in grants and contributions. On the face of it, it looks to me like we're spending more on professional fees than supporting initiatives in communities. Maybe we can talk about what the \$2.9 million in professional fees is. Do we have a breakdown of that number?

MR. MICHAEL JOHNSON: The professional fees would include the funds in support of the agency of record activities. What we pay them in service is not the media buy but the retainer fee, so that's professional services. Also, our auditor cost is another example. The DDB contract would be the major one.

MR. HOUSTON: What is the contract?

MR. JOHNSON: The agency of record with DDB.

MR. HOUSTON: Would somebody else describe that as advertising?

MR. JOHNSON: I'll let you speak to that.

MS. SARAN: Advertising is one component of what our agency does. They also manage projects for us. They help us with collateral. They work with us on creating a creative strategy. It's a bit broader than just advertising.

MR. HOUSTON: Okay, so they're doing work that can't be provided by the staff.

MS. SARAN: No, it's very different. Our staff manages our partnership programs. They create the strategy that we give to the agency to create the creative assets around. It's very much a partnership. The roles that our staff play are completely different than the roles

our agency plays. We don't have the capacity in-house to produce the creative. That's the role of our agency. We don't have the capacity in-house nor the bulk buying power to manage the media buy. Because they're an international organization, they have contacts around the world that they can give us that use their bulk buying power to get us the best possible prices on our media assets around the world.

MR. HOUSTON: The 2016-17 accountability report was in the package we were provided. It showed that less than a quarter of stakeholders expressed a high degree of confidence in Tourism Nova Scotia's ability to achieve its mandate. Less than one-quarter of the stakeholders were confident that Tourism Nova Scotia could fulfill its mandate and only one-third expressed a high degree of satisfaction with Tourism Nova Scotia.

[9:15 a.m.]

I did hear you talk about the collaborative nature and the partnerships and stuff but this sounds like, on the flip side of that, maybe the partners aren't feeling that great about things. What would you say to that report?

MS. SARAN: I think a more fair assessment would be looking at the figures, how they go up once the partners have the opportunity to sit down with Tourism Nova Scotia and learn what the assets are, what the programs are that they can leverage.

This took a broad-based look at our partners across Nova Scotia and quite a number of them have never attended a TIANS convention, for example, or attended a Tourism Nova Scotia program. Once they have, we see the numbers go up. Also, this was a benchmark year and we know exactly what we need to change. It gave us indicators of what we need to enhance in terms of putting information out there and teaching our partners what assets they can leverage. It was a starting point for us. Is there room for us to grow? Absolutely.

MR. HOUSTON: So, things will get better.

MS. SARAN: Absolutely.

MR. HOUSTON: But those would have been pretty disappointing, I'm sure, one-quarter of the stakeholders expressing confidence.

MS. MORAN: I would like to address that question because we've actually had quite a bit of discussion just in the last couple of days about how we set that initial benchmark. My opinion on that is that we set it too high for us to really be able to say, are we doing well, are we not doing well? What we're looking at doing is now looking at the people rating us as a seven, eight, nine, or 10. Eight, nine, and 10 is a really high standard to meet and that is absolutely our goal, to get that eight, nine, and 10 up really high.

When we include the sevens in there, we're looking at a significant minority of stakeholders assessing us as a seven, eight, nine, or 10 on both of those factors.

MR. HOUSTON: Okay, so it says that less than one-quarter of the stakeholders have expressed a high degree of confidence in Tourism Nova Scotia's ability to achieve its mandate. Is the response that less than one-quarter are at the high degree, which I guess you are describing as eight, nine, and 10, and the rest of the people are below that?

MS. MORAN: That's correct.

MR. HOUSTON: If you step down, are you saying instead of a high degree, what's the next one down? Some degree? The numbers will go up as you step down and say, well, if you say a five is okay, then maybe you have 90 per cent satisfaction, right?

I was struck by the high degree and I take your point that maybe that is a high hurdle rate, but if these are the operators of the province, I would like to think they have a high degree of confidence in Tourism Nova Scotia to do their job, which is kind of what the mandate is, right?

MS. MORAN: In our accountability report we report on a small number of measures and two of those are the confidence in Tourism Nova Scotia's ability to meet its mandate. The other is the satisfaction with Tourism Nova Scotia.

We also assess several other pieces of information as part of that study. One really important piece of information that really adds context to those seemingly low numbers, offering assessments of eight, nine, or 10, is stakeholders' awareness of Tourism Nova Scotia's mandate. If you have a low level of awareness of our mandate it makes you a little less able to assign a meaningful rating of our performance.

One of the things that the benchmark study showed, not surprisingly because we are a very new organization and we really are still embarking on that outreach and education to really build and drive understanding and support for our mandate and our strategy, but what we discovered in the benchmark study is that awareness of our mandate and awareness of our strategy is quite low, so that's the context. When I say I think eight is too high, it's because we're starting from a fairly high lack of awareness of our mandate and strategy so we should really be using that when we're evaluating how we're performing in terms of how our stakeholders perceive our performance.

MR. HOUSTON: Okay, thank you for that. I have seen some references of Tourism Nova Scotia making references to Airbnb and Uber. Where are we - where do we stand? Where does Tourism Nova Scotia stand in terms of Airbnb and Uber and other sharing services?

MS. SARAN: We've been so successful in the past couple of years that our summer season, which is our high season in Nova Scotia, we're seeing a lot of compression, a lack of capacity if you will, in our accommodations offering.

Part of our goal is to bring higher-yield visitors to the province, ones that are going to stay longer and spend more. Those visitors are demanding high-quality accommodations that we just don't have in abundance, particularly in the rural areas. We don't have a lot of people lining up to make investments in five-star properties either. Consumer demand is such that they are the ones who are driving this use of the sharing economy platforms, things like Airbnb being the biggest of the group but there's other entities like the VRBO, things of that nature. Customers are driving the demand for this.

We at Tourism Nova Scotia feel that this is an opportunity to leverage these platforms because they can give us the capacity that we need in the high season but it can also give us the quality that we require. You see some of the products on these sites, you're getting beautiful five-star-type homes on the ocean, which is exactly the kind of presence we want to have in the minds of these higher-yield visitors.

What we've been doing is we've been working with the Tourism Industry Association of Nova Scotia who understandably their members do have some concerns, particularly in the accommodations sector, because there's a perception that the playing field, when it comes to tax and regulation, is not equal. That said, Minister MacLellan has started a working group which brings together members of the tourism industry, led by TIANS, along with every entity, every government agency that touches the sharing economy, so they can weigh in on what their thoughts and concerns are on the issue. We're very much involved with this.

We're working closely with Airbnb. We at Tourism Nova Scotia feel that we would not be very good tourism marketers if we weren't looking at this platform as a way to leverage our messaging and our brand to the millions of eyeballs that are on that site every single day. We want to make sure there's consistency with our brand, we want to make sure that our product is out there. That's our goal.

MR. HOUSTON: Okay, so you're supportive of Airbnb?

MS. SARAN: I'm supportive of giving customers options in what kind of accommodations they're demanding.

MR. HOUSTON: The working group that you referenced, has that already been struck?

MS. SARAN: It starts today, I believe, the first meeting.

MR. HOUSTON: Do you happen to know what the constitution of that working group is, or what their mandate is?

MS. SARAN: It will be TIANS. There will be representation from TIANS, from the Hotel Association, from some of the major hotel properties in Nova Scotia. There will be the Departments of Finance and Treasury Board, and Municipal Affairs, and our chief economist, Fred Morley, will be there. He has been studying the sharing economy issue for the past year so it will be a diverse group of people around the table.

MR. HOUSTON: Are you on it?

MS. SARAN: Yes.

MR. HOUSTON: And it starts today, do you know what the mandate is? To come up with a recommendation for government, I guess?

MS. SARAN: The mandate was to provide the industry a forum where they could express their concerns about tax and regulation, explore best practices in other jurisdictions around the world and across the country, to best leverage the sharing economy platform, because these aren't going away. How are we going to make this work for Nova Scotia in the best way possible? It's to address the tax concerns but also look at the opportunity from a marketing perspective, with a view towards Tourism Nova Scotia leveraging those.

MR. HOUSTON: Do you expect that that working group would ultimately make a recommendation on policy?

MS. SARAN: Yes.

MR. HOUSTON: And do you have kind of a time frame?

MS. SARAN: The goal is that the working group, the work of the working group will wrap up by the end of March. That was the goal that the minister set.

MR. HOUSTON: Thank you. That would be all the sharing economy, like Uber and all this type of stuff?

MS. SARAN: The focus of this particular working group is Airbnb and the accommodation platforms, not Uber or any of the others at this time.

MR. HOUSTON: Okay, thank you. You referenced in your opening comments local policies and all levels of government. What are Tourism Nova Scotia's thoughts on the marketing levy that is in place in some areas of the province but maybe not in others? Are you supportive of a marketing levy?

MS. SARAN: I'm supportive of the municipalities, the areas that do have their marketing levy. It gives them the monies to advance their own individual organizations.

We've done some studies around provincial-wide levies and it was going to be too cumbersome to manage internally. It would involve taking the levies away from the ones that have existing levies in place and disseminating it back out again. It just didn't make sense financially for us. It would have taken the agreement of all the dozens of other municipalities out there that don't currently have levies in place to support a provincial initiative. That said, if there are processes in place, if municipalities such as your own, like Pictou, want a levy, there are processes in place where they can go about getting them.

MR. HOUSTON: It's up to those areas, I guess, to work with their - okay, that's fine.

I don't know if you have any numbers at hand on if the focus on China is working out. Is it too early to tell whether that's working yet?

MS. SARAN: We've only been in the China market for a year now and because of our limited budget previously we were leveraging the work that Destination Canada did. Destination Canada is the national brand, it's well-known internationally. The Nova Scotia brand isn't known so it very much made sense to dovetail on their efforts.

That said, our minister recently announced that we were getting another \$500,000 in funding for China, which is starting this year. We're going to use that money to hire an in-market representative who can move the needle immediately. They will have established relationships with tour operators and travel agents and they will be able to work closely with government, with friendship-type agreements in the provinces where they exist already, but basically have those relationships in place.

MR. CHAIRMAN: Order, time has expired. We'll move to the NDP caucus. Ms. Roberts, you have 20 minutes.

MS. LISA ROBERTS: I wanted to pick up on one of Mr. Houston's earlier questions and try to understand how you judge the impact of marketing investment. Understandably last year, like you say, a perfect storm and certainly I saw lots of references to the "Trump bump" in Cape Breton. We had all kinds of great folks marketing for us through social media in ways that I think we couldn't have predicted but were certainly welcome.

In general, is there some sort of understanding in the industry of what the payback is for marketing investment?

MS. SARAN: It's very difficult to show correlations between marketing and visitation. That said, we do have a number of measures that we work with. We work closely with Destination Canada on constantly improving these numbers, with the goal being that eventually we'll have a national dashboard where we'll be able to have comparative analyses to other provinces.

We're looking at all types of different projects where research will be getting better and better going forward, so we're excited about that.

In terms of how we monitor our marketing now there's a number of ways. I think one of the most compelling is the fact that our click-throughs to operators in the past two years with our current campaign, If You Only Knew, click-throughs to operators are up 40 per cent. This is incredibly compelling data because that's taking a visitor right from our website, novascotia.com, to the operators who have the cash registers that are making the sale, so I think this is really great data.

Also, we're able to determine how long people spend on novascotia.com. We're able to see the level of engagement. In the past two years with our current campaign we're seeing them dive more and more into the video content we have there. They're staying longer, they're viewing more pages. All of these things give us indications that the traffic and the visitation is going to go up accordingly. Anna, do you have anything to add on that? I'll pass it over to Anna.

MS. MORAN: One of the other measures we use to assess our campaigns on an annual basis is organic search. Organic search is really a measure of how well we're driving interest in Nova Scotia as a vacation destination and similar to the increases that Michele talked about in terms of visitor engagement and clicks through to operators.

We also saw an increase in organic search. Some of the other things that . . .

MS. ROBERTS: I'm sorry, organic search, does that mean somebody putting Nova Scotia into a Google search engine? Is that what that is?

[9:30 a.m.]

MS. MORAN: It is. It's when somebody uses a search engine like Google to search for a Nova Scotia vacation-related term as opposed to Bank of Nova Scotia or something like that. It's a vacation-related term. Then the click-through happens to novascotia.com. In order to really facilitate that click-through to novascotia.com, one of the other activities that we spend quite a bit of time on is search engine optimization so that when those vacation-related terms are put into a Google search, then we show up in that top one, two, or three. That would be unpaid as opposed to the search engine marketing, which would be paid.

But as Michele said, it is really difficult to directly correlate what we do in advertising to direct visitation to Nova Scotia, so we do look for other measures to be able to assess our success. She also said that we're continually working to improve how we're doing that.

In 2017, we conducted a quantitative pre- and post-study on the campaign in our key markets of Ontario, Quebec, and northeast U.S. The results from that study were really

exciting for two reasons. One reason is that the results really did tell us that the campaign generated foundational interest in Nova Scotia - that is, we now have people thinking about Nova Scotia as a vacation destination - and it also influenced visitors to come to Nova Scotia. That was the first really exciting thing that we learned.

In addition to that, one of the things that we need to do, because as Michele said earlier, we have kind of the perfect storm happening right now. We have a low dollar. We have a low price of gas. We have other political conditions that are really making Canada an attractive vacation destination. We're competing with a whole lot of other destinations to make people think of us and have them remember us. One of the things that our campaign scored above industry standards on was its ability to stand out from other tourism-related advertising campaigns. It also performed really well on appeal and on making the viewer interested in learning more about Nova Scotia.

MS. ROBERTS: I looked with interest at the SWOT analysis that you did of the tourism sector in Nova Scotia. One of the threats that was mentioned was that without significant marketing investment, it would be hard to reach the \$4 billion in tourism revenue. I guess I have two questions related to that.

One is, given what you said about how it's hard to correlate investment to actual visits, is marketing investment the factor that's going to get us to \$4 billion given all the other factors in the market? Also, are you speaking there about your own marketing investment? Is it Nova Scotia, is it your agency, that needs to do that investment? Or are we talking about other agencies, The Farmer's Daughter advertising land for sale, and if Trump gets elected, move to Cape Breton, et cetera?

MS. SARAN: We're talking about investment in Tourism Nova Scotia's activities. Keep in mind that marketing investment isn't just what we deal with in terms of our agency. We also have sales efforts and in-market representatives in places like the U.K., and we're going to have one in China. We have one in Germany. We work with the Atlantic Canada Tourism Partnership.

It's much easier to show the needle moving with sales efforts. We can see that tour operators are promoting Nova Scotia more. We can see them packaging more itineraries. We're able to see more easily a return on investment in the sales activities. Again, we're working closely with Destination Canada on better measures going forward to get that national dashboard. We're going to be working with credit card companies going forward so we can get a better handle on spend when they're coming here on a national basis. We're going to be able to see movements through aggregate cellphone data going forward. These are all exciting projects that we're working on going forward that will give us a better indication of return on investment.

MS. ROBERTS: I'm wondering what the price tag is. Obviously, a lot of what you're talking about is web-based advertising, which makes perfect sense. Are you also doing television and film trailers - that sort of thing? Can you give me a price tag for an

initiative like that, between shooting something and actually putting it on screens in front of people somewhere?

MS. SARAN: We have got out of a lot of the type of advertising that you are speaking of because it's not easily monitored in terms of ROI. We do have a TV campaign that we put in our target markets. Again it's much less of our focus now going forward but we're able to really focus more on specialty-type advertising that will target the specific type of customer that would be predisposed to wanting to come to Nova Scotia now. So while we do still have a TV campaign, much more of our work is web-based where we can get those analytics from things like Google going forward. It just makes more sense.

TV is great for a broad-based appeal and brand awareness. It will probably always be part of our marketing mix, but in a much smaller way than it used to be.

MS. ROBERTS: Sometimes I think about the film *Maudie*, which was about Nova Scotia but was filmed in Newfoundland, after the cutting of the Film Tax Credit. I think about the value of product placement in that film where I think probably an opportunity was lost to some extent because the landscapes are Newfoundland. You couldn't actually treat that as a product placement with shots of Peggy's Cove or the Lunenburg waterfront or any of those sort of iconic destinations actually in the film because it wasn't actually shot here.

Speaking to some of the weaknesses, like you say, the market is quite compressed in the summertime. We are near capacity in the summertime. You've got seasonal jobs. It doesn't make sense to invest in the sort of products that you want to have available because to get a return on investment with a four-month season is very challenging.

I'm wondering what you're hearing from operators in terms of where they see the future of their business. Again actually going back to the film industry, I know that the film industry, when that activity was more prevalent, would lead to a great number of accommodation nights off-season when there actually was capacity in some of our hotels and motels and bed and breakfasts in different destinations around the province. I'm wondering what you're hearing about the impact and the challenges facing those operators.

MS. SARAN: Our operators have probably never been happier than they are right now. Their summer season was fantastic. That said, they recognize there's going to be challenges going forward. They know that we have a lofty goal of \$4 billion in front of us.

We've been very vocal in the need to build capacity in the shoulder season. A lot of that requires a couple of things, one of which is a cultural shift. A lot of our operators only want to be in business in the summertime - some view it as a hobby, they like to go to Florida in the wintertime. A lot of that is going to be convincing them that there is opportunity to be open in the shoulder and winter season.

That said, what we're doing at Tourism Nova Scotia is working to build experiences that are going to motivate travel in those seasons. So creating opportunities where visitors are going to be able to see some type of advertising online or whatnot, where it will inspire them to book a trip now and not just put it on their bucket list for later. They're going to see a product - something like Celtic Colours that has become so world-renowned, they can look at that product and think, I've got to go in October, thereby raising occupancies in the shoulder season, which is October. A great example of what can be done with a little bit of imagination.

I was talking to my team earlier about a great example out on the west coast, on Vancouver Island. They used to do the same thing as Nova Scotia, they closed in the winter as they had horrible storms. Then one day one operator looked out and thought, you know these storms are so dramatic why don't we market this to people who never get to see the ocean and the high tides and things like that. It's just looking at something in a different way. Now storm-watching season on Vancouver Island is their high season.

Again, it's a great opportunity for Nova Scotia to look at what assets we have and how we can leverage them and give them that sex appeal that's going to appeal to visitors and get them to want to come in the off-season. Thereby when the operators see the opportunity, they're going to want to open and take advantage of the demand that we're helping to generate.

MS. ROBERTS: You talk about some tourism operators viewing their operations as a hobby. Another constraint, as I understand it from your own analysis, is labour. Of course those people who are looking for work are not looking for seasonal, low-wage work.

What impact does it have on the sector that Nova Scotia currently has the lowest minimum wage in the country?

MS. SARAN: I can't really speak to the wages but I know that labour is a big issue when it comes to the tourism industry. Students go back to school and that's a big source for our operators, particularly accommodations and restaurants to utilize. This is an issue that's known by the Tourism Industry Association of Nova Scotia. They work closely with the colleges and universities, looking to give credit and that type of thing to students to stay longer, to adjust their offerings in terms of timing at the university, so that they can stay in their jobs longer in the season. It's definitely something that's on the radar of TIANS that leads the initiatives on that.

MS. ROBERTS: What percentage of tourism revenues are actually as a result of Nova Scotians or Maritimers travelling in the province?

MS. SARAN: I want to say it's 56 per cent? Go ahead.

MR. CHAIRMAN: Ms. Moran.

MS. MORAN: Thank you for the question. When we develop our tourism revenues, we break it out into non-resident visitors. That would include other Atlantic Provinces, then we have it separated out into activities by Nova Scotians.

I'm sorry I don't have the numbers right in front of me but it would be the low 50s for non-resident visitors and then in the 40s for Nova Scotians. It's on our website and I'm happy to pull it up and send it. A significant minority of tourism revenues are currently generated by Nova Scotians.

MS. ROBERTS: So about half.

MS. MORAN: I'd have to look it up, I think it's low, mid-40s, mid-50s, yes.

MS. ROBERTS: How would you actually capture - I mean I think about my own family. When we travel around, often we're staying with friends but eating at restaurants. How do you actually capture that our spending is - is that tourism or is that just revenue and nobody really knows? How do you classify it or how do you capture that?

MS. MORAN: When we develop tourism revenues, a really important thing to remember is that tourism revenues are based on visitor-reported spending. There are a number of tools that are used to develop those estimates. For spending by Nova Scotians within Nova Scotia, Statistics Canada has a survey called the Travel Survey of Residents of Canada. It is tied to the labour force survey right now, so when you get a call, a mandatory survey call to complete the labour force survey you may also be asked to complete the Travel Survey of Residents of Canada. That Nova Scotia-reported spending is used to develop the estimates of spending by Nova Scotians within Nova Scotia.

For non-resident visitors, Tourism Nova Scotia administers a visitor exit survey. It is modelled on the Statistics Canada survey whereby we intercept visitors as they are leaving the province and we direct them to exitns.ca to complete the Tourism Nova Scotia Visitor Exit Survey.

MS. ROBERTS: So there isn't that fine grain where you don't necessarily know exactly what portion of revenues - for example, restaurants in Lunenburg or whatever.

MS. MORAN: We do, yes we do. We link in the Visitor Exit Survey to our visitor enumeration, so we are actually able to break out tourism revenues by sector, so transportation, accommodations, travel to and from the province, accommodations, et cetera. We are also able to break it out by the region in the province in which the tourism revenues are then allocated.

MS. ROBERTS: Okay, thank you. Another question in terms of your own reporting of things. There's different categories for tourism revenues, three of which are related to transportation. There's vehicle operation and transportation and then rental and local

transportation. I understand rental and local transportation, but what's transportation and vehicle operation? What's the difference between those two?

[9:45 a.m.]

MS. MORAN: Thank you. That is a reminder for me to do better labelling on our charts.

Transportation is transportation to the province. When somebody is paying to come here, be it by air or rail or ferry, they spend a certain amount of money. There's a need to allocate what is being spent on transportation to a region.

For example, I'm going to take us out of Nova Scotia. If somebody flies from London, England, to Toronto, and they don't fly anywhere else in Canada, one-half of their air transportation is allocated to Canada as tourism revenue for Canada, and specifically it's allocated to Ontario. The other 50 per cent is not. In England, there would be a travel by England residents outbound. That 50 per cent of the airfare would be allocated to that outbound tourism expenditure.

MS. ROBERTS: But it doesn't necessarily generate any actual revenue in terms of tax revenue for Nova Scotia, I assume. If you're buying . . .

MS. MORAN: It does because when you fly into Nova Scotia, you're flying into an airport, and there are staff at the airport, and there are crews that are based in Halifax, and there are supplies that are purchased for the aircraft in Halifax. It does have direct and indirect economic benefit.

Because air travel generates less economic impact than the direct spending in Nova Scotia, when we talk about spending in Nova Scotia, we tend to exclude the travel part, and we tend to talk about the money actually coming out of people's pockets in Nova Scotia.

Your second one was what is the vehicle operation. That would be buying gas and oil and windshield washer fluid, those sorts of supplies for your vehicle while you're driving around the province.

MS. ROBERTS: The \$4 billion in tourism revenue . . .

MR. CHAIRMAN: Order. Time has just expired. We're going to move to the Liberal caucus and Mr. MacKay.

MR. HUGH MACKAY: Again, welcome. It's exciting to hear all this good news that's happening for tourism in our province. As we follow on from the Ivany report and its recommendations, I'm glad to see that Tourism Nova Scotia is working with TIANS and the others to accomplish this goal.

I want to go back to your opening remarks. You mentioned that you're being recognized by other jurisdictions for the work that you're doing. Could you tell us more about that?

MS. SARAN: We have had colleagues from across Canada reach out to learn more about our investment strategy and our partnership model. We have had Travel Alberta, Whistler, B.C., and Ontario all reach out and look at us as a best practice. That's quite gratifying. We have also had our manager of Experience Development, Heather Yule, recently give a presentation at the request of Scotland's tourism board, where she talked about our Experience Development program and how we're working with industry to create those experiences that will compel people to come on a visit to Nova Scotia right now. Iceland has recently contacted us for information on how we market, so that was gratifying. Our friends at the Gros Morne Institute for Sustainable Tourism do experience development training, and they have used our Dining on the Ocean Floor as a case study of what can be done.

It's such a great success story. Dining on the Ocean Floor was conceived at Tourism Nova Scotia. We tested it with our target audience, and it held such appeal that we went out to industry and asked, who can deliver on this? The Flying Apron stepped up, and now this is doing so incredibly well. We have 700 people on a wait-list for next year. They're paying \$400 a couple to go to this experience. This inspires the rest of Nova Scotians to up their game: wow, if they can do it, maybe I can charge more for a similar type of experience. We find it has been quite compelling for the rest of Nova Scotians and gets them to up their game.

MR. MACKAY: Thank you. I love that story about Dining on the Ocean Floor - 700 people at \$400. That reminds me of I guess a short story that your vice-chair, I think, Mr. Thompson, who's with us today, shared with me this summer. While we certainly welcome the PeeWee hockey team from Moncton coming over to Pugwash for a tournament, if we're going to get the \$4 million, we have to attract those who are going to spend a lot of money while they're here and spend it on those special experiences that we're creating that can generate high revenues for us.

I've read with interest since its release your five-year strategic plan. I believe it came out before Christmas. Did this fundamentally change in any way the strategy you had at Tourism Nova Scotia, say since 2015 to 2017?

MS. SARAN: No, our strategy hasn't changed. We're staying the course with our strategy because it's working. The content and the analysis you see there is based on research. We know that to see substantial growth we have to keep working on attracting non-resident, overnight visitors who are higher-spending, first-time visitors.

Now all visitors are important but we know that the first-time visitors are the ones most likely to be compelled to come to Nova Scotia, based on advertising alone. We know that's a wheelhouse we can plan. I think I said before that once they come to Nova Scotia,

odds are that they're going to come again and again because they are taken care of so well by our operators when they're here. Tourism Nova Scotia focuses on those first-time visitors, those higher-spending visitors. The further away you come, the more you spend. If you're coming by air from our target markets in Germany and the U.K., you're going to be spending more money. In fact, you're probably spending three times as much money as a local, when they come and stay with friends and relatives.

We've very clear in our strategic plan that everyone has a role to play. When you have limited resources, it makes good sense not to be redundant, so we clearly laid out who does what in that plan.

It's not just our job at Tourism Nova Scotia to reach that \$4 billion, it's an industry goal. We see ourselves as being the rallying cry, getting everybody on board and working together, being clear on that role - clarity - and really educating them on what type of visitors we should be going after. We base our target markets on psychographics, not demographics, so we're not necessarily looking at a male, over 50. We're looking at psychographics, and that is which people are predisposed to like what we have to offer. Those are people who want authentic experiences, who like to do cultural immersion-type things. People who go to Disney World or Las Vegas probably wouldn't be predisposed to love what we have here, so why would we market to them? Let's focus our time and efforts on those types of individuals who are going to love what we have in Nova Scotia.

We're really helping the industry to be laser-focused on where we're going to get the most bang for our buck quickly. In essence, what the strategy does is it just puts meat on the bones of the original content that came out in 2015. It shows you what the situational analysis was that informed our decision making when we created that strategy and also provides our industry with forecasting information so they'll have a sense of if things are following the current trajectory, where we can expect visitation to go. It's just to give them a sense of the future, based on our research.

MR. MACKAY: Thank you for that. When we think of an audacious goal like doubling our tourism revenues, we recognize that we can't do the same things the same old way and that there are going to be game changers and I would suggest that you've already spoken of one with the shared economy. What are some of the other game changers that you believe will have to come into play in order for us to reach our goal?

MS. SARAN: You have to give people a way to get to Nova Scotia, so air access is absolutely critical. As I said, the people who are coming from our target markets in the U.K. and Germany and the U.S. need to have a way to get here. We have the ferry, which is fantastic, to get the people from the northeast U.S., but we also need to give them options. Air is obviously critical when you're coming from overseas.

An air access fund would be absolutely outstanding because air carriers don't just decide we're going to come to Nova Scotia because it's a nice place to be. It's insanely competitive, we have to compete against other locations to get the carriers to consider Nova

Scotia, so there are incentives that are put on the table. This is just the way the game is played right now. It can be an airport waiving landing fees, for example, but they're also looking at - they're very risk-averse, airlines, they very rarely make profits in the first couple of years, so they want guarantees that if their loads aren't running at 100 per cent - say they're running at 50 per cent - they want a guarantee that they're covered, that the risk is mitigated. So an air access fund would help us be in the game when we're competing against, say, a U.S. destination for a carrier from, say, Frankfurt. It's critical. That would be an absolute game-changer for us.

When we get a new flight in from a target market, we see the economic impact immediately. Anna, correct me if I'm wrong, but when we got the flight from the U.K. recently, we saw the immediate economic impact, I believe it was \$10 million right off the bat. You can't argue with these numbers. You're giving people a way to get here. Couple that with marketing that's already in place in those areas, partnerships with air carriers to promote the destination, and it's really a win-win.

As I said earlier, we're seeing strong growth in the summer season. It's getting difficult to find accommodation, so we have to look at things like the sharing economy to give people places to stay. I need to look at leveraging those platforms. There are millions of eyeballs on those platforms every single day. Let's make sure our brand is consistent and clean. Working with them offers a great opportunity, and it's a game-changer.

We need to stay focused on consumer travel trends, and we need to continue to innovate. Who knows what the next platform will be or what customers will want going forward? We have to be nimble as an organization. We need to be nimble as an industry to respond to what is hot. What are people looking for?

Consistent marketing investments going forward - you can't go in and out of the market. You have to be consistent with your presence there in terms of sales and in terms of marketing. There's a great example in Colorado. The government there thought, you know what? Everybody knows about Colorado - it's the number one ski destination, we don't need to fund the tourism effort anymore. They found out how bad it can be when you don't fund it. They went from number one to 17th in just over a year in terms of appeal. It took years to rebuild that market share. So we know that tourism marketing is very meaningful.

MR. MACKAY: I understand that you will be building on tourism marketing by attracting the largest tourism business development conference in Canada. It's going to take place in Halifax this year, Rendez-vous Canada, I believe it's called. Could you expand on that, tell us a bit about it?

MS. SARAN: Sure, we are so excited to have this. Canada's largest tourism business event is Rendez-vous Canada. It takes place in Halifax from May 13th to 16th at the new Halifax Convention Centre. The last time it was in Nova Scotia, in Halifax, was

2002, and we haven't been able to host it since then because the program grew so big it didn't fit into our existing convention centre.

This is an incredible opportunity. We're going to have 1,800 tourism professionals - that's going to be 500 tour operators and travel agents from over 20 countries - who are going to be descending on Halifax. They're going to have sales meetings, so it's timed one-on-one appointments during the day, and then they get a first-hand account of Halifax and Nova Scotia for the rest of the time they're here. Tourism Nova Scotia is going to be hosting familiarization tours of the province, both pre- and post- the conference to give them a real taste of what we have not only in Halifax but from Yarmouth all the way up to Cape Breton. It's a great opportunity.

The event is going to provide immediate economic impact of \$5.5 million to our economy, but that's just the starting point. These people are coming and seeing what they see in Nova Scotia. They're going to be inspired to create itineraries and package Nova Scotia going forward. It's going to pay dividends for years into the future, with these tour operators having these itineraries to sell to their clients in whatever country that they may come from.

This is the second of two great opportunities. In September, we had GoMedia, which is a travel media marketplace that we were able to host. We had 300 travel media from around the world descend on Nova Scotia, and they went back and wrote stories. We had influencers here. We were able to really showcase what we have to offer in the province. These are two amazing opportunities.

We're lucky now that we have a convention centre that's big enough to host these types of things.

MR. MACKAY: I'm looking forward to taking in some of that and certainly looking forward to many of those Rendez-vous visitors coming down and visiting beautiful Chester-St. Margaret's.

The accomplishments seem very good. The plans seem great. I'm just wondering, as you look back on 2017 as an organization, what are you most proud of?

[10:00 a.m.]

MS. SARAN: Well, 2017 was just an outstanding year. I was so impressed at how our industry is aligning behind our strategy and starting to really embrace their roles. Businesses are thinking outside the box, they are innovating. They are really starting to grasp what it takes to become a wow experience. They're realizing, we're not just competing with New Brunswick or P.E.I. - we're competing with the world right now and that's a platform we want to be on. We don't just want to compete with other Canadian destinations. We want to compete with everybody.

It's very easy to be in the tourism game now. Anyone can post something on social media and post a beautiful picture and inspire people to want to go, so we have to be very thoughtful and we have to be very strategic. I really see our industry rallying behind, so I'm excited about that.

I'm also very proud of my team at Tourism Nova Scotia. We've got the best group of people imaginable. They are really working to achieve our vision as an organization of being the best in the world. They are passionate and they work hard every day for all Nova Scotians. I'm thrilled with how our marketing campaign performed in 2017. We know that it stood out and it really built that foundational interest in Nova Scotia as a vacation destination. There were a lot of great things that happened, but the proof is in the pudding and when we see our final numbers next month, I'm pretty sure we're going to get that \$2.7 billion.

MR. MACKAY: Excellent. In the strategic plan, as my colleague from Halifax Needham mentioned, you have the SWOT analysis in here - strength, weaknesses, opportunities and threats. One of the weaknesses mentioned is aging infrastructure, primarily outside of Halifax, as a deterrent to visitation.

Our government committed \$2 million towards redevelopment of infrastructure at iconic tourism sites in the province. I'm wonder if you could speak to that - where that program stands now and where you see it going in the years ahead?

MS. SARAN: Certainly. We call it TRIP - Tourism Revitalization Icon Program - we love acronyms in Tourism. It is currently being managed by the Department of Business and that's where the budget sits. We expect that the project will be handed over to Tourism the next fiscal, but it's an exciting project. We're going to have more information released to the public in the very near future.

It's going to create a program for existing tourism icons, the idea being that we will work to create world-class experiences leveraging those icons. We know that Peggy's Cove is a tourism icon, obviously, but are we leveraging it to the best of its ability. People go, they take a beautiful photo by the lighthouse - what more could we be doing to generate revenue? It's all about the numbers.

I think this will give us an opportunity to work with key partners who are deemed icons to really help them up their game and get the most benefit and bang for the buck that we can out of these. But as I said, more details on the program will be forthcoming.

MR. MACKAY: I certainly appreciate the reference to Peggy's Cove, which is in my constituency. It's true, we'll have 70 tour buses a week rolling in there and folks jump off the bus, they take a picture of that beautiful lighthouse, one of Canada's most-known symbols. Then they look around and say, what else do we do? There's some artisan shops and so forth, a couple of food stops but there's nothing really to keep them there. I'll look forward to further discussions on this subject.

That brings me back to investments by government and by Tourism Nova Scotia and the importance of leveraging with the private sector. I'd like to know if you could perhaps expand on what you're doing to attract private sector investment in the tourism sector in Nova Scotia.

MS. SARAN: We are not in the business of attracting investment per se but what we do do is we work closely with businesses to help them up their game. We have a business development unit that sits down and works with both new and existing businesses to make them understand, through research, who the visitors are, what visitors are demanding, and how best to go after the markets where there is an interest, so we work closely with them.

We have three major partnership programs, one of which is our Inspiring Content Program, the idea being that we looked at the assets we had at Tourism Nova Scotia and we realized we didn't have a lot of consistency in terms of tone and style. We needed a lot of images from different parts of the province, some were dated. We knew that if our assets were like that, our partners probably would be, too.

In an effort to get consistency and more bang for our marketing buck, we would put in a dollar and the partner would put in a dollar. So if you are Destination Cape Breton, for example, and you wanted more beautiful pictures of the Cabot Trail, you would come in with, I want to do this, these are the assets I need, these are the investments I could make, and we would match that. Together, we would get much more assets than we could have gotten individually. We ensured brand consistency and tone.

We also have a digital marketing program. This provides coaching to our industry. Some of them might not have the acumen that they need to fully leverage things like search engine marketing. Some of them might need assistance with YouTube or want to know more about social media and how to market in those forums. We would sit down and provide the coaching, but we would also cost-share so we can buy more terms in search engine marketing if we work collectively together. The program has been a big success.

It's not all just putting money into programs too. A lot of it, through our EXCELLerator Program, is coaching. I gave the Dining on the Ocean Floor example earlier. We want to get people to book Nova Scotia now, create those destinations that have sex appeal, that people are excited about right now.

Things like Dining on the Ocean Floor, we tested the experience ahead of time, and we know that it's going to be compelling to visitors who are going to want to come. We work with the private sector operator. We help provide them with assets going forward. It's constant business coaching as we go along. We have the assets to market them, and we work together. They provide the experience.

MR. MACKAY: You have mentioned the new convention centre. What will the impact of that be for tourism here?

MS. SARAN: It's going to be a fantastic impact. I understand it's already sold out for 2018. We're able to go after meetings and conventions that we didn't have the capacity to host in the previous centre.

The great thing is the tie between trade and the meetings industry. We can go after conventions where Nova Scotia is seen as a centre of excellence. For example in oceanography, we know that we excel in this area. We can pursue conventions where we can demonstrate that we're thought leaders in this area, and we can have experts in this area come and leave their best practices and knowledge here. So it's . . .

MR. CHAIRMAN: Order. Time has expired. I'm sorry to interrupt you.

MS. SARAN: Oh, I could go on forever on this topic.

MR. CHAIRMAN: We'll move back to the PC caucus. Mr. Houston.

MR. HOUSTON: I was listening to the laser focus on decision making and stuff. I was wondering about the process to evaluate the impact of decisions. If we decide to do this, what's the return on that? If we decide to do this, what's the return on that decision?

I am curious - you mentioned airfare, if we could work some kind of a deal there. Have you done some analysis that says if we were to invest this amount, it would attract this number of visitors? Have you done that kind of analysis?

MS. SARAN: Yes, we do constant analysis based on market, based on spend. There has been a comprehensive study done twice now with the Halifax International Airport and the Department of Business through InterVISTAS Consulting that analyzes the impact of getting different carriers from different areas to come into Nova Scotia. We can estimate the number of visitors that it will bring and the spend that it will provide.

We can also look at whether there are cargo opportunities with those routes too. So it isn't just about tourism. It's about trade as well.

MR. HOUSTON: What would the return be? I guess two questions - is there a specific ask for more money to initiate that program or improve that type of a program? Then could you say, if we invest \$100,000, this is the likely impact of that?

MS. SARAN: There is a specific ask through the Department of Business for an air access fund as well as a marketing fund because you can't just go after the routes. You have to be able to market the region at the same time. It's a twofold type of thing. You can't have one without the other. Both of those things are in the budget ask for 2018. I don't have the numbers in front of me, unfortunately.

MR. HOUSTON: How much would the ask be for the air access fund, specifically?

MS. SARAN: The air access fund is \$2.5 million, and I believe it's the same amount for the marketing ask to support . . .

MR. HOUSTON: So that's a significant undertaking, then. Could you share with us how much return we can get from that \$5 million, that you would expect?

MS. SARAN: I'll pass it over to Anna.

MS. MORAN: We at Tourism Nova Scotia do not have that information on hand. There were two reports that were commissioned by InterVISTAS and they do analyses. I'm going from memory here but it depends on the origin of the flight, it depends on who is already running . . .

MR. HOUSTON: But it's not multiple. If you invest \$5 million you get more than \$5 million back.

MS. MORAN: I don't know the multiple, I can tell you that it's a good multiple in terms of impact. The one example that we have that I'm sorry doesn't directly answer your question but does give an idea of the impact of when a route opens, that would be in 2015 when the new route opened up between Glasgow and Halifax. What we saw there was an increase in visitation from the U.K. of 46 per cent year over year, about 10,000 incremental visitors from the U.K. in the first year of operation. If you think that those 10,000 visitors each spent about \$1,000 in Nova Scotia, that's a tremendous amount of tourism spending in the province from one single flight.

MR. HOUSTON: So this would be a real boost to the air access market. Presumably you compare and contrast that with other opportunities. For example, how much did we spend on the Yarmouth ferry last year? Would you know the multiplier for that when you are making these kinds of decisions?

MR. CHAIRMAN: Ms. Saran.

MS. SARAN: We know that visitors arriving by the Yarmouth ferry are the highest-yield visitors who are coming to the province. They are spending about \$2,100 per visitor and by air, I want to say it's about \$1,400, on average, per visitor. While the number of visitors is significantly smaller coming by the ferry, the yield is significant.

Our role at Tourism Nova Scotia is we want to give visitors a variety of access options and access points, so we want all access that we can get.

MR. HOUSTON: Would the analysis that you would do strictly from a tourism viewpoint be to take the number of arrivals on the ferry, times that by \$2,100, that's the economic impact to our province . . .

MS. SARAN: From a tourism perspective, there's . . .

MR. HOUSTON: . . . and then compare that to the cost and then you would be determining if there's a multiplier, what that multiplier is.

MS. SARAN: Yes.

MR. HOUSTON: Do you have the number at hand as to how many visitors there were this year?

MS. MORAN: I do, let me just look it up here. It was about 17,000 visitors who came in via the Yarmouth ferry . . .

MR. HOUSTON: For the season?

MS. MORAN: For the season. Non-resident, overnight. The important thing to keep in mind when I say 17,000, I need to make a note on how we actually do our visitor enumeration. When we do visitor enumeration we're looking at visitors who are coming into the province only, so we're not looking at visitors who are then leaving the province.

I'm underestimating when I'm looking at the Yarmouth visitation, I'm actually underestimating the total number of visitors who came into Nova Scotia who used the Yarmouth ferry because our visitor enumeration model is to look at how many non-resident visitors overall came into Nova Scotia and we happen to have a number of different entry points. Those 17,000 would be non-resident visitors who entered the province via the Yarmouth ferry. There would be a number of visitors who came in through Amherst or through Digby, who then left and used the ferry leaving, but Bay Ferries would need to be able to provide you with that entire number.

MR. HOUSTON: Do you have a sense as to whether it's a better investment, more return on investment to invest in the air or the ferry or the driving traffic? I know you indicated that a ferry visitor would spend \$2,100 versus \$1,400 so on the yield it seems to be higher but the initial investments are different. Do you have a sense as to where is the best bang for buck?

[10:15 a.m.]

MS. MORAN: When we look at any access point, any route coming into Nova Scotia, what we're really looking at is the overall tourism impact. When we look at the Yarmouth ferry and the impact, one of the things that we absolutely have to look at is the impact on the region where the ferry operates, and that would be the Yarmouth and Acadian Shores region. One of the things that we saw in 2014, which would have been the year that the ferry started operating again, is a significant bump in room nights sold in the Yarmouth area. If we then go forward to 2017, and if we're looking at that June-to-September period when the ferry operates, we have seen an increase in room nights sold of 53 per cent in that region. That, in and of itself, is really important because it has revitalized that region.

What that then does is it makes investment in that region to develop the kinds of experiences that will drive visitation to Nova Scotia that much more attractive. When we're looking at Yarmouth, we're looking at it as a region in the province that is now thriving as a tourism destination because of the ferry.

MR. HOUSTON: I don't dispute that. I guess what I'm more interested in is that there's a cost to that revitalization. There are maybe other ways that could have been done. There's an airport there, right? Maybe some kind of air - I just wondered if those analyses were done, but it doesn't sound like it's something that was done.

MS. MORAN: That wouldn't be analysis that Tourism Nova Scotia would be doing.

MR. HOUSTON: Fair enough. I do want to finish off on the Airbnb thing. You mentioned Fred Morely was involved in that. Did he do a study already? Did Mr. Morely already complete a study on Airbnb? I seem to remember that he was kind of commissioned to do a study, but I don't remember seeing the study. Are you aware if it was completed?

MS. SARAN: It isn't a study. He's on secondment to Tourism Nova Scotia to help us inform our decision making and study the sharing economy and the opportunity presented by the platforms, but there was never to be a study or a white paper released.

MR. HOUSTON: Okay, and he has been doing that for roughly a year now?

MS. SARAN: Yes.

MR. HOUSTON: But there are no recommendations that have come out of that?

MS. SARAN: Well, we have had significant recommendations which have led to the working group for the industry. We have analyzed what the industry perception is of the sharing economy platforms and also what opportunity is presented by them from a marketing perspective, which has led to the working group that will start to look at creating a more level playing field in terms of tax and regulation.

MR. HOUSTON: The recommendations that have been made and are presumably on the table internally, can you share those recommendations with us? Maybe not today, but is that something you would share with the committee? The working group is going to assess the recommendations that have been made.

MS. SARAN: It's going to assess what the industry wants and needs in terms of levelling the playing field. That's less about Tourism Nova Scotia and more about things like hoteliers and B&Bs and how we can make things more equitable for them. What we can share going forward into the future is if we do enter into some kind of marketing arrangement or agreement with the sharing platforms, we can certainly share that going

forward. It will be very much about brand awareness and making sure that we have Nova Scotia assets front and centre in front of those millions of eyeballs on the platforms.

MR. HOUSTON: The \$500,000 request for the Chinese market, is that an ask?

MS. SARAN: No, we have it in our budget.

MR. HOUSTON: You have that. Do you have an expectation of what kind of multiplier that might produce?

MS. SARAN: We are just brand new in the market. We're going to need to start benchmarking it. We are just in the process of finalizing the hiring of an in-market rep. That person will be charged with creating a formal strategy for China going forward. We will start to work with tour operators and then again setting benchmarks of where we are now with Chinese inbound and where we are going. I think it's too early to establish those things.

MR. HOUSTON: Would they work with the existing agency?

MS. SARAN: They will work with our agency, yes. They will work with the Destination Canada individuals who are present in Beijing already. We will be leading them from our offices here in Nova Scotia.

MR. HOUSTON: Is that a distinct difference? Are there agencies that could have done this in-house already, and we're choosing two providers where one existed? I just really don't know how that - it might be different things. I don't know.

MS. SARAN: We hire in-market representatives because they're specialists in the area they're in. They're immersed in the culture. They speak the language. They have established relationships with tour operators and media outlets. They're experts in media platforms in China that we're not. They're bringing to us the expertise that we don't have in-house. We'll be managing them and explaining the product and the strategy that we have at Tourism Nova Scotia, and they will work with us on tactical activations around that.

MR. HOUSTON: That's a skill set that doesn't exist in-house and it doesn't exist at the agency that you're already working with?

MS. SARAN: No.

MR. HOUSTON: But are there some agencies that would do that in-market stuff too? Or are they different skill sets?

MS. SARAN: If you're referring to our agency of record, they would provide the marketing assets but they wouldn't necessarily be experts in specific markets. They would work with our in-market - we would work with our in-market representative, they would

explain to us what types of things resonate with the clients in those markets, and our agency would help to build those assets that would help us pursue those markets.

MR. HOUSTON: In terms of segments, you're focusing on three segments: free spirits, cultural explorers, and authentic experiences.

MS. SARAN: Yes.

MR. HOUSTON: You've selected those segments through a process, which we're not going to have time to talk about today but I did want to ask about. There is another segment which is the largest one and it's called "gentle explorers" - not worthy of focusing on? It's not in your top three, anyway. Maybe you can say why that wouldn't be a big focus area for us.

MS. SARAN: I'm going to turn this over to my expert on the segments. Anna.

MS. MORAN: Thank you for the question. Gentle explorers, you're right, they are a large segment and they make up a not insignificant portion of the non-resident visitor population. Segmentation is all about honing in and deciding, when you have limited resources, where you are going to make the most difference - so who are you most likely to be able to influence to come to Nova Scotia?

Gentle explorers were not selected as a target for marketing because they're more likely than other segments to be influenced by friends and family, as opposed to being influenced by Tourism Nova Scotia marketing efforts.

MR. CHAIRMAN: Order, time has expired. We'll move to the NDP caucus and the Honourable David Wilson.

HON. DAVID WILSON: Thank you for your presentation. I have a couple of quick questions on things but I just want to go back a little bit to what you mentioned around the Chinese market - the \$500,000. Is that in addition to the previous budget or is that a new line item, a new program initiative that you'll be unfolding over the next year?

MS. SARAN: It's new money, it's additional to the existing budget.

MR. DAVID WILSON: We know there's a lot of buzz around Destination Cape Breton and some of the work they've done and the recognition, especially with the bit of satire. But it drove a lot, especially a lot of Americans, to their site and I think they're doing well. What kind of relationship, what support do you have for Destination Cape Breton or what do you give them to try to continue this trend with an increase in visitation, hopefully, to the island, which is a visitation to Nova Scotia but specifically to Cape Breton Island?

MS. SARAN: We work closely with all the regional marketing organizations in the province. Yes, Cape Breton did a fantastic job last year, they were very nimble to jump

onto the “Trump bump” opportunity, it was very impressive. We work closely with them, as we do with other regional organizations, through our partnership programs. We work with them on creating the assets to make sure that our video imagery is consistent and brand compliant so that we have a consistent look and feel in our marketing materials. We work with them on search engine optimization. They actually are the biggest investor in our partnership programs, so the relationship is outstanding.

MR. DAVID WILSON: It’s interesting to see one comment, put it out there, and I don’t think it costs a heck of a lot of money to do what they did. Hopefully we’ll continue to see an increase in support for that area of the province.

The Eastern Seaboard, Atlantic coast - you mentioned earlier that the environment now with the low dollar, low gas prices, to me the Eastern Seaboard in the U.S. is 100 million-plus people, 35 per cent of the population is on the Eastern Seaboard. To what degree and to what amount of money are we marketing on the Eastern Seaboard of the U.S.?

MS. SARAN: The Eastern Seaboard is our biggest market in the U.S., that being the northeastern part, predominantly the Boston-New York region, Hartford, and down into the mid-Atlantic. We do co-marketing with our sister Atlantic Canadian Provinces, through the Atlantic Canada Agreement on Tourism so there’s investment made there too. We have a twofold approach, there’s Atlantic Canada messaging in the market as well as Nova Scotia messaging, so they leverage each other quite nicely.

Yes, they are our biggest markets so they are our highest-yield U.S. markets.

MR. DAVID WILSON: Are you able to put a dollar figure on what is spent in that market? I know you have now \$0.5 million for the Chinese market, so could you give us a . . .

MS. SARAN: I don’t have the figures with me right here and now.

MR. DAVID WILSON: As long as you provide them to the committee, I’m good with that.

MS. SARAN: Certainly, yes.

MR. DAVID WILSON: Excellent. It’s interesting, it kind of leads into an area, I know there’s a lot of costs that Tourism Nova Scotia has no control over but does have an impact, I think, on tourism, when people choose to come to our province. Just last week we had the Highway 104 Western Alignment Corporation talk about the Cobequid Pass tolls.

The current government said that tolls, once the bonds are paid off, will come off for Nova Scotia motorists but there wasn’t a strong commitment to ensure that they come

off for non-residents. I would assume that that would have an impact potentially on visitation. Do we still have counters at Amherst in the little lighthouse that we have there? That's my first question.

MS. SARAN: We do.

MR. DAVID WILSON: That's great. Do you think that will have an impact? Do you feel you have a role maybe to advise government that listen, if we're involved in this Atlantic marketing tool to the Eastern Seaboard, I would think it wouldn't be a good thing for us to be the only province that potentially has a cost to come into the province to use our roads. I can see now the ads in New Brunswick: come to New Brunswick, stay in New Brunswick, we won't charge you to use our roads.

Do you have a role as the government will make that decision over the next year or so? Should you have a role to maybe advise the government that listen, that could impact visitation in Nova Scotia if tourists, non-residents, are charged to use our roads to enter the province?

MS. SARAN: It's not an issue that has been brought to my attention. I haven't seen complaints on that front from customers. If it was, I would certainly step up and express a concern but we haven't seen any complaints in that area.

MR. DAVID WILSON: I mean everybody is being charged. A year from now we could be in a position where non-Nova Scotians will be charged. As long as it's on your radar, I feel you should have a role in it. I mean if the government is going to go out and say okay, what are we going to do, how are we going to move forward, I would think it would be a negative thing. Maybe it might not deter someone from coming here but it might.

For your aggressive agenda, I would think you need to make sure that all the players know there are impacts when there are things like the cost of a toll road. I hope it is on your radar and that you engage with the government to say that this could have an impact on us reaching our goals over the next number of years.

The other area also, and it's not a big cost, but on January 1st we saw an airport improvement fee increase at the airport. Does that play a role? I know you talked about carriers and trying to reduce costs for carriers to come into the province and making sure that we're attractive. Do those fees - is that the same for travellers, individual travellers, would that deter people from coming, I think, if we continue to see increases in terminal airport fees? Or is it something that's not talked about, not complained about, people don't really look at that? Any opinion or comment on that?

MS. SARAN: I think those types of fees are becoming par for the course for airport improvements now. I haven't heard anything specific, any negativity around it personally.

Those are the types of things that with air access funds and when we go after certain carriers, that can be waived to get carriers to come into the Halifax airport.

[10:30 a.m.]

MR. DAVID WILSON: Would you down the road potentially comment on - do you feel that's a role of Tourism Nova Scotia to look at impacts and costs, that you would say listen, okay, we've seen a lot of upgrades at the airport? I think that definitely over the last number of years we've seen an increase in what people see when they come to the province, which has a huge impact, I think. Do you feel that would be a role, if you see those costs continue to increase, that potentially Tourism Nova Scotia would say listen, that impacts visitors to our province?

MS. SARAN: If our visitors were highlighting it as a concern, we would absolutely bring it up.

MR. DAVID WILSON: I don't know if it came up during the Budget Estimates, I know you're a Crown Corporation through Business, we were looking through the budget line items for Tourism Nova Scotia and I'm just a little curious around the annual deficit and what that is all about. I'm looking at the - and you probably don't have your financial pages in front of you but on Page 5 of the Tourism Nova Scotia Statement of Operations, at the bottom it has an annual deficit, accumulated deficit, beginning of the year \$1.2 million, accumulated deficit at the end of the year \$1.2 million - no change. Can you maybe elaborate on what that deficit is for, why it's on the books?

MS. SARAN: I'll turn this over to my chief operating officer, Michel Johnson.

MR. JOHNSON: I get to talk, thank you very much. (Laughter) Thanks for the question. When we became a Crown Corporation we became an outside agency of government. What that deficit figure is related to is that there was a pension and health obligation that came over to Tourism Nova Scotia. In the case of the pension obligation, the government covered that cost. In the case of the health obligation, which was roughly that figure, that came over to Nova Scotia so that's on our books showing a deficit and that will continue to be carried forward, but that's what it's related to.

The total between the health obligation and the pension obligation was just over \$2 million. That was just the initial transition that year, and going forward, that's why the number is the same so it's now not an issue for us. That accumulated deficit will continue to carry forward on the books.

MR. DAVID WILSON: Will that be indefinite? I'm not the accountant so I'm going to look at my colleague here for some assistance. This year's budget will be coming back in the Legislature in March or April, so we'll see that figure continue to be the same?

MR. JOHNSON: Yes, carried forward.

MR. DAVID WILSON: Maybe we'll have more questions then on why it would continue to carry forward.

What do you see as - and I know it's been quite successful the last couple of years in tourism and we're glad to see that, especially seasonal operations when they can see the room rates for hotels, for example, at high numbers, and it's a success. What are the challenges that we have - and operators and tourism services and companies - in front of us that we need to work on to try to overcome? Are there hurdles? Are there things that we need to be looking for to try to get past?

I think that tourism, for all MLAs, is something we all want to see achieve high numbers and want to see continue to grow. I know when I first entered the Legislature almost 15 years ago, I remember at the time - Rodney MacDonald was the minister - let's double the tourism numbers, so I think it has always been a priority for every government, all political stripes, to try to increase visitation to our province and what we have to offer. I think we're all advocates when we leave the province on trying to encourage people to come back here.

What are the challenges that we have in front of us over the next couple of years, for example? I know we talk a lot about all the success but there are challenges. Could you maybe outline some of those?

MS. SARAN: Well we talked earlier about the capacity issues. We've done so well that there's not a lot of places for people to stay. We need more investment in accommodation, we need our operators to invest in their products, to upgrade aging infrastructure. I think that's key. People will come one time but if they don't like the experience they have, the accommodations, they're going to write about it on TripAdvisor now. Nothing is secret anymore and in this sharing economy, you're going to get negative reviews. Our operators really need to read those types of things and take heed because times aren't always going to be good. People aren't always going to be forced to stay in the aging places when times aren't so good. They should take the time in the off-season and reinvest in their properties to make sure that they come up to a standard that's going to keep people coming back. I think that's so important.

We talked before about seasonality. We have to look to build experiences that are going to make people keep coming in the shoulder season, look at experiences that we could develop and create to make winter sexy so people will come in that season as well. There are challenges on that front. I think those are the big things.

Access - we don't want to lose flights. When we see a flight go away, we see market share immediately go down. If they lose their way to get here, we lose customers. We have to make sure that we keep investing in these markets, keep Nova Scotia top of mind, and make sure we keep those planes full.

MR. DAVID WILSON: I know the total room nights, if you go right back to 2006, the numbers then were quite high also. Is it that we need more, or is it to try to diversify when those room nights are, like you said, the winter attraction? I think I actually just saw an ad about Cape Breton trying to move their winter experience along the way.

Is there a role for government to assist some of the operators to upgrade? I know some of the frustration just to plug your cellphone in. Sometimes you have to unplug a bunch of lights. Is there a role for government to assist these operators? Is there any kind of program you see in the future that government will have to put in place to assist in maybe upgrading some of the accommodations?

MS. SARAN: We recently did an accommodation needs assessment, where we surveyed visitors as to what their thoughts were on accommodation offerings in Nova Scotia, so we have a very clear idea of where we fall short in terms of infrastructure and in terms of quality. That's a public document that's on our website now. I think a lot of information can be gleaned from that. We do know that there are challenges, as you intimated, with things like infrastructure around broadband . . .

MR. CHAIRMAN: Order. I'm sorry to interrupt, but we have run out of time. We'll move to the Liberal caucus. Ms. DiCostanzo.

MS. RAFAH DICOSTANZO: I just want to start by saying that I'm delighted to say that we have a couple of friends who invested in little hotels and motels across Nova Scotia. There was a time when they could barely make ends meet, and in the last two or three years, they are so happy, and things are going so well for them. They're reinvesting and putting improvements as you were talking about that. They really are doing that, which is wonderful to see.

My question is, how do you look at the opportunity that we have to use the tourists that we're getting through the cruise companies? These tourists are really not spending very much, and if they spend, it goes to the cruise companies. We have them as a captive market on the waterfront. Are we doing anything maybe to tell them about the rest of Nova Scotia so that we can get them to come back for a week or two? We need to target those thousands of people who are coming to get a taste to make them want to come back for two weeks. Do we have any programs to target them?

MS. SARAN: We do work with the cruise association to provide them with information on our product offerings in Nova Scotia with a view that they would be interested in coming back, although statistics say it's highly unlikely that they do. If you're a cruise type person, you tend to stick to cruise type vacations. As you said, they're not deemed really high yield.

That said, they're incredibly important for tour operators, for restaurants, for retailers. That's what the message needs to be. What are our retail offerings in the ports?

What can they do when we have them as a captive audience for the few hours that they're in port?

You're right - I think it was our best cruise season in history. We're all about those visitors as well because, while it's not filling our hotel rooms and making them stay overnight, it's definitely a huge benefit to our other operators.

MR. CHAIRMAN: We're going to go with Mr. Jessome.

MR. BEN JESSOME: I'm confident in saying that we all appreciate your time here today and certainly your ongoing commitment to showcasing the wonders and the talents that Nova Scotia has to offer, so I'll start by saying thank you.

I have some curiosities about - you've referenced it over the course of your presentation today - do you have a specific breakdown with respect to the different countries of origin or places of origin that our visitors come from? You also referenced China as a market you are trying to target. Two questions: are there any other prospective markets you're looking to as a place of opportunity to bring to the province, and are there places that surprised you that are first-time visitors to Nova Scotia that would fall into some of the data that you've collected to date?

MS. SARAN: I'm going to turn this over to my data expert, Anna.

MS. MORAN: Thank you for the question, it's one of my favourite questions. Let's talk about where visitors are from. Right now, and I'm looking at the year to date for our most recently published numbers - year to date November 2017. If I'm looking at those numbers what we know is that about 84 per cent, 85 per cent of non-resident visitors to Nova Scotia come from Canada.

I actually don't have the numbers in front of me so let me just look at a sheet where I actually do have the numbers in front of me - 86 per cent of our non-resident visitors are from Canada. If we break that down, close to one-half of our non-resident visitors are from other Atlantic Canadian provinces, 5 per cent are from Quebec, one-quarter are from Ontario, and 8 per cent are from western Canada.

This is one of the things I looked at in preparation for coming in here because one of the things I was looking at before we came here - and it's interesting, there was a mention made about the year 2002 and I have non-resident visitation to Nova Scotia going all the way back to 2002. Visitation to Nova Scotia from 2002 to about 2004 was hovering around the 2 million mark and it reached a high of 2.2 million in 2004. That was the high point. Then visitation started going down. In 2013 visitation was well below 2 million.

What we've seen between 2013 and 2017 is this amazing growth in visitation. We've seen it's 20-some per cent growth in overall visitation. I'm looking for where the growth in visitation is coming from, it doesn't follow that same proportion. We've seen

amazing growth from the Province of Ontario, we've seen an increase of 190,000 visitors - actually, 191,000 visitors from that market, compared to an increase of only 119,000 visitors from the largest market, which is Atlantic Canada. That's great because Ontario visitors spend a whole lot more in Nova Scotia.

Now if I look at the U.S., currently the United States makes up about 10 per cent of the overall visitor population. Overseas markets make up about 4 per cent of the visitor population. But again, if I'm looking at the growth in visitation, visitation from the U.S. made up 16 per cent of the growth and visitation from overseas markets made up 5 per cent of the growth. The markets that we really want to see coming here and want to see increasing visitation to here, we're seeing that happening and that's one of the things I find really exciting about the kind of visitation that we're getting.

In terms of priority markets, would you like to address that or would you like me to continue? Right now, we're not so much looking at new markets as much as we are looking at doing more in some of the markets that we're in. For example, the U.K. and Germany, we primarily support those markets through our in-market representation, which is a very good way to use a more limited marketing budget to get the best bang for our buck, because our in-market reps have those relationships with the tour operators and the travel agents and with the airports and they are very good influencers. We would be looking at, if we could, doing more direct-to-consumer marketing - so same market but additional marketing activities and tactics.

[10:45 a.m.]

Germany would be important, and the United Kingdom would be important. We'd like to extend and improve our marketing activities within Canada as well. Western Canada is a market that's growing organically so it is one that we would look at to leverage that organic growth with perhaps increased marketing activity.

MR. JESSOME: Thank you very much. Through you, Mr. Chairman, I'd also be curious about, you've referenced a number of national partners that you co-exist with and focused on the concept of bringing more visitors in through our airport. Also, having referenced I guess the competition for different I'll call it airlines, for lack of the specific term you used, has there been any type of national discussion about bringing people in from outside and then kind of from an internal perspective, any kind of initiative to make it more affordable, kind of collectively for Canadians to travel interprovincially?

MS. SARAN: This is a hot topic all across the country, from coast to coast. I sit on a federal-provincial-territorial committee and air access is the topic that everyone speaks of. We have some of the highest landing fees in the world, from what I understand, in Canada. That is something that is constantly brought up in these forums. Whether there's a path or a move afoot to change that, I don't know. That said, when we're talking about incentives to attract these air carriers to the area, these are things that the individual airports can waive, through incentive packages, to be attractive.

We compete with other Canadian airports just as much as we do international airports. While it is spoken about at a national level, in some cases it's kind of every airport on their own to develop these packages of incentives. We have a great relationship with the Halifax airport. We're working closely with the Department of Business on this issue and it's our hope that we'll be able to offer better incentive packages going forward so we're more competitive.

MR. JESSOME: Just a comment, I look at the way that many local Nova Scotian companies kind of collaborate with respect to marketing. You referenced collaboration with our Atlantic Provinces with respect to marketing. Correct me if I'm misinterpreting you, but it sounds like there's more of a competitive environment between the different airports in the nation, versus kind of a collective effort to say how do we bring people in? Maybe that's a market trend in the industry perhaps. Again, with that sentiment about local companies partnering for the greater good, perhaps there's something there, who knows?

To shift gears a little bit, I'd like to ask you about the workforce and specifically its youth presence. It's a seasonal industry for the most part and I'd like you to comment on the prevalence or not of young people working in your shop and in the industry as a whole, please.

MS. SARAN: I'm going to turn that over to our chief operating officer to give us the breakdown.

MR. JOHNSON: Our workforce is, operationally we have our corporate office in Windsor and we have a presence here in Halifax. Then we have our VICs across the province. We have a distribution centre and a contact centre that support our operational efforts.

Our corporate group is a very diverse and young workforce and we're very fortunate to have that youth and enthusiasm amongst us, the ones over 50 in the room, which was mentioned earlier, but we have a very diverse workforce.

In the case of the VICs, two years ago we introduced a student ambassador program. That program was again to provide youth an opportunity to work in the tourism sector. We thought it was well in-line with the government's mandate to also provide youth an opportunity to gain work experience. We took advantage of that opportunity and we hired youth that we called youth ambassadors to work at our VICs across Nova Scotia.

It was a great experience for us, our employees, as well as - we hope - the students. The students came in with a lot of enthusiasm, they are tech savvy. Some of them spoke several languages so they really added a lot of diversity to our workforce in those situations, so the success, we again brought more students in last year and we're going to continue that program this year as well because it gives them a good opportunity to experience the tourism industry.

A lot of the students are taking tourism-related programming at the Nova Scotia Community College, as an example. That gives them an opportunity to work face to face with a lot of different clients that come in, tourists, but they also see other aspects of our business. They have been involved in some of our staff development initiatives, they made videos on their work experience, a very talented group of individuals.

Again, we're looking at ways to keep our staff engaged across the organization. We do have a youthful workforce incorporately. Our VIC staff, though, are older employees because they've been working in those VICs for years but adding the student element, they really appreciated it, having them in and providing mentorship for those students. Again, it was a very successful program.

MR. JESSOME: Perhaps that youthful component to your workforce will assist with any type of transition planning for when the group that is working in VICs across the province now, for when they decide that it's time to retire and take some time for themselves. I think my time is . . .

MR. CHAIRMAN: Order, time has expired. I'd like to thank you for answering our questions today and provide you with some time to provide some closing comments. Ms. Saran.

MS. SARAN: Thank you so much for the opportunity to be here today. Tourism Nova Scotia has taken the Ivany commission's Urgent Call to Action seriously. With guidance from our private sector board we're applying a business lens to everything we do and using research to make decisions that will fuel growth for the industry and improve Nova Scotia's economic outlook.

To reach \$4 billion in tourism revenues by 2024, tourism stakeholders will need to continue to innovate and evolve to respond to consumer demands and travel trends. Tourism Nova Scotia, in partnership with private sector businesses, will offer world-class experiences and invest in marketing programs that will capture the attention of travellers. Increased investment in marketing will be critical to reaching our revenue targets.

We'll continue to work with our airport and provincial government to establish and maintain strong air connections between Nova Scotia and priority tourism markets. As we attract more higher-spending visitors to the province, our partnership with the Tourism Industry Association of Nova Scotia will enhance quality and expand accommodation capacity. We will continue to evaluate all aspects of our business to ensure that we are delivering on our mandate and spending taxpayer dollars wisely.

As we kick off 2018 I'm pleased to share that Nova Scotia will host Canada's largest tourism business event, Rendez-vous Canada, from May 13th to May 16th at the Halifax Convention Centre. Over 1,800 tourism professionals, including 500 tour operators and travel agents from 20 countries, will descend upon Halifax for sales meetings and a first-hand glimpse of Nova Scotia.

Tourism Nova Scotia will host familiarization tours to give delegates a taste of all regions of the province. This event is expected to immediately generate \$5.5 million in provincial economic impact. 2018 is also the Canada-China Year of Tourism. In 2017, we received an additional \$500,000 in our budget to increase marketing activities in the lucrative China market. We're excited for the opportunities of this initiative and what our marketing dollars will bring.

We've had four exceptional years of tourism growth and we're optimistic that high levels of visitation and revenue will continue. We thank our industry and all tourism stakeholders for embracing change, as well as Nova Scotians for they are important tourism ambassadors.

We thank Mr. MacLellan and his government colleagues for their support and we hope all of you will support our efforts going forward as we work on behalf of Nova Scotians to grow our economy and make the province an even better place to live. Thank you.

MR. CHAIRMAN: Thank you. We have one item of committee business. On January 17th, the subcommittee met and came to a decision on a number of topics for future witnesses. That information is before you. We do need to gain approval from the full committee to proceed with scheduling these witnesses. Are there any questions or comments on the list? Hearing none, would someone like to make a motion that these witnesses and topics be approved for scheduling for future committee meetings? Mr. Gordon Wilson.

MR. GORDON WILSON: I would like to make that motion, just noting also the witnesses under the topic for the PCs with the Nova Scotia Health Authority would be the Deputy Minister of Health and Wellness there, under the NDP topics for Department of Environment would be the Deputy Minister of Environment, under Community Services and Health and Wellness would be both deputies for that, and the Department of Business would be the Deputy Minister of Business - or if they have subordinates they would like to appoint to that.

MR. CHAIRMAN: Are those recommendations put forth by Gordon Wilson acceptable to the committee? I'm seeing agreement. Our clerk will make note of that. The motion before the committee is that the topics and witnesses be approved with the clarification by Mr. Gordon Wilson for witnesses.

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

The motion is carried. Our clerk will make note of that.

Our next meeting is January 31st, next week. It will be with the Department of Community Services to discuss the transformation of the ESIA system, that's the

Employment Support and Income Assistance system. Thank you for being with us here today.

This meeting is now adjourned.

[The committee adjourned at 10:57 a.m.]