



ACCOUNTABILITY REPORT

TOURISM NOVA SCOTIA

2019-20

CONTENTS

Accountability Statement 3

Message From the Chair & CEO 4

Financial Results 5

Measuring Our Performance 6

 Key 2019-20 Initiatives 6

 Performance Measures 9

Appendix A

Annual Report under Section 18 of the Public Interest Disclosure of Wrongdoing Act 15





ACCOUNTABILITY STATEMENT

The Accountability Report of Tourism Nova Scotia for the year ended March 31, 2020 is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against the Tourism Nova Scotia Business Plan for the fiscal year just ended. The reporting of Tourism Nova Scotia outcomes necessarily includes estimates, judgments and opinions by Tourism Nova Scotia management.

We acknowledge that this Accountability Report is the responsibility of Tourism Nova Scotia management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Tourism Nova Scotia 2019-20 Business Plan.

HL-Col R. Irene d'Entremont, C.M., O.N.S., D.Comm, hc,
Chair, Tourism Nova Scotia Board of Directors

Michele Saran
CEO, Tourism Nova Scotia

MESSAGE FROM THE CHAIR & CEO

As Chair of the Board of Directors and Chief Executive Officer of Tourism Nova Scotia, we are very proud of the initiatives, collaboration, and achievements of the past year.

Tourism Nova Scotia staff, in-market representatives, and industry partners have worked tirelessly to advance our strategy to grow tourism revenues from export markets, specifically, Ontario, Quebec, Northeastern United States, United Kingdom, Germany, and China.

Engaged employees are the cornerstone of having successful strategic outcomes. Tourism Nova Scotia launched our first employee engagement survey as a Crown corporation in July 2019. With an engagement score of 87, our employee engagement places Tourism Nova Scotia in the upper echelon of employers in Atlantic Canada.

Among our many accomplishments, we implemented our annual North American direct-to-consumer marketing campaign, targeting Authentic Experiencers and Cultural Explorers.

In partnership with Destination Canada, the Atlantic Canada Agreement on Tourism, the Tourism International Market Expansion project, the Halifax International Airport Authority (HIAA), and transportation and tourism operators, we were able to get Nova Scotia's brand in front of even more international travellers.

Through the efforts of our in-market representatives and market development team, we grew brand awareness of Nova Scotia by hosting familiarization tours with travel writers, influencers, and tour operators. Together with our partners in government and HIAA, we were successful in negotiating two direct charter flights to Nova Scotia from China. While those flights are not able to happen this year due to COVID-19, we have established meaningful relationships with the government and travel industry in China, which will serve us well in the future.

We continue to be amazed by the innovation and dedication of Nova Scotia tourism businesses. With co-investments of hard work, dollars, and time, we worked together to create video and photography assets in 2019-20, and exciting new experiences targeted at Free Spirit travellers.

In fall 2019, we undertook an impressive redesign of NovaScotia.com – Nova Scotia's official travel planning website – to respond to how consumers want information and make travel decisions. Throughout the year, we worked with the Tourism Industry Association of Nova Scotia (TIANS) to offer business enhancement programs for tourism operators. Strategic outreach and communications efforts helped create alignment with our export growth strategy, and together the industry generated \$2.6 billion in tourism revenues in 2019.

The fiscal year ended abruptly in March with the COVID-19 pandemic bringing the global tourism industry to a standstill. While the weeks and months ahead will continue to be challenging for tourism businesses, forcing all of us to pivot and adapt to our new realities, the work we have done in recent years to significantly increase demand for Nova Scotia will be important to our recovery.

Sincerely,

HL-Col R. Irene d'Entremont, C.M., O.N.S., D.Comm, hc,
Chair, Tourism Nova Scotia Board of Directors

Michele Saran
CEO, Tourism Nova Scotia

FINANCIAL RESULTS

	Budget 2019-20	Actual 2019-20	Variance
Revenues			
Provincial Operating Grant	22,507,000	21,432,057	(1,074,943) ¹
Tourism Fees and Charges	652,200	637,818	(14,382)
Tourism Recoveries	550,000	914,781	364,781 ²
Revenues Total	23,709,200	22,984,656	(724,544)
Expenses			
Salaries & Wages	6,439,600	6,141,001	(298,599) ³
Travel	290,500	272,006	(18,494)
Professional Services	3,486,900	3,466,519	(20,381)
Supplies and Services	1,534,600	1,384,402	(150,198) ⁴
Advertising	8,126,100	8,594,076	467,976 ⁵
Other	956,400	1,109,916	153,516 ⁶
Other Provincial Obligations	39,800	38,902	(898)
Grants and Contributions	2,835,300	1,879,011	(956,289) ⁷
Expenses Total	23,709,200	22,885,833	(823,367)
SURPLUS	0	98,823	98,823 ⁸

Notes:

1. Tourism Revitalization of Icons Program cash flow adjustments, operating savings including sale of Digby Pines Resort, deferral of some expenditures near year end due to COVID-19 all resulted in lower operating grant requirement.
2. Additional recoveries from Digital Content Marketing Program and Familiarization Tours.
3. Temporary vacancy savings.
4. Shipping and Visitor Information Centre maintenance savings.
5. Additional spending on China market development and Canada / US / UK / Germany media.
6. Additional spending on Canada / US influencer programs and Familiarization Tours; Office renovations.
7. Tourism Revitalization of Icons Program cash flow adjustments; operating savings from sale of Digby Pines Resort.
8. Net capital grant for marketing technology purchase.

MEASURING OUR PERFORMANCE

Key 2019-20 Initiatives

In alignment with government's strategic focus on inclusive economic growth, in 2019-20 Tourism Nova Scotia focused on activities related to its mandate and strategy to lead sustainable tourism growth in the province. Tourism Nova Scotia undertook the following key initiatives:

- Generated interest in Nova Scotia as a vacation destination and directly influenced travel to the province through a consumer-focused advertising campaign directed at key target markets of Ontario, Quebec, Northeastern US, the UK, and Germany. The new 2019 'Do More' campaign highlighted the exciting things there are to do, see, and experience in Nova Scotia, and showcased experiences that are appealing to key Explorer Quotient® segments (Authentic Experiencers and Cultural Explorers).
- Delivered a media relations strategy to extend the consumer marketing campaign and motivate travel through national and international travel writers/influencers. Tourism Nova Scotia hosted 71 media and travel influencers and four film crews in 2019-20, generating 765 million in circulation (i.e., the number of people the content can reach across digital and print media) with a media value of \$29 million.
- Partnered with tourism operators through the Digital Content Marketing Program to extend operators' marketing reach and develop compelling marketing assets by co-investing in digital marketing and/or content development. Tourism Nova Scotia invested \$516,000 through the program in 2019-20, and this funding was equally matched by partners. The program had 17 digital marketing and 15 content development partners in 2019-20.
- Extended Nova Scotia's reach under the Canada brand in key international markets through participation in strategic co-investment partnerships with Destination Canada that leverage Destination Canada's scale and reach across direct-to-consumer, trade, and media channels.
- Participated in strategic co-investment programs with the Atlantic Canada Opportunities Agency (ACOA) and the Atlantic provinces to extend Nova Scotia's tourism reach in key international markets through direct-to-consumer advertising, media, and trade activities. This included continued participation in the Atlantic Canada Agreement on Tourism (ACAT) and the Tourism International Market Expansion project (TIME).
- Worked with in-market representatives (IMRs) to increase awareness of Nova Scotia as a vacation destination and facilitate sales opportunities with the travel trade (tour operators and travel agents) in Tourism Nova Scotia's key international markets of Germany, the UK, and China. With support from the IMRs, Tourism Nova Scotia hosted travel trade delegates in Nova Scotia, provided product knowledge training for domestic and international travel agents, and completed sales calls in key markets.

- Worked with Halifax International Airport Authority (HIAA) to align the International Air Service Investment with opportunities that support tourism growth. In 2019-20, Tourism Nova Scotia worked closely with HIAA and the Province to sign an agreement with China Southern Airlines and GZL International Travel Services to secure a direct charter flight to Nova Scotia for the fall of 2020. While those flights will not happen this year due to COVID-19, meaningful relationships were established with the government and travel industry in China.
- Evolved the province's official travel-planning website, NovaScotia.com. The website was optimized for mobile users, content was strengthened to inspire travellers to visit Nova Scotia, and the travel planning process was streamlined to connect travellers with tourism operators quickly and easily.
- Developed new world-class experiences that will enhance Nova Scotia's appeal and motivate travel to the province. In 2019-20, Tourism Nova Scotia partnered with seven tourism operators through the World-class Experience EXCELLerator Program to develop experiences that will attract high-spending visitors to the province. Tourism Nova Scotia was particularly proud to win the Tourism Innovation Award at the 2019 Canadian Tourism Awards for its World-class Experience EXCELLerator Program, presented by the Tourism Industry Association of Canada.
- Conducted experience concept testing and identified 19 experience concepts that have the potential to attract visitors during off-peak months.
- Continued to work with African Nova Scotian tourism attractions to identify experience concepts for market research, and developed the Indigenous-led Experience Development Pilot with plans to launch this pilot program in 2020.
- Invested in strategic partnerships to support planning and infrastructure improvements in iconic tourism sites through the Tourism Revitalization of Icons Program (TRIP). In 2019-20, Tourism Nova Scotia supported six active projects across all five iconic destinations (Cabot Trail; Halifax waterfront; Lunenburg waterfront; Peggy's Cove; and the Bay of Fundy including Annapolis Royal). Significant progress was made in 2019-20 on construction of public wharf access to George's Island through a partnership with the federal government and Parks Canada. As well, detailed planning work continued with the Peggy's Cove community and stakeholders, which firmed up plans for infrastructure projects that will proceed in 2020-21.



- Delivered over 60 coaching sessions with industry and delivered more than 20 presentations to tourism operators and organizations to enhance their ability to market experiences and attract visitors to Nova Scotia.
- Co-invested in strategic initiatives through the Competitive Edge program to develop new products, improve market readiness, and enhance the quality of visitor experiences and existing products. This included funding a project to develop authenticity guidelines as part of the Cultural Tourism Strategy and Implementation Plan for the Mi'kmaq of Nova Scotia.
- Created the Travel Trade Advancement Program, which will pair tourism businesses with a coach who will provide practical advice and planning to help businesses develop travel trade partnerships and generate sales. The program was set to launch in April 2020 and is now delayed indefinitely due to the COVID-19 pandemic.
- Partnered with sector associations and industry to enhance operator market readiness and quality to support the delivery of world-class experiences through export and travel trade readiness training initiatives. Tourism Nova Scotia continued to work with the Atlantic Travel Trade Market Readiness Committee in 2019-20 to deliver the Atlantic Travel Trade Readiness Program, which included offering workshops and webinars on sales action planning and travel trade. In addition, a French version of the Travel Trade Readiness Toolkit was made available online.
- Developed the framework for a new pilot program to support enhancing quality of accommodations and ensuring that the supply of accommodations in Nova Scotia meets the demand and expectations of visitors. This was in response to key findings identified in the 2017 Tourist Accommodation Needs Assessment Report.
- Met with elected officials, government, and industry stakeholders to encourage alignment with, and support for, the export tourism growth strategy. A total of 12 presentations took place across the province.
- Communicated with the tourism industry with stories and information posted weekly on the inTouch blog and corporate website, tourismns.ca. In 2019-20, the focus included sharing more digestible, engaging content in the form of audiograms, and more articles promoting programs, opportunities for industry, and tourism wins for Nova Scotia.
- Shared stories of business innovation and accomplishments in the tourism sector with Nova Scotians through social media, media pitching, interviews, and storytelling.
- Conducted research to support and inform marketing and development activities. The Advertising Return on Investment (ROI) Study assessed the performance of the 2019 campaign with respect to influenced visitation and related spending in Nova Scotia, and provided diagnostics on the campaign content to inform future campaigns. Tourism Nova Scotia also conducted two “deep dive” investigations of visitors’ relationship with Nova Scotia’s trails and culinary offerings.
- Conducted the Visitor Exit Survey (VES), which provides a detailed profile of visitors to Nova Scotia, including purpose of trip, travel party composition, types of accommodations used, participation in activities, spending, and community visitation. The 2019 VES collected data between January 1 and December 31, 2019. 3,283 surveys were completed.

PERFORMANCE MEASURES

Tourism Nova Scotia works to maximize the value of tourism to the province. Through its activities, Tourism Nova Scotia creates the conditions that will generate interest in Nova Scotia as a vacation destination and lead to visitation. It is important to note that Tourism Nova Scotia does not directly influence all visitation to Nova Scotia or the resulting visitor expenditures. The performance measures in Tourism Nova Scotia's Accountability Report reflect the impact of the corporation's activities rather than broad tourism industry metrics. Tourism Nova Scotia has adopted a Balanced Scorecard approach to strategic planning and performance measurement. This approach informed the development and refinement of the performance measures in this Accountability Report.

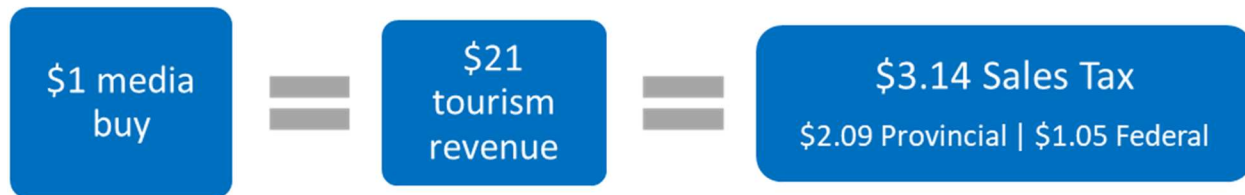
Outcome: Increase visitation and tourism spending through strategic marketing activities

Tourism Nova Scotia's annual advertising campaign influences visitation to Nova Scotia from key target markets.

Measure: Advertising campaign return on investment (ROI). The impact of Tourism Nova Scotia's advertising campaign on target markets can be evaluated by estimating the tourism spending attributable to each \$1 spent on the media buy.

Target: Support and increase the already high level of tourism spending influenced by the annual advertising campaign. The ROI for the 2018 campaign was \$26 in tourism spending for each \$1 invested in media buy in target markets.

Result: The 2019 campaign ROI research estimated that each \$1 invested in media buy in Tourism Nova Scotia's target markets of Quebec, Ontario, and Northeastern US generated \$21 in tourism spending in Nova Scotia. This, in turn, generated \$3.14 in total HST, with the provincial sales tax portion being \$2.09. This is a strong result for the 2019 campaign—the industry standard of a strong campaign is one that returns between \$2 and \$4 in sales tax (HST) for each dollar spent on the media buy.



The lower ROI in 2019 compared with 2018 may be attributed to lower awareness of the campaign in the Ontario market in 2019. Campaign diagnostics suggest that the creative (the ads themselves) was very strong; however, the distribution of the ads may have contributed to lower awareness. Specifically, in 2019, there were no out-of-home ads in Ontario, while the 2018 campaign included this type of ad placement. The planned 2020 media buy (now on hold due to COVID-19) was developed to optimize ad exposure across all target markets.

Outcome: Infrastructure improvements to create opportunities for experience development

Tourism Nova Scotia is administering the Tourism Revitalization of Icons Program (TRIP). The program will enhance five iconic tourism sites: the Cabot Trail; Halifax waterfront; Lunenburg waterfront; Peggy's Cove; and the Bay of Fundy including Annapolis Royal. Investing in infrastructure improvements at these iconic locations will create more opportunities for the private sector to develop world-class experiences that appeal to target markets and increase visitor spending.

Measure #1: Number of projects identified and reviewed through the TRIP program criteria in 2019-20.

Target: Six projects.

Result: Supported six active projects across all five iconic sites in 2019-20. These projects included:

- Construction of public wharf access to Georges Island (Halifax waterfront);
- Detailed planning work for Peggy's Cove infrastructure improvements in consultation with community and stakeholders (Peggy's Cove);
- Construction of washrooms in Victoria County (Cabot Trail);
- Construction of washrooms in Inverness County (Cabot Trail);
- Detailed trail planning and assessments for loop trail and viewing platforms at Cape Split (Bay of Fundy including Annapolis Royal); and
- Rehabilitation of Lunenburg Big Boat Shed (Lunenburg waterfront).

Measure #2: Amount of funding completed or initiated in infrastructure projects that align with TRIP objectives.

Target: \$3 million.

Result: As of March 31, 2020, \$3.024 million has been committed to infrastructure projects that align with TRIP objectives. Note: as many of these projects are multi-year, this figure refers to commitments made over the full length of the program.

Following proper program management, original approved allocations were adjusted to reflect confirmed project details. Approval was received to reallocate TRIP funding between operating and capital envelopes and adjust budgeted cash flows between fiscal 2019-20 and 2020-21 to align with confirmed project details while adhering to the approved \$6 million program total.



Outcome: World-class experiences that attract first-time visitors to Nova Scotia

Tourism Nova Scotia directly influences the development of world-class experiences that motivate travel to Nova Scotia. The experience concepts that are developed into purchasable experiences are evaluated through research to ensure they are highly appealing to Tourism Nova Scotia's target markets.

Measure: Number of experiences developed through World-class Experience EXCELLerator Program, including Indigenous, African Nova Scotian, and off-peak seasonal experiences.

Target: Lead the development of 10 experiences.

Result: Tourism Nova Scotia led the development of seven new experiences through the World-class Experience EXCELLerator Program in 2019-20. Tourism Nova Scotia selected nine operators to enter the program for the 2019-20 class, and two partners withdrew.

Tourism Nova Scotia conducted experience concept testing and identified 19 concepts that could be developed for delivery during off-peak months. Tourism Nova Scotia continues to work with African Nova Scotian tourism attractions to identify experience concepts for market research. Tourism Nova Scotia developed the Indigenous-led Experience Development Pilot with plans to launch in 2020.

Outcome: Increase Nova Scotia's tourism confidence

Tourism Nova Scotia's mandate includes collaboration and communication with tourism stakeholders. Having an engaged tourism industry and a population that supports and understands the value of Nova Scotia's tourism sector will provide a positive environment for industry growth.

Measure #1: Co-investment revenue attracted and leveraged from partners, including Nova Scotia tourism operators, Destination Canada, the Atlantic Provinces, ACOA, and HIAA.

Target: Attract at least \$1 in matching investment for each \$1 co-invested with partners, a 1:1 leverage ratio.

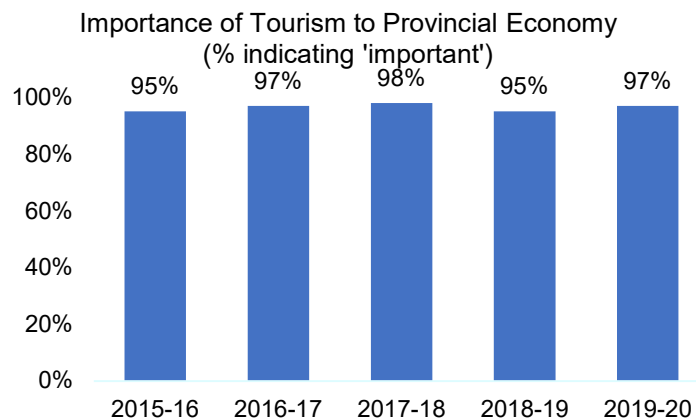
Result: Tourism Nova Scotia contributed \$2.5 million to co-investment partnerships in 2019-20 and leveraged a total of \$5.1 million from partners (leveraged funds + revenue). Tourism Nova Scotia exceeded the target with a 2:1 leverage ratio in 2019-20.



Measure #2: Nova Scotia residents' perceptions of the importance of tourism to the provincial economy.

Target: Maintain the already high percentage (95%) of Nova Scotia residents who consider tourism to be important to the provincial economy.

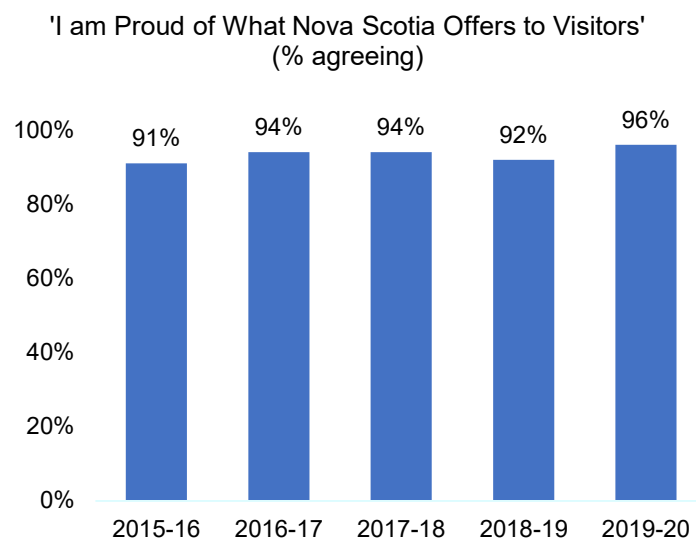
Result: Each year, Tourism Nova Scotia surveys a representative sample of Nova Scotia residents. In 2019-20, 97% of surveyed Nova Scotia residents reported that they consider tourism to be important to the provincial economy. This is consistent with the strong results from previous years.



Measure #3: Residents' pride in Nova Scotia as a tourism destination.

Target: Maintain the already high percentage (92%) of Nova Scotia residents who report being proud of what Nova Scotia offers to visitors.

Result: Each year, Tourism Nova Scotia surveys a representative sample of Nova Scotia residents. In 2019-20, 96% of surveyed Nova Scotia residents reported agreeing that they are proud of what Nova Scotia offers to visitors. This is consistent with very strong results in previous years.

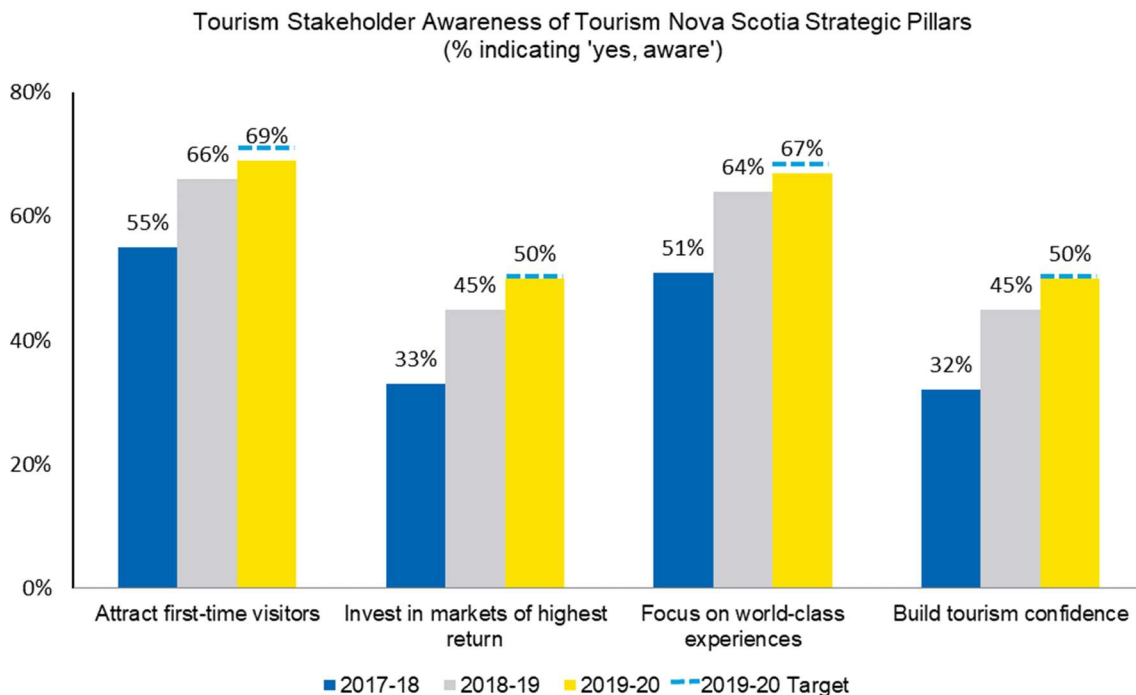


The tourism industry's ability to align efforts towards the \$4 billion tourism revenues goal is contingent on engagement across the industry to achieve support for the tourism strategy. Familiarity with Tourism Nova Scotia's strategy and being satisfied with Tourism Nova Scotia's performance are important indicators of stakeholder engagement.

Measure #4: Stakeholder familiarity with each Tourism Nova Scotia strategic pillar.

Target: Increase stakeholder familiarity with each strategic pillar by five percentage points over 2018-19.

Result: Stakeholder familiarity with each pillar increased in 2019-20. 'Invest in markets of highest return' and 'Build tourism confidence' both saw a five-percentage point increase. 'Attract first-time visitors' and 'Focus on world-class experiences' both had a three-percentage point increase. Following a significant increase in awareness in 2018-19 compared with 2017-18, the 2019-20 targets were aggressive, and it is encouraging to see awareness continuing to increase.

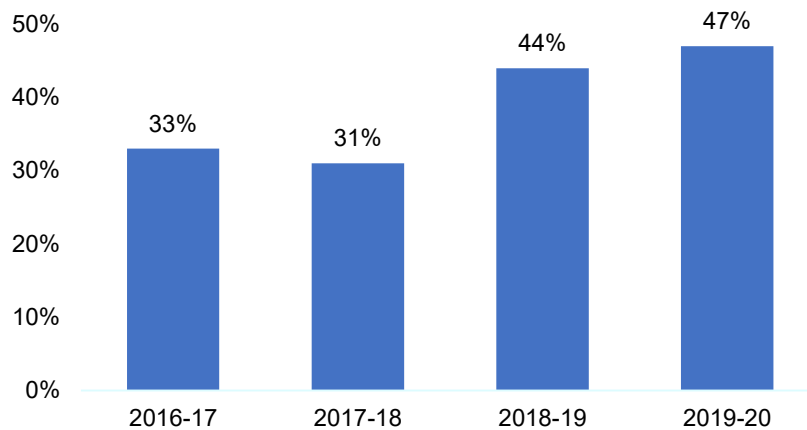


Measure #5: Stakeholder satisfaction with Tourism Nova Scotia's performance.

Target: Increase stakeholder satisfaction with the corporation's performance by five percentage points over 2018-19.

Result: Following a significant increase in 2018-19, stakeholder satisfaction with Tourism Nova Scotia's performance increased by three percentage points in 2019-20.

Tourism Stakeholder Satisfaction with Tourism Nova Scotia's Performance
(% rating 8, 9, or 10 on 10-point Scale)



APPENDIX A

Annual Report under Section 18 of the Public Interest Disclosure of Wrongdoing Act

The Public Interest Disclosure of Wrongdoing Act was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labour Board.

A Wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations
- b) a misuse or gross mismanagement of public funds or assets
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing

The following is a summary of disclosures received by Tourism Nova Scotia

Information Required under Section 18 of the Act	Fiscal Year 2019-20
The number of disclosures received	None
The number of findings of wrongdoing	None
Details of each wrongdoing	N/A
Recommendations and actions taken on each wrongdoing	N/A