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Halifax Tourism and COVID-19:
Scenario-Planning Exercises for Summer 2021

Discussion Paper

September 2020

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HALIFAX TOURISM AND COVID-19: SCENARIO-PLANNING EXERCISES FOR SUMMER 2021

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PROJECT TITLE

Halifax Tourism and COVID-19: Scenario-Planning Exercises for Summer 2021

ACKNOWLEDGEMENTS

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Executive Summary

Project Description
This project was devised jointly by Discover Halifax and the MacEachen Institute for Public Policy and Governance and sponsored by the [Change Lab Action Research Initiative](#) (CLARI). We aimed to create and support a conversation with the Halifax tourism sector and related stakeholders about the impacts of COVID-19 on tourism and how to foster appropriate responses that contribute to the health and economic well-being of our community in the medium and long term, with a focus on summer 2021. The challenges the sector is facing are considerable, and we recognize that this is only one exercise of many that the sector is undertaking.

Context
Tourism is an important sector for both Halifax and the province. The tourism sector in Halifax employs more than 34,000 people and generates over $1.3 billion in direct spending each year. While Nova Scotia has fared better than many parts of the country in containing the spread of COVID-19, Halifax tourism has been hit hard: unemployment rates are high and many businesses are struggling. Travel restrictions and border closures will continue to affect Halifax tourism for the foreseeable future; the Atlantic Bubble introduced in July underscores that Atlantic Canada is the key market for the sector to target in the short-term.

Method
We hosted and facilitated two three-hour scenario-planning sessions with tourism sector stakeholders at the Westin Nova Scotian. The first session, August 7, 2020, provided participants with an introduction to scenario planning and involved a group discussion of key variables that drive the tourism sector. The second session, August 14, 2020, included a group discussion about four plausible futures and strategic interventions for addressing these futures. Session participants were chosen and invited for their knowledge of, responsibility for, and interest in tourism and the COVID-19 pandemic. Both sessions followed public health guidelines for in-person meetings.

Halifax Tourism Drivers
The scenario literature characterizes drivers as concepts that are largely outside an organization's control but significantly impact the organization. Following the discussion at the first session, we identified two drivers that demonstrated high levels of impact and uncertainty: *market confidence in travel* and *capacity to host*. Market confidence in travel is largely a demand concept and refers to the public's confidence and interest in travelling and ability to do so (e.g., level of demand for air travel and hotel rooms). Capacity to host is largely a supply concept, which refers to Halifax's ability to host visitors (e.g., border restrictions, the social distancing measures in place and their impact on restaurants and bars). We plotted these variables on a 2 x 2 matrix to identify four plausible futures for the Halifax tourism sector (see figure below). After providing an overview of each scenario, we asked participants to answer the following questions:

- What does the scenario look like and how would we get to this scenario?
- What are the underlying causes of this scenario?
- What are the potential critical failures in this scenario?
- What are the opportunities that present themselves in this scenario?
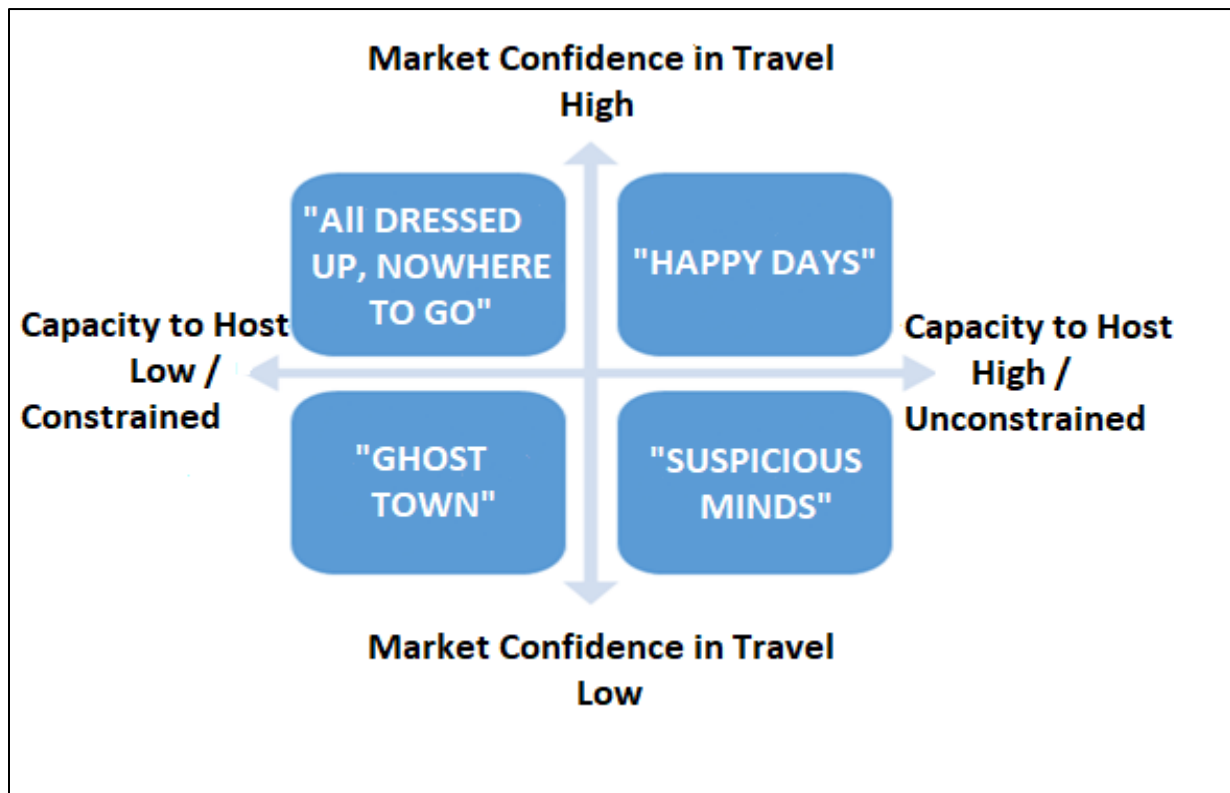
Figure 1: Four Plausible Scenarios for Halifax. Market confidence in travel and the capacity to host is high/unconstrained in the "happy days" scenario, while market confidence in travel and the capacity to host is low/constrained in the "ghost town" scenario. For more information on these scenarios, please see pages 30-36.

As the figure above illustrates: scenario 1 is "happy days," which refers to a return to the supply and demand level prior to the pandemic; scenario 2, "suspicious minds," refers to Halifax having the capacity to host tourists but people are still too uneasy to travel; scenario 3, "ghost town," refers to a situation that is very much like the circumstances we faced between April and June this year, in which many places were closed and most people stayed home; and scenario 4, "all dressed up, nowhere to go," refers to a situation in which people are ready to travel again but rules, regulations, and processes are making it difficult for them to do so.

Strategic Responses
We identified some early strategic responses the sector could adopt in these highly fluid and uncertain circumstances in order to better prepare for next year.

As for many sectors, the tourism sector needs to continue to adapt in light of COVID-19, learn how to manage risks, including those associated with government regulation and public attitudes, and leverage the opportunities presented by the different futures. An effective risk management plan depends on having access to reliable information, developing and enforcing high standards and motivating appropriate behaviours in the sector, all in a timely and transparent manner.

Typical of many tourism sectors, the Halifax tourism sector is comprised of mainly small- and medium-sized enterprises (SMEs), working in a competitive context, which can make it difficult to coordinate across the sector and represent a unified position on issues. At the same time, those in the sector have shared aspirations for a healthy and prosperous community and a thriving tourism sector, which can be achieved more effectively in the current circumstances by better coordination across the sector. To respond to the scenarios described above, the sector needs to create a strategy for improving sector coordination. This strategy would require tourism industries to meet more frequently and work to establish a method for engaging with other key stakeholders, such as the government and public health agencies. A more collaborative approach would also provide the sector with the opportunity to make positive changes aimed at placing the sector in a stronger position going forward. New partnerships, technological advances, expanding the tourism season and infrastructure development were cited as opportunities that the sector and key stakeholders can pursue to help in the sector's recovery.

Stronger alignment across the sector can also help the sector maintain high standards of public health and market itself accordingly; in so doing, it can help to allay public concerns from Nova Scotians and tourists from markets who visit Nova Scotia that the province is a safe place to visit.

Structure of the Report
The report is organized in two parts. The first part reviews key concepts from the risk governance and scenario planning literature and provides an overview of the importance of the tourism sector to Halifax and the impact COVID-19 has had on the sector. The second part of the report summarizes the goals, process, and outcomes of the scenario-planning sessions that we undertook with key stakeholders from the Halifax tourism sector in August 2020.

Conclusion
The Halifax tourism sector has endured many challenges throughout the COVID-19 pandemic. Despite these challenges, industries in the tourism sector have shown adaptive capacity, along with a commitment to learn from this unprecedented situation. Looking ahead to summer 2021, the tourism sector could face vastly different futures, with attendant opportunities and risks. Scenario planning is one tool the tourism sector can use to identify, plan, and strategize for these futures and manage uncertainty.

1. **Introduction**

The COVID-19 pandemic has impacted industries across the Canadian economy, including those involved in the tourism sector. Tourism is an important sector for Halifax, employing more than 34,000 people and generating over $1.3 billion in direct spending each year. While Nova Scotia has fared better than many parts of the country in containing the spread of COVID-19, Halifax tourism has been hit hard: unemployment rates are high and many businesses are struggling. Travel restrictions and border closures will continue to affect Halifax tourism for the foreseeable future. As a result, the tourism sector needs to employ a collective and strategic approach to these new circumstances.

In response to COVID-19's impact on Halifax tourism, the MacEachen Institute for Public Policy and Governance (MI) at Dalhousie University and Discover Halifax collaborated on a project focusing on what the tourism sector could experience in summer 2021. We aimed to contribute in a constructive manner to community discussions about the impact COVID-19 is having on the Halifax tourism sector and how the sector might address some of the challenges. The challenges the sector is facing are considerable, and we recognize that this is only one exercise of many that the sector is undertaking.

In this report, we approach the impact of COVID-19 on Halifax tourism as a risk problem. Risk governance can be a structured and holistic way to think about risks and how to address them. When confronted with such high degrees of uncertainty and fluidity, the risk governance literature recommends scenario planning. For this exercise, we employed the intuitive logics method of scenario planning; it is process- and discussion-oriented and dependent on active participation from session participants. This method helps organizations and sectors identify factors that drive their sector, describe plausible futures to which they must react, and define policies they can develop in response to these futures.

The report is organized in two parts. The first part reviews key concepts from the risk governance and scenario planning literature and provides an overview of the importance of the tourism sector to Halifax and the impact COVID-19 has had on the sector. The second part of the report summarizes the goals, process, and outcomes of the scenario-planning sessions that we undertook with key stakeholders from the Halifax tourism sector in August 2020.

2. **Risk Governance**

2.1. What is risk governance?

The International Risk Governance Council (IRGC) takes a broad view of understanding risk and how to address it. According to the IRGC, risk governance is defined as the totality of actors, rules, conventions, processes, and mechanisms concerned with how relevant risk information is collected, analyzed, and communicated and how management decisions are taken.

Risk governance can be a structured and holistic way to think about risks and how to address them. Renn (2008), one of the key contributors to the IRGC, divides the risk governance process into two broad spheres: *assessment*, which focuses on knowledge generation, and *management*, which focuses on decisions and action. The assessment phase includes **pre-assessment** (which captures existing indicators, routines and conventions that may prematurely narrow what is going to be addressed) and **risk appraisal** (which includes technical risk assessments and determining the level of social concern).

Tolerability and acceptability straddle both knowledge generation and management; they determine "appetite" for risk, given likelihood, consequence, and the level of residual risk allowable after mitigation measures are put in place.

The final stage is **risk management**, which focuses on the actions required to manage risk to an acceptable level. While Renn shows the process as four discrete and sequential steps, it is not necessarily linear or easily compartmentalized. The process is dynamic and iterative as new data comes to light, particularly for risks where there are considerable knowledge gaps, such as the COVID-19 pandemic.

> **Uncertain Risks**
> Uncertain risks exist where there is an absence of reliable historical data about past performance to help us plan for the future.
>
> See the IRGC framework for more information about risk governance and uncertain risks.

2.2. What is an uncertain risk?

The IRGC framework distinguishes between types of risk. As a starting point, it is useful to think about our state of knowledge of a particular risk and how this will influence the process and the actors with which we engage.

The IRGC framework divides risks into four classes: simple, complex, uncertain, and ambiguous. The classification of risk is "not related to the intrinsic characteristics of hazards or risks themselves but to the state and quality of knowledge available about both hazards and risks" (Renn and Walker, 2008, p. 18). An example of a simple risk would be road safety. We typically have reliable data for simple risks. Although car accidents are random, the number of car accidents that occur each year, including deaths and serious injuries, is quite predictable. For these types of risk problems, we assume the future will look like the past and we focus on how to improve road safety based on past experience. In other words, we jump almost immediately to the last stage of the risk governance process – risk management – and deliberate over options based on past experience.

COVID-19, however, is an uncertain risk. Uncertain risks exist when there is an absence of reliable predictive data to allow us to make reasonable forecasts about the future. These limitations diminish confidence in traditional objective measures of risk estimation, and therefore risk management becomes more reliant on "fuzzy" or subjective measures of risk estimation (Renn, 2008, pp. 18-9). Uncertain risks frequently generate surprises or realizations that risk-modelling frameworks and experts fail to anticipate or explain (e.g., rare natural disasters, terrorism, pandemics).

For this type of risk, we are particularly interested in risk tolerance. If the consequences can be catastrophic and irreversible, then we adopt a precautionary approach. While a precautionary stance will lead us to be more cautious in our decisions, there is still scope for exploration, discussion, and debate over what a precautionary stance might entail. Generally, however, precautionary approaches are expensive and controversial.

People's reactions to risk are deeply embedded in psychological and sociological phenomena. The psychology of risk literature identifies several biases in people's ability to draw inferences in the face of uncertainty. People are particularly anxious about unknown and high-dread risks (Craig, 2005; Quigley et al., 2017, p. 12). Unknown risks include those that are unobservable, unknown to those exposed and to science, new, and have a delayed effect. High-dread risks include those that are understood to be uncontrollable, inequitable in their reach, potentially catastrophic, of high risk to the future, not easily reduced, include involuntary exposure, and affect people personally. Uncertain risks like pandemics have many of these characteristics. Moreover, our willingness to tolerate risk is influenced by a variety of social factors, including age, gender, income, employment status, ethnicity, lived experiences, (dis)ability, geographic location, worldviews, and institutional arrangements (Jaeger et al., 2001; Quigley et al., 2017; Hood et al., 2001, p. 9).

When we are confronted with such high levels of uncertainty and fluidity, the risk literature recommends scenario planning as a process that can help us to think about the future and our ability to respond to it.

3. Scenario Planning

3.1. What is scenario planning and when do you do it?

For many aspects of futures planning, prediction based on previous trends is a useful and necessary tool to remain competitive and inform decisions. But how can an organization anticipate events that do not follow a trend? What should an organization do when the future is uncertain, and a variety of dimensions intersect to create an outcome that is almost impossible to predict? These situations require more than just forecasting. In these cases, data on past performance is not as reliable and the range of estimates is significant and uncertain – the 1970s oil crisis, 9/11, and the 2008 financial crisis are examples of events in which scenario planning was frequently used. COVID-19 is also one of these situations.

In light of uncertainties presented by COVID-19, scenario planning can challenge us to think differently, and invite us to examine alternative outcomes and how to respond to them. A scenario is not a prediction of the future but rather a hypothetical sequence of events that is helpful in investigating causes and necessary decision points (Van Asselt et al., 2010). Scenario planning can help organizations distinguish between what they can and cannot control, and what policies they can develop in response to the situation.

Scenario planning includes these four processes:

1) Identifies 'driving factors' for the organization
2) Identifies potential risks and uncertainties for the organization
3) Imagines potential future scenarios for the organization
4) Develops criteria by which to judge policies and plans to address these futures.

3.2. Scenario-planning design

There is no one way to do scenario planning. We will be following the intuitive logics method. During these sessions, we apply an exploration approach to scenario planning that is intuitive and leverages stakeholder engagement to approach simple scenarios/problems.

The 2 x 2 matrix is often referred to as the "standard" tool in intuitive logics scenario planning (Van Asselt et al., 2010; Ringland, 2002; Ramirez and Wilkinson, 2014). This matrix consists of four boxes used to plot scenarios and two axes that represent driving forces. Like most aspects of intuitive logics scenario planning, the 2 x 2 matrix can be used differently depending on the circumstance. The conventional structure of an intuitive logics scenario planning exercise using the 2 x 2 matrix is referred to as the backbone. The backbone matrix is built by:

a) Identifying and explaining key contextual drivers for the organization. In the backbone model these are the two factors that score the highest with regards to impact and uncertainty. They serve as the axes for the matrix.
b) Developing different scenarios based on the organization's key drivers. Each of the four possible scenarios is plotted on the 2 x 2 matrix.
c) Identifying policy and program characteristics suited to the scenarios that they generate.
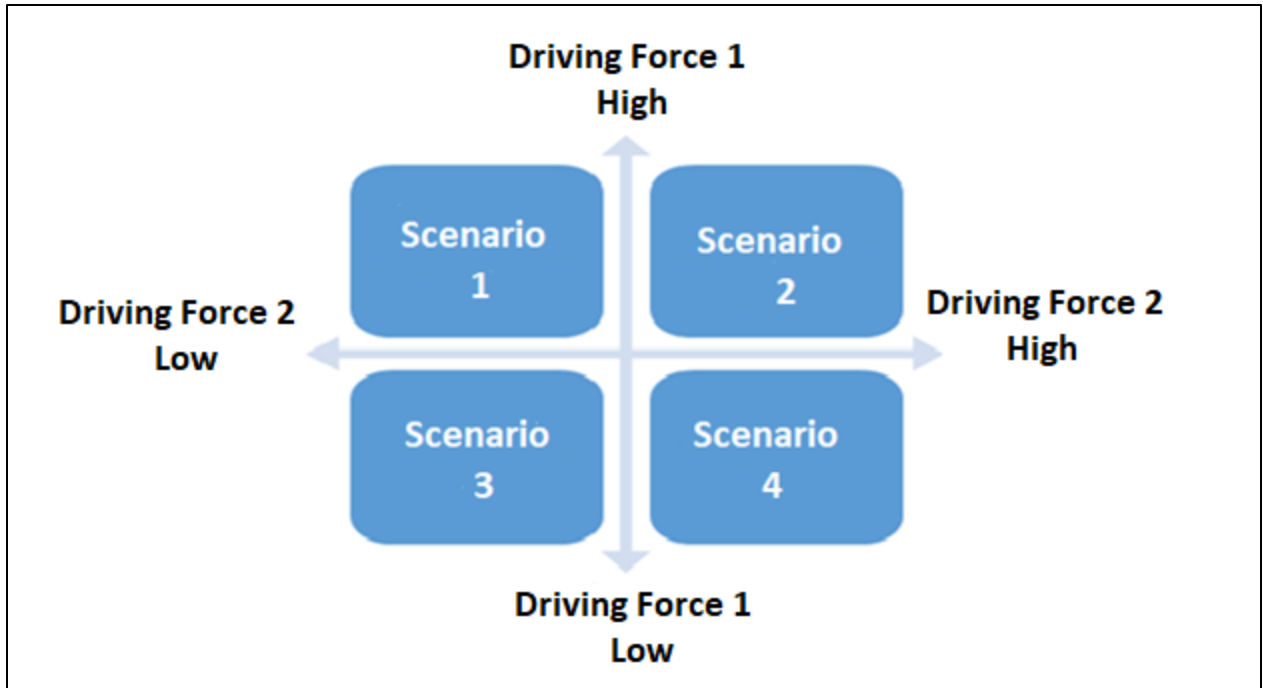
Figure 2: 2 x 2 Matrix. The 2 x 2 matrix demonstrates how two driving forces generate four plausible futures.
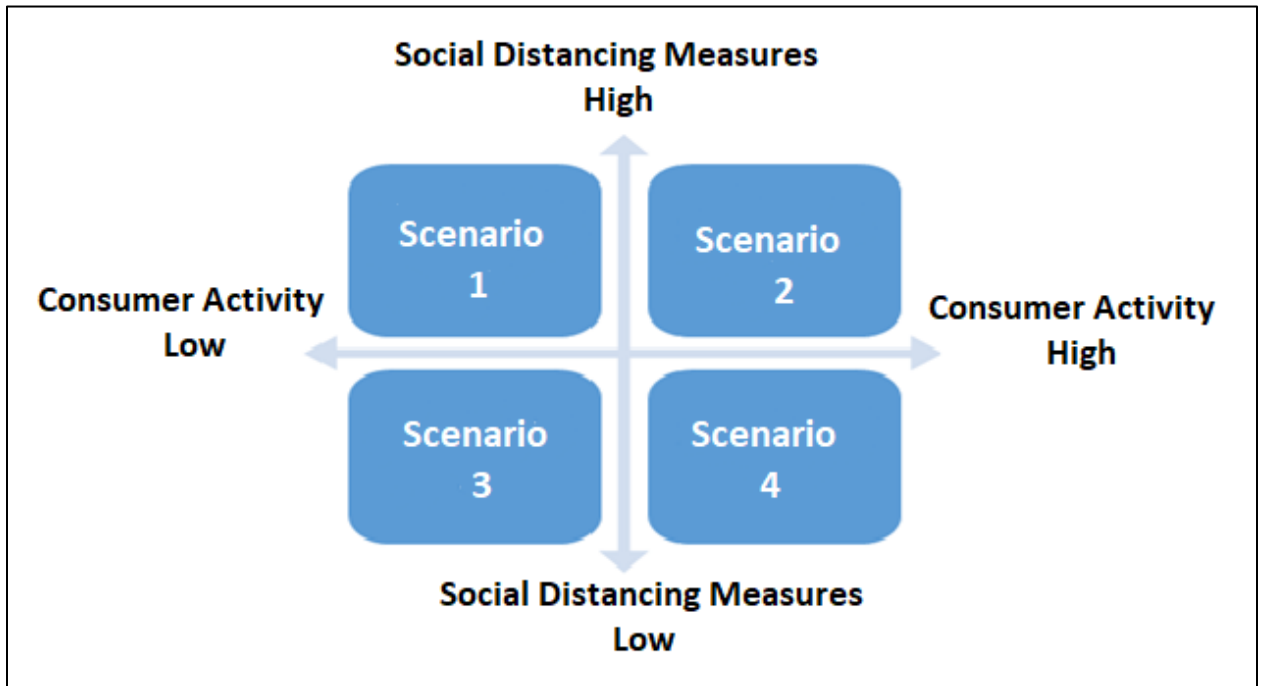
Figure 3: 2 x 2 Matrix Example. Scenario 1 involves high social distancing measures and low consumer activity, while Scenario 4 involves low social distancing measures and high consumer activity.

Ramirez et al. (2008) suggest that participants involved in the scenario planning should reflect a wide array of different views, with all stakeholders' interests being considered. Participants come as individuals and do not represent the interests of their organization. Additionally, the event has

to take place in an environment of mutual trust, with no hierarchies and with active participation by all those involved.

In sum, a scenario is not a prediction of the future but rather an attempt at understanding causal factors that impact a particular organization or sector and how to address them. Successful scenario planning requires active participation by those involved in the sector, with people coming as individuals with a wide array of views. While there are many scenario planning methods, we employed the intuitive logics method and drew on the work of Van der Heijden, Van Asselt, and others, with some modifications of our own. An essential step of this process is to identify which driving forces have the most impact and which are the most difficult to predict or most uncertain. We plot these driving forces on a 2 x 2 matrix to identify four potential scenarios and to develop strategies for addressing these futures.

4. Selected Comments on COVID-19 in the Atlantic Region

The first confirmed case of COVID-19 in Canada was reported on January 27, 2020, in Toronto, Ontario (Government of Canada [GOC], 2020). As of January 31, there were a total of 4 confirmed cases of COVID-19 in Canada. Ontario and British Columbia were the only provinces that reported cases. On February 20, Canada confirmed the first case of COVID-19 not related to travel from mainland China (GOC, 2020).

On March 15, Nova Scotia became the last province to report a confirmed case of COVID-19 (GOC, 2020). On March 22, the Government of Nova Scotia declared a provincial state of emergency to contain COVID-19. Non-essential travel was limited. Non-essential businesses, schools, and universities and non-essential public spaces (e.g., parks) closed. The government requested that Nova Scotians stay home and avoid contact with people outside their household. The state of emergency has been extended until 12pm on September 20 (Government of Nova Scotia, 2020b).

Outdoor parks, beaches, and trails were re-opened by the province and Halifax on May 1 – the first wave of re-openings in the province. Many businesses (e.g., restaurants, lounges, and retail stores) were closed under the *Health Protection Act.* This imposed new health protection guidelines on all organizations to limit the spread of COVID-19 (e.g., social distancing, event cancellation, mask wearing, sanitation protocols). A variety of enforcements have been used to ensure compliance, such as information dissemination, fines, reporting structures, and legal charges. Many businesses were approved to resume operations under new public health orders as of June 4.

On June 1, Prince Edward Island began allowing seasonal residents to apply to visit their properties in PEI; however, the requirement to self-isolate was still in place (Cyr, 2020).

July 3 was the official launch of the "Atlantic Bubble", a policy decision to allow residents of the four Atlantic provinces (i.e. New Brunswick, PEI, Nova Scotia, and Newfoundland) to travel between these provinces without the requirement to self-isolate for 14 days (Government of Nova Scotia, 2020a).

In sum, Atlantic Canada has fared well throughout the pandemic, especially when compared to other parts of Canada. The snapshots below describe the total cases confirmed across Canada by province. When considering total cases, it is important to consider the population of a region. For example, the population of Nova Scotia is just over 970,000 and the population of Ontario is 14.57 million (the city of Toronto reporting a population of nearly 3 million; Statistics Canada, 2020c). It is also important to note that the data below includes total cumulative confirmed cases for each province and does not represent the total active cases at that time (i.e. the data does not include recoveries and deaths). Numbers in the table below have been rounded for simplicity and the population information uses data from Statistics Canada.

For more statistical data about COVID-19 in Canada, please see "Coronavirus disease (COVID-19): Outbreak update" on the Government of Canada website.

Province	# of Confirmed Cases	% of Total Cases in Canada	Cases per 100,000
British Columbia	970	11.3	19.13
Alberta	754	8.8	17.25
Saskatchewan	184	2.2	15.67
Manitoba	103	1.2	7.52
Ontario	1966	23.0	13.5
Quebec	4162	48.7	49.05
New Brunswick	70	0.8	9.0
Nova Scotia	147	1.7	15.13
Prince Edward Island	21	0.25	13.4
Newfoundland	152	1.8	29.14
Yukon	5	0.06	12.17
Northwest Territories	1	0.01	2.22
Nunavut	0	0.0	0.0

Figure 4: Total Confirmed Cases of COVID-19 Reported Across Canada as of March 31, 2020.
Nova Scotia had the sixth highest number of cases per 100,000 in March.
Source: Statistics Canada (2020c).

As of March 31, Canada had a total of 8,548 confirmed cases of COVID-19. The majority (71%) were concentrated in Ontario and Quebec, with total cases in British Columbia (BC) and Alberta accounting for an additional 20%. At this time, Atlantic Canada accounted for less than 5% of total cases in Canada.

Province	# of Confirmed Cases	% of Total Cases in Canada	Cases per 100,000
British Columbia	2597	2.8	51.21
Alberta	7044	7.7	161.15
Saskatchewan	646	0.7	37.13
Manitoba	295	0.3	21.55
Ontario	28263	30.8	194.0
Quebec	51354	56.2	605.23
New Brunswick	132	0.14	17.0
Nova Scotia	1057	1.15	108.81
PEI	27	0.03	17.2
Newfoundland	261	0.28	50.04
Yukon	11	0.01	26.64
Northwest Territories	5	0.005	11.12
Nunavut	0	0.0	0.0

Figure 5: Total Confirmed Cases of COVID-19 Reported Across Canada as of June 1, 2020. Nova Scotia had the fourth highest number of cases per 100,000 in June.
Source: Statistics Canada (2020c).

As of June 1, Canada reported a total of 91,705 cases of COVID-19. The majority of cases were in Quebec, Ontario, and Alberta (94%). At this time, Atlantic Canada accounted for approximately 1.6% of total confirmed cases in Canada.

Province	# of Confirmed Cases	% of Total Cases in Canada	Cases per 100,000
British Columbia	3562	3.1	70.24
Alberta	10603	9.2	242.58
Saskatchewan	1268	1.1	72.87
Manitoba	407	0.35	29.73
Ontario	38,986	33.8	267.58
Quebec	59,073	51.2	696.21
New Brunswick	170	0.1	21.9
Nova Scotia	1067	0.9	109.84
Prince Edward Island	36	0.3	22.94
Newfoundland	266	0.23	51.0
Yukon	14	0.01	33.9
Northwest Territories	5	0.004	11.12
Nunavut	0	0.0.	0.0

Figure 6: Total Confirmed Cases of COVID-19 Reported Across Canada as of July 29, 2020. Nova Scotia had the fourth highest number of cases per 100,000 in July.
Source: Statistics Canada (2020c).

At this time, Canada reported a total of 115,470 confirmed cases of COVID-19. The majority of cases were located in Quebec, Ontario, Alberta, and British Columbia (97%). Total cases in Atlantic Canada had peaked at 1,539 cases (approximately 1.3% of Canada's total confirmed

cases) and many cases had recovered. For example, as of July 30, Nova Scotia had reported no cases of COVID-19 since July 15 (Quon, 2020).

The figures below show the total active cases (i.e. total confirmed cases less total deaths and recoveries) in Nova Scotia and Ontario. The total active cases over time demonstrates whether COVID-19 is successfully being reduced and/or eliminated from a given area.

Figure 7: Active Cases of COVID-19 in Nova Scotia. The total number of active cases of COVID-19 in Nova Scotia between June 1 and July 31 fell to zero for 15 days during the period.
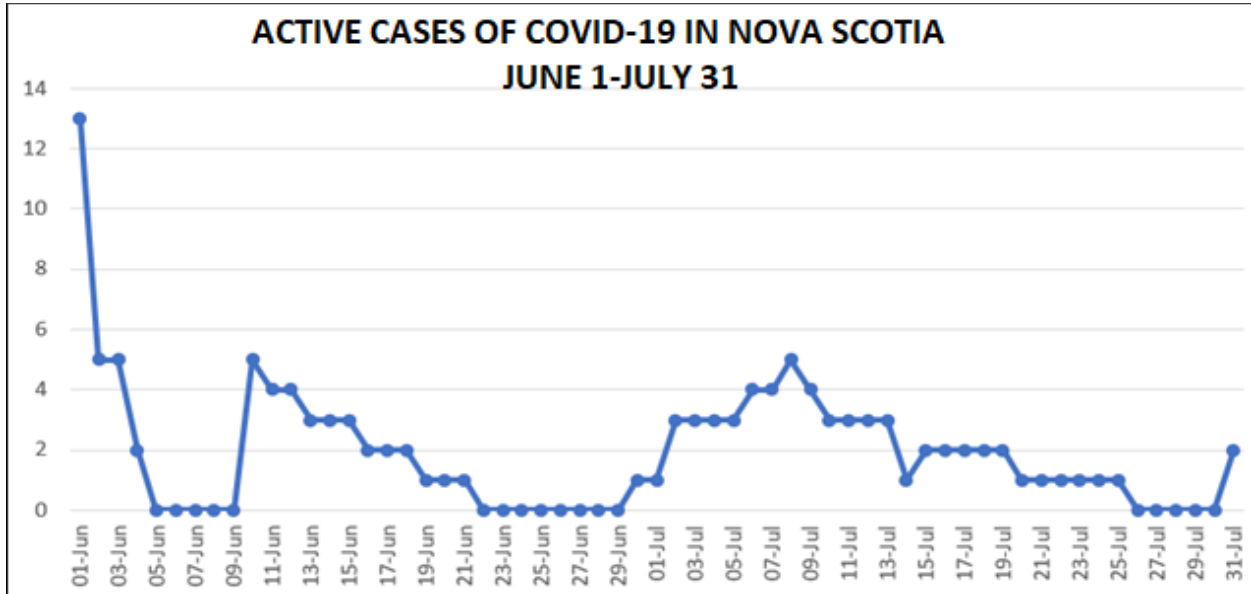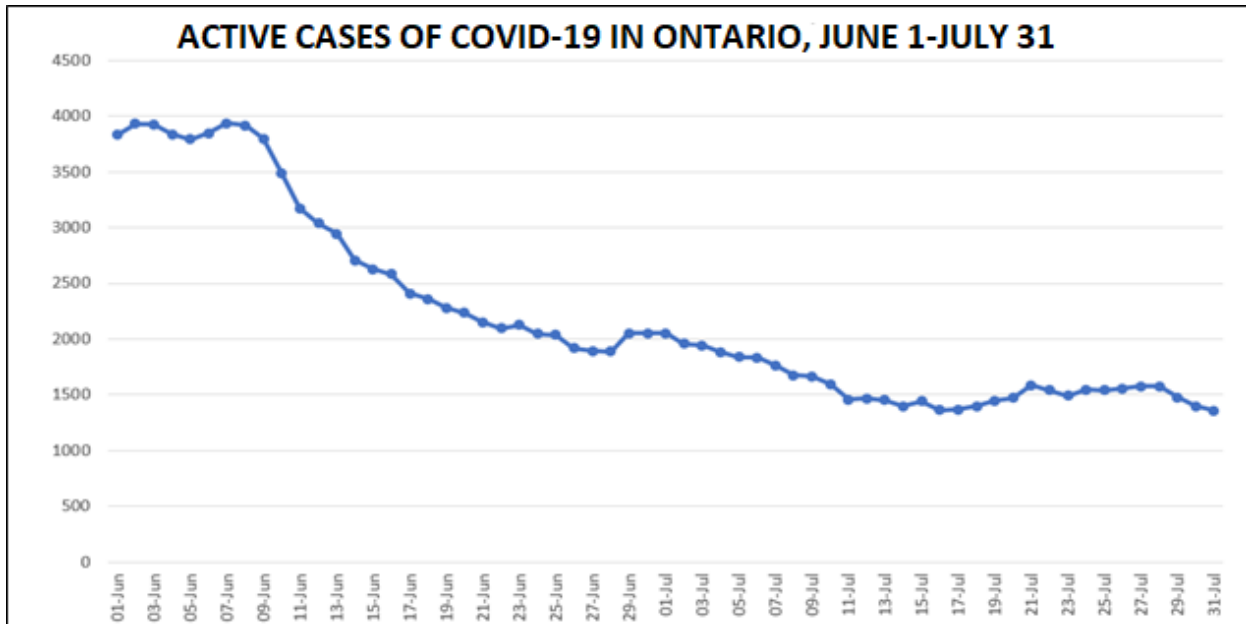**Source:** Statistics Canada (2020c).

Figure 8: Active Cases of COVID-19 in Ontario. The total number of active cases of COVID-19 in Ontario between June 1 and July 31 decreased from approximately 4,000 cases to 1,500 cases.
Source: Statistics Canada (2020c).

5. **Overview of Halifax tourism**

5.1. Snapshot of Halifax tourism

According to Destination Halifax's (the former name of Discover Halifax) Marketing Strategy 2016–2021 (n.d.), Halifax is a competitive destination for domestic and international visitors in terms of border security, lodging availability and costs, uniqueness of attractions, and attractiveness of the city, including its mixture of old and new architecture. However, there are limited international flights to Halifax (compared to first-tier cities), high travel costs compared to central Canada destinations, and lower awareness for international visitors.

On average, the Halifax tourism industry:

- Experiences its peak season during the third quarter (July–September)
- Accommodates 5.5 million overnight stays each year
- Generates approximately $1.3 billion annually in direct spending
- Generates more than $120 million annually in provincial sales tax revenue and $43 million in municipal tax revenue from hotel and tourism properties
- Includes 34,000 jobs and 4,000 businesses, including:
  - 55 hotels/accommodations
  - 1,088 restaurants
  - 312 things to do (212 businesses)
  - 10 car rental agencies

TOTAL NUMBER OF VISITORS BY TRIP PURPOSE

387,797
570,483
1,627,821
1,005,074
328,359

- To visit friends or relatives
- Shopping
- All other pleasure
- Business (includes conventions)
- All other/Not stated
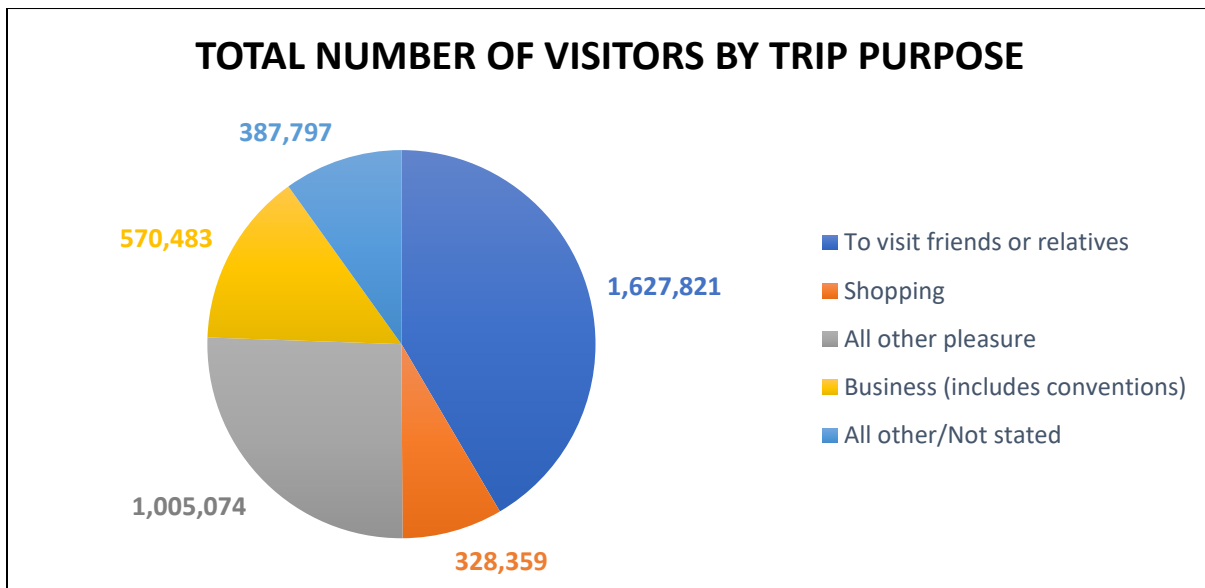
Figure 9: Total Number of Visitors by Trip Purpose. 41.5% of visitors to Halifax come to visit friends or relatives (VFR).
Source: Destination Halifax Marketing Strategy 2016–2021.

The leisure market in Halifax is divided into five segments:

1) Urban experiencers

2) Cruise
3) VFR
4) Shopping
5) Other (e.g., LGBT, New Canadians, other opportunities, motorcycle)

The cruise segment is a distinctive market comprising both a group sales market and a direct-to-consumer leisure market. Discover Halifax supports the Halifax Port Authority by selling the city as a port of call to major cruise lines and provides information to guide consumers in choosing itineraries. As a result, the cruise industry is a critical market for many suppliers.
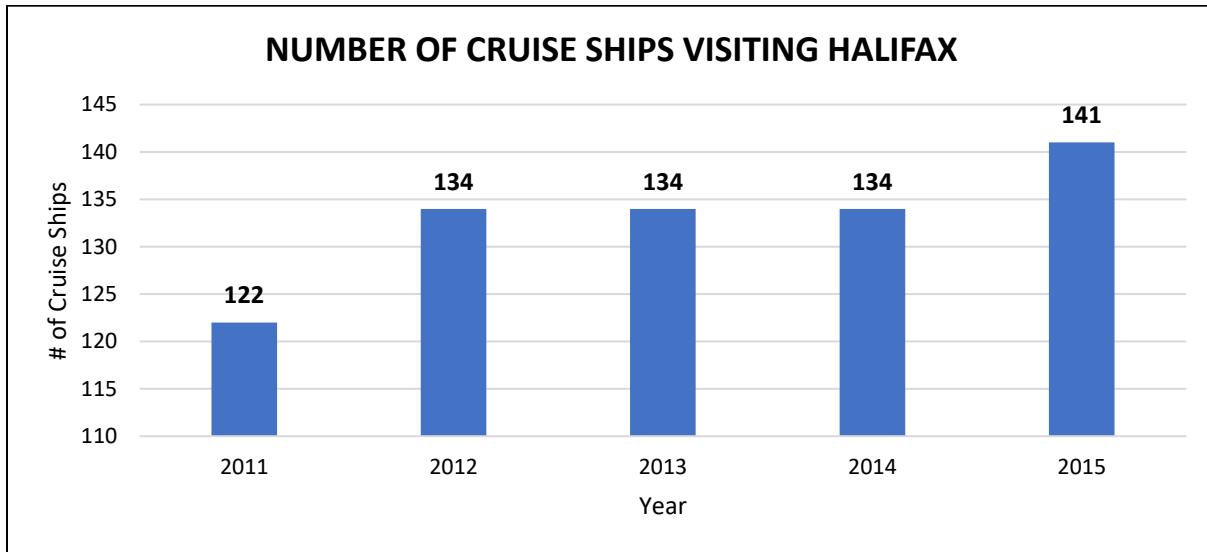
Figure 10: Number of Cruise Ships Visiting Halifax. 2015 saw an increase in cruise ships following three stagnant years.
Source: Destination Halifax Marketing Strategy 2016–2021.
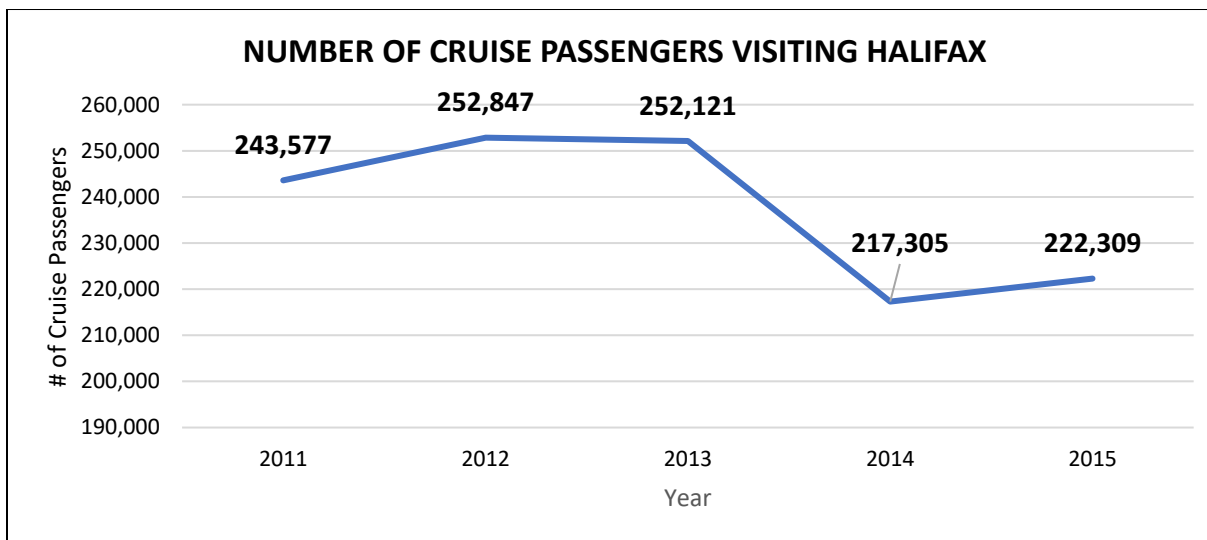
Figure 11: Number of Cruise Passengers Visiting Halifax. Despite the increase in cruise ships visiting Halifax, the number of passengers declined by 21,268 between 2011 and 2015.
Source: Destination Halifax Marketing Strategy 2016-2021.

TOTAL VISITOR SPENDING

Other
$62 million

Pure VFR
$119 million

Business
$110 million

Meetings &
conventions $112
million

Pleasure & VFR
pleasure
$467 million
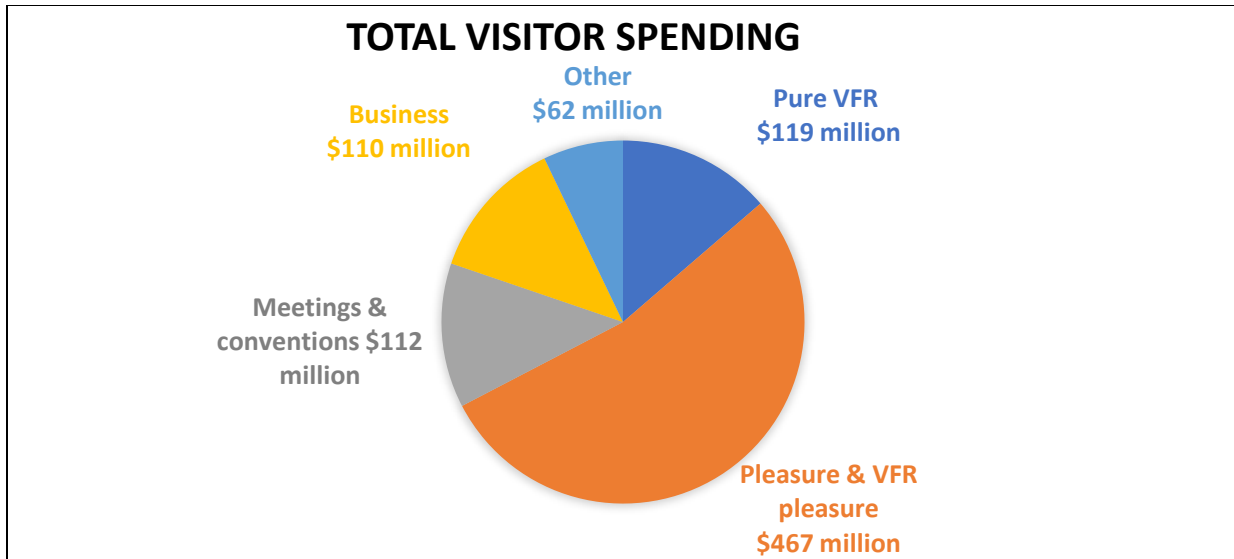
Figure 11: Total Visitor Spending. 53.7% of total visitor spending is from purchases related to pleasure and VFR pleasure.
Source: Statistics Canada (2010-2015a, as cited in Destination Halifax, n.d.).
 Statistics Canada (2010-2015b, as cited in Destination Halifax, n.d.).

Halifax has a competitive advantage in urban experiences compared to nearest competitors Charlottetown and Moncton. Access to outdoor and nature experiences in other near markets, including rural Nova Scotia and New Brunswick, however, makes the city less competitive in this aspect.

VISITOR ORIGIN

2.6% 5.6%
7.7%
10.0%
9.5%
4.1%
3.5%
56.6%

- Europe
- Maritimes
- Middle Canada
- New England
- Ontario
- Other
- Rest of Canada
- South Atlantic

Figure 12: Visitor Origin. Roughly 56.6% of Halifax visitors come from across the Maritime provinces.
Source: Statistics Canada (2010-2015a, as cited in Destination Halifax, n.d.).
 Statistics Canada (2010-2015b, as cited in Destination Halifax, n.d.).

Transportation Mode	Total Visitors	% of Total Visitors
Bus	78,833	2.0%
Car/truck/camper or RV	3,459,920	88.2%
Commercial flight	333,077	8.5%
Not stated	25,757	0.7%
Other	88,959	2.3%
Rail	22,524	0.6%
Ship/boat	68,249	1.7%

Figure 13: Mode of Transportation. Driving is the most common visitor method of transportation, with 88.2% of visitors using this mode.
Source: Destination Halifax Marketing Strategy 2016–2021.

Tourism Nova Scotia has reported that overall United States (US) visitation to NS has declined steadily for 10 years, decreasing by approximately 33% between 2001 and 2010. In response to these findings, the Destination Halifax Marketing Strategy 2016-2021 (n.d.) discusses a near-market segment strategy. The strategy strives to position Halifax as the central place for activit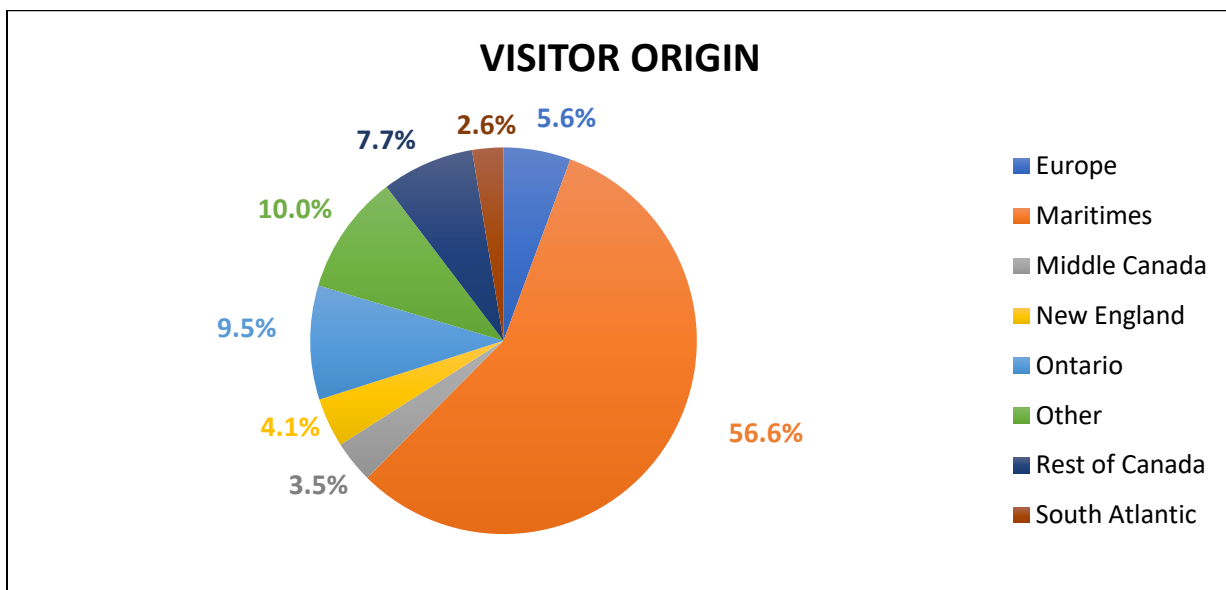y in the Maritimes, improve the likelihood of the near-market segment consulting Discover Halifax's website when looking for something to do, promote specific events and activities, and make Maritimers consider Halifax as their city.

> **Travel Bubble**
> Representing 17.2% of visitors, Ontario and the Rest of Canada are two major markets excluded from the current travel bubble.

In sum, tourism is an important sector for Halifax, employing more than 34,000 and generating over $1 billion in direct spending each year. Halifax's competitive advantage and position as the Maritime provinces' city contributes to the significance of promoting Atlantic Canada tourism, especially with declining tourism from the US and promotion of "staycations" for the foreseeable future.

5.2. Impacts of COVID-19 on Halifax tourism

Following an increase in unemployment during the early months of COVID-19, jobs increased in June 2020 by 29,000 in Nova Scotia (Statistics Canada, 2020a).

NOVA SCOTIA UNEMPLOYMENT RATE JUNE 2019 VS JUNE 2020
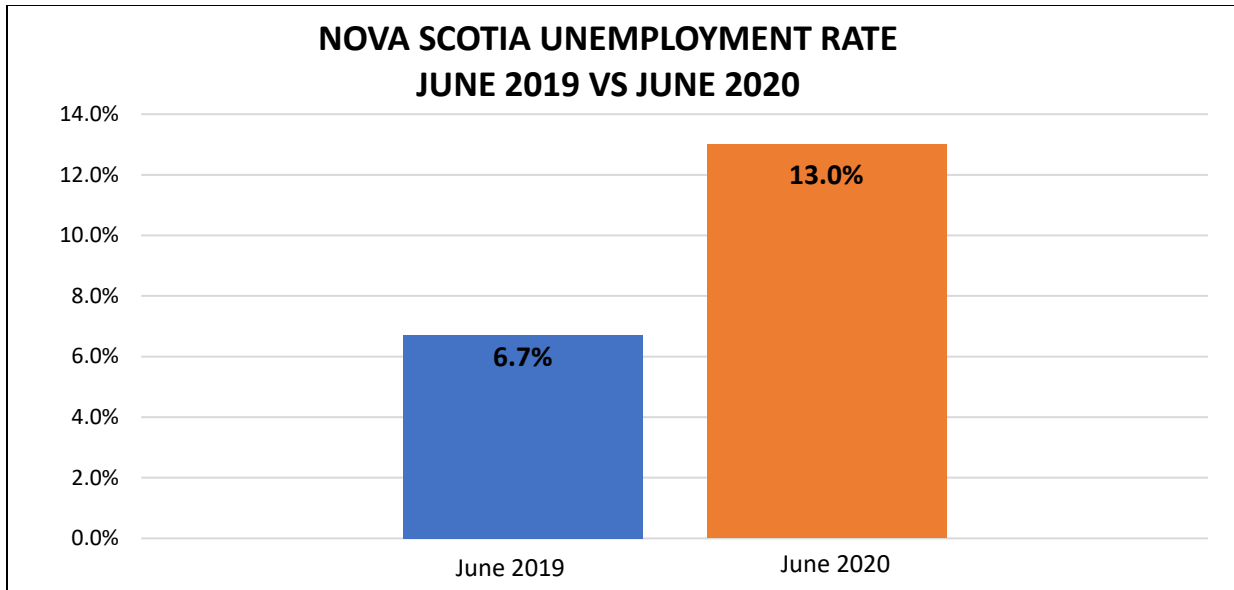
Figure 14: Nova Scotia Unemployment Rate, June 2019 vs June 2020. The June 2020 NS unemployment rate was almost double what it was in June 2019, but has declined by 0.6% since May 2020, on track with the recovering national unemployment rate (12.3%).
Source: Statistics Canada (2020b).

The NS unemployment rate is masking what is happening in the tourism sector. While there is little data available about specific tourism employment in Halifax, a recent study by Tourism HR Canada (2020) estimates tourism unemployment in Nova Scotia at 21%, which is 8% higher than the provincial unemployment rate. The closure and limited operations of tourist attractions accounts for this higher rate. Small-business owners also experienced high levels of uncertainty in the early stages of the lockdown, with several restaurants closing permanently.

Hotels have been one of the most impacted markets of the Halifax tourism sector, experiencing the first hit in March 2020. Halifax hotels experienced their lowest sales in April 2020, with an average of 820 room bookings, a 76.5% decrease from April 2019. It is important to note that Halifax hotels were not welcoming visitors during the early periods of the lockdown. Instead, these numbers largely reflect occupation by doctors, homeless individuals, and people trying to self-isolate from their families.

MOST HOTEL ROOMS WERE NOT OCCUPIED BY VISITORS TO HALIFAX DURING LOCKDOWN, MARCH 2020
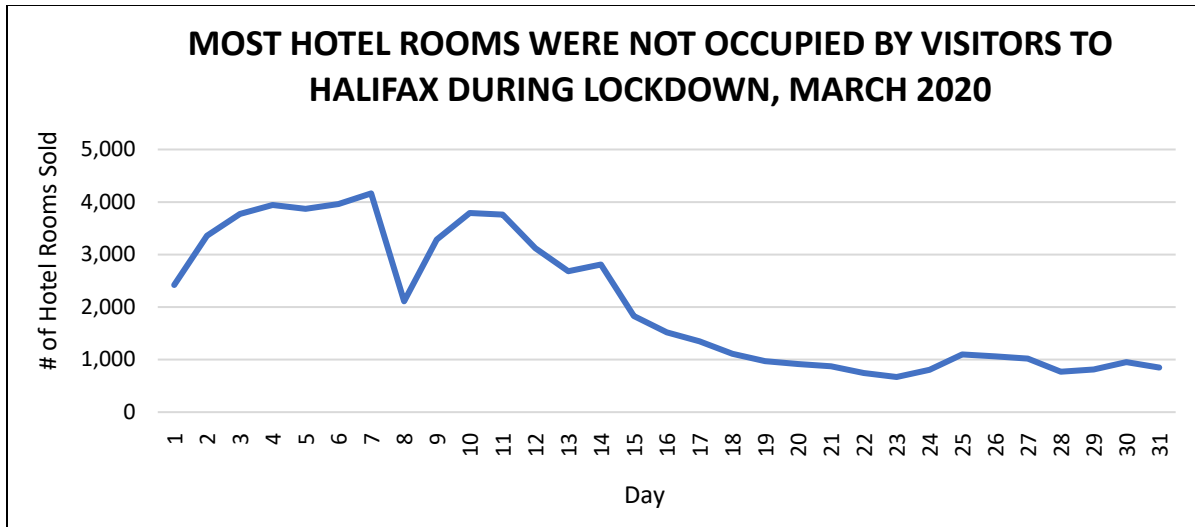
Figure 15: March 2020 Hotel Room Bookings. March 23 saw the lowest average daily number of hotel room bookings at 669, 78.9% lower than March 23, 2019 (3,164 hotel room bookings).
Source: Smith Travel Research (2020).

AVERAGE NUMBER OF HOTEL ROOMS OCCUPIED JAN 2019–JUNE 2019 vs JAN 2020–JUNE 2020
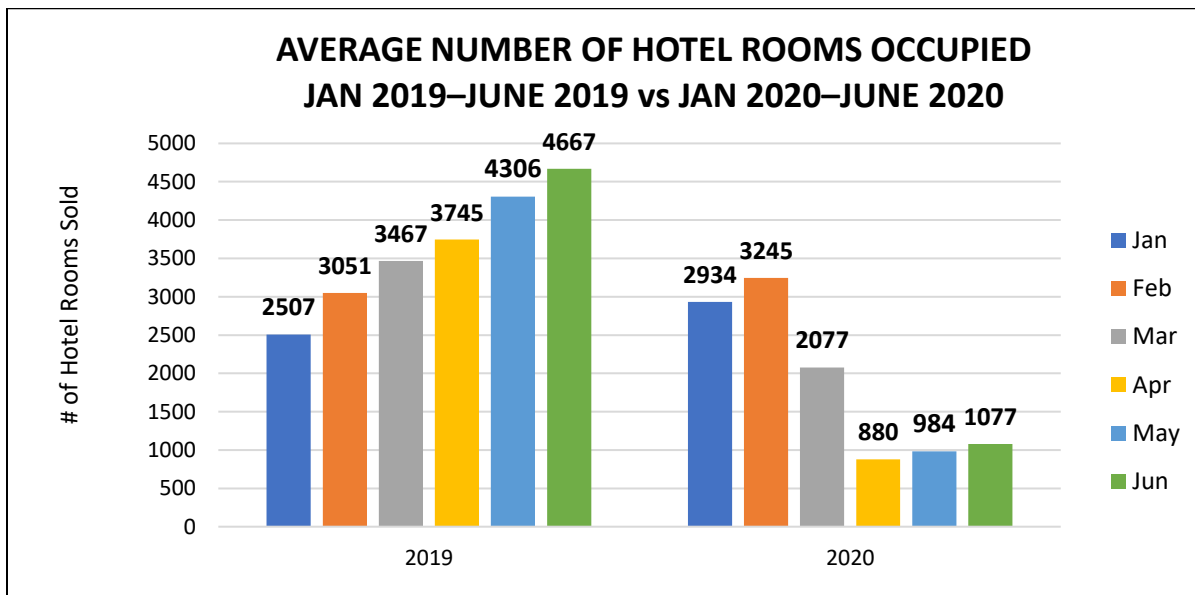
Figure 16: Average Number of Hotel Rooms Occupied Jan 2019–June 2019 vs Jan 2020–June 2020. This year began with an increase in the average number of hotel rooms sold over the same period in 2019. By March 2020, the number of rooms sold declined, which was followed by the lowest sales in April, a decline of 76.5% compared to April 2019.
Source: Smith Travel Research (2020).

Travel restrictions in place are likely to influence Halifax tourism activity. As of July 3, the "Atlantic Bubble" is in operation. This allows residents from the four Atlantic provinces (NS, NB, PEI, and NL) to travel within these provinces without having to self-isolate for 14 days. Visitors from outside the Bubble, both domestic and international, are required to self-isolate upon arrival. The Government of Canada continues to recommend against non-essential travel for Canadians, while incoming international passenger flights are limited to four major airports,

all located outside the Maritimes (Tourism Nova Scotia, 2020). Cruise ships are prohibited from visiting Canadian ports until at least October 31.

5.3 Polling data: Selected observations

According to data collected by Leger and the Association of Canadian Studies, 64% of Canadians have changed or cancelled their 2020 vacation plans (Leger Marketing, 2020d) and 85% say they are not planning to travel internationally by the end of 2020 (Leger Marketing, 2020c). Approximately one in three Canadians will not feel comfortable travelling internationally until there is a vaccine for COVID-19 (Leger Marketing, 2020a), and 86% disagreed with reopening the border between Canada and the US at the end of July (Leger Marketing, 2020b). Twenty-seven percent indicate they would only be comfortable going on a cruise once a vaccine has been developed, while 40% say they will never go on a cruise (Leger Marketing, 2020a). Perhaps most notably, 46% indicate they are currently comfortable traveling locally (staying in their own homes and exploring local areas), with 31% comfortable travelling around their province (Leger Marketing, 2020d).

COVID-19 also influenced how Canadians planned for the summer months, including how comfortable they felt engaging in different social activities. In anticipation of the relaxing of protective measures in early June, 17% of Atlantic Canadians indicated they would be comfortable dining in a restaurant, while 16% said they would attend large gatherings, such as sporting events, festivals, and concerts, and 17% would feel comfortable going to bars, lounges, and nightclubs (Leger Marketing, 2020a). The figure below illustrates how the comfort levels of Atlantic Canadians for engaging in social activities have varied from the national average.

National Average	27-Apr	04-May	10-May	25-May
Dine in restaurants (%)	45	19	21	17
In Atlantic Canada (%)	54	9	22	17
Travel to USA (%)	41	10	20	17
In Atlantic Canada (%)	47	14	25	20
Attend large gatherings (sporting events, festivals, concerts) (%)	34	14	14	13
In Atlantic Canada (%)	45	15	14	16
Go to bars, nightclubs and lounges (%)	37	19	17	16
In Atlantic Canada (%)	34	16	21	17

Figure 17: Percentage of People Who Feel Comfortable Engaging in Activities. The percentage of people who would feel comfortable engaging in these activities following the lifting of some protective measures in June. Atlantic Canadians seem to be slightly less risk-averse than the national average, though in most cases the difference is not significant.
Source: Leger Marketing (2020b, May 25).

A recent study by the Agri-Food Analytics Lab (2020), in collaboration with Caddle, an Ontario research firm, suggests that the Canadian hospitality industry could lose $20 billion in revenue over the next year. According to the study, which surveyed 10,851 Canadians, telecommuting may be influencing the food industry (Agri-Food Analytics Lab, 2020). Before the pandemic,

36.8% of respondents indicated that they visited a restaurant for a meal/break twice a week, while 23.3% of respondents reported that they will go to a restaurant twice a week after the pandemic (Agri-Food Analytics Lab, 2020). Recent statistics from Tourism Nova Scotia (2020) indicate similar impacts on commercial air travel. The Halifax Stanfield International Airport recorded 360,000 passenger enplanements in June 2020, a 63% decline from June 2019 (Tourism Nova Scotia, 2020). Collectively, these findings suggest that industries in the tourism sector will continue to experience the impacts of COVID-19 for the foreseeable future.

5.4. Halifax Tourism's response to COVID-19

In response to these impacts of COVID-19, Discover Halifax introduced *The Halifax Region Tourism Opening Plan*, composed of four parts: leisure marketing, group sales, programming and events, and Halifax region tourism reopening. The overall goal of the plan is "to protect our communities against the importation and spread of COVID-19 and by doing so expedite the opening of the tourism industry to safe markets" (Discover Halifax, 2020, slide 4). The Plan also emphasizes the significance of taking a "community-first approach" in responding to challenges associated with the pandemic, which brings together the tourism industry, public health, and citizens (Discover Halifax, 2020, slide 7).

The Tourism Recovery Plan outlines strategies Halifax can pursue under four pillars:

1) Access to safe markets
2) Safe spaces
3) Communications to promote safe travel and public health goals
4) Responsive design to adapt to changing epidemiology.

Specific actions include the promotion of "staycations", a focus on outdoor experiences and events, collaboration with industries to provide safe messaging and visitor information, and the introduction of an oversight committee for monitoring, evaluating, and implementing corrective actions.

In sum, Halifax tourism has experienced higher unemployment rates and business closures than other sectors due to COVID-19. The hotel industry is among the markets most impacted by COVID-19, with 77% fewer rooms sold in June 2020 than in June 2019. A study by Leger Marketing (2020d) finds that 46% of Canadians are comfortable travelling locally, with 31% comfortable travelling around their province. Travel restrictions and border closures will continue to influence Halifax tourism for the foreseeable future, while the Atlantic Bubble introduced in July highlights Atlantic Canada as the key market for the sector to target. The Halifax Region Tourism Opening Plan promotes Halifax as the Maritimes' city and outlines strategies for the tourism sector, including a focus on outdoor experiences and "staycations".

6. **Project Description**

6.1. Purpose

This project was devised jointly by the MacEachen Institute and Discover Halifax. We aimed to create and support a conversation with the Halifax tourism sector and related stakeholders about the impacts of COVID-19 on tourism and how to foster appropriate responses that contribute to the health and economic well-being of our community in the medium and long term.

6.2. Goals

- Provide the Halifax tourism industry and related stakeholders with relevant information and structure to describe, examine, and respond to plausible near-term futures, in light of the challenges and opportunities that COVID-19 presents. Our exercise focused on summer 2021.
- Examine the interface between economic and health concerns, with an eye to contributing to a healthy and prosperous Halifax.

6.3. Deliverables

- Two scenario-planning sessions on Halifax tourism. Each three-hour session took place in person at the Westin Nova Scotia.
- A report that summarizes key points about risk governance and scenario planning, the impacts of COVID-19 on tourism, and the outcome of the scenario sessions.
- A briefing note that identifies the key takeaways from the scenario-planning sessions.

6.4. Session structure

The sessions brought together individuals from the Halifax tourism sector and key stakeholders to take part in the scenario-planning process. The sessions were moderated by Kevin Quigley, Scholarly Director of the MacEachen Institute, and took place on Friday, August 7 and Friday, August 14 from 9:00 am to 12:00 pm at the Westin Nova Scotian.

1) The first session began with a brief address by Greg Klassen, a Partner with Twenty31 Consulting, followed by an introduction to scenario planning and a group discussion of key variables that drive the tourism sector.
2) The second session involved a brief address by Mayor Mike Savage, followed by a group discussion of four plausible futures and strategic interventions that will address these futures.

Invitees were chosen for their knowledge of, responsibility for, and interest in tourism and COVID-19. They were expected to attend both sessions and were encouraged to participate actively during the group discussions. The moderator provided a structure for group discussion. Session two built on session one.

7. **Scenario-Planning Variables**

7.1. Timeline

The timeline for these scenarios is summer 2021.

7.2. Sample variables

During the first scenario-planning session, we discussed driving forces that potentially influence the tourism sector. A driving force is an environmental variable that drives a possible outcome of a critical uncertainty. Here are some examples that impact the Halifax tourism sector:

- **Social distancing measures:** Social distancing requires individuals to stay two metres away from people who are not from their household. As a result, businesses face occupancy restrictions, such as restaurants operating at 50% capacity.
- **Border restrictions:** Border restrictions are in place, with visitors from across provincial/territorial and national borders having to self-isolate for 14 days upon their arrival. The Atlantic Bubble allows residents of Atlantic Canada to visit without having to self-isolate.
- **Travel restrictions:** Non-essential travel, including air and train travel, is discouraged in Canada to prevent the spread of the virus. These restrictions dissuade visitors from outside the Maritimes from visiting Halifax.
- **Port access:** The closure of ports is significantly impacting the cruise ship industry. Halifax typically welcomes over 200,000 cruise passengers each year, making some suppliers dependent on this industry.
- **Economic outlook:** Economic outlook refers to the trends and prospects of the economy, whether it be local, national, or international. Consumer confidence is one economic trend affecting Halifax tourism.
- **Economic recovery:** Economic recovery is the period following a recession, during which the economy begins to rebound. A recovering economy could help the Halifax tourism sector experience more stable operations and employment.
- **Government support programs:** The Business Credit Availability Program, for example, is designed to provide over $10 billion in support to small and medium-sized businesses. Support programs can help local businesses, like restaurants, stay open during uncertain times.
- **Hosting capacity:** Hosting capacity often refers to the number of people permitted inside a business or organization at one time. Current restrictions may lead to fewer visits and/or sales for Halifax attractions and businesses.
- **Community interest and support:** Community interest in and support of the tourism sector are always influential for the sector. Promotion of local businesses and attractions is especially important during this period of travel restrictions and "staycations".
- **A second wave:** A resurgence of the virus could force businesses back into lockdown. Halifax could experience additional business closures and unemployment as a result.

- **Vaccine:** The development, production, distribution, and administration of a COVID-19 vaccine could lead to the lifting of travel and business restrictions currently in place. Halifax could experience a subsequent increase in visitors.
- **Visitors' risk perception:** Risk perception refers to the subjective assessment that people make about the severity or potential harm of a risk. Visitors' perception of risk could limit the number of people visiting and experiencing Halifax.

7.3. Chatham House Rule

Under the Chatham House Rule, meeting participants "are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant may be revealed" (Chatham House, n.d., para. 3). We employed this rule during our discussions at the sessions, in which ideas were collected, summarized, and documented, but not attributed.

7.4. Facilitated discussion on critical drivers in Halifax tourism

Participants identified 10 driving forces during the first session's facilitated discussion on critical drivers in Halifax tourism: **technology, perception of fear, tone of discourse, access to markets, cashflow, perceived effectiveness of a vaccine, consumer confidence, virus containment, working from home, and seasonality.** The following paragraphs provide an overview of the group's conversations about the driving forces influencing Halifax tourism.

Technology was discussed first, with participants emphasizing its direct impact on consumer behaviour and its capacity to connect demand with supply. Participants characterized technology as a driver impacting how people are buying tourism products and how organizations are adapting to provide their goods and services. Participants noted that some organizations are being left behind due to an incapacity to adapt their business, while others are successfully leveraging technology, such as the use of online bookings. While technology will never replace person-to-person contact, the COVID-19 pandemic is revealing the vulnerabilities of many organizations within the tourism sector, including limited access to high-speed internet in rural, tourism-driven communities across the municipality.

Following the discussion on technology, the group identified how significantly tourism impacts the economy and how underappreciated it can be. Participants emphasized that aspects of tourism and tourism infrastructure can be considered a public good that requires government support.

Participants also raised **perception of fear**, related to both the virus and the re-opening of the province, and how this is impacting the tourism sector. It was noted as being ironic that on one hand we would like to encourage visitors from outside the region to come to the region while, on the other hand, some local residents are concerned about their own health when engaging with their own community. Some participants were concerned about the **tone of discourse**; at times, it has seemed overly alarming and unclear, and involving little encouragement for residents to go out and experience what Halifax or the province has to offer.

Relaxing entry requirements **to domestic and international markets** could further contribute to these behaviours and fear within the region. The opening of borders, for instance, could decrease comfort levels of residents for going out and exploring their city and province, while contributing to a distrust towards those from outside the region. This fear and reluctance of people to visit and engage with Halifax during this time are also impacting the **cashflow** of small businesses and making it difficult for some to envision a post-pandemic future.

Participants identified the **effectiveness of a vaccine** for the virus as another driving force. Perceptions of the vaccine will likely affect **consumer confidence**, another driving force, with consumer confidence presumed to go up if the vaccine is perceived as effective and down if seen as ineffective. A vaccine will also contribute to **containment of the virus**. The more contained the virus, the more likely that people will be comfortable going out to restaurants, shops, and travelling around the city, province, or country.

The influence of **working from home** in Halifax is also troubling to some members of this sector. As people become more comfortable working from home, there are fewer reasons for people to leave their houses to visit a local café, for example. Thus, working from home may impact small businesses, which demonstrates the responsibility of businesses to advertise how they are upholding health guidelines, etc. to maintain public support.

Session participants also identified **seasonality** as a driving force for Halifax tourism, noting that the sector needs to work on developing both supply and demand throughout the year and not wait for the peak summer season. Marketing to youth, for example, is a potential approach for the tourism sector to pursue as Halifax has a large student population that shows interest in visiting bars, restaurants, beaches, and parks throughout the year.

7.5. Selected variables

Following our discussion on potential drivers at the first session, we examined the drivers further to identify which ones have the most impact and are most difficult to predict or most uncertain. We followed step three of the scenario-planning process, which involves plotting the driving forces on an impact/uncertainty matrix to identify the two highest-ranking clusters (figure below).
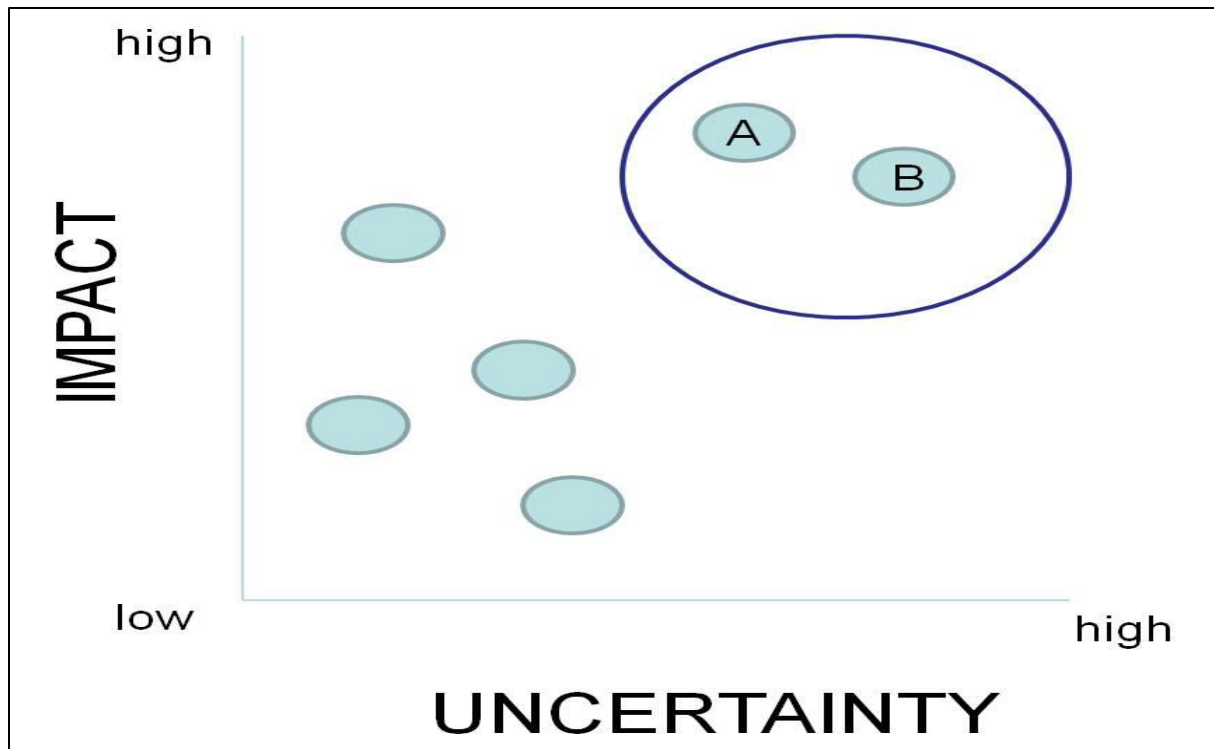
Figure 18: Impact/Uncertainty Visual. Plotting the driving forces based on their levels of impact and uncertainty identified market confidence in travel and capacity to host as the two highest-ranking clusters.

We then selected two high-level driving forces that encapsulated several variables that participants identified in the first session's facilitated discussion: **market confidence in travel** and **capacity to host**.

Market confidence in travel is largely a demand concept that refers to the public's confidence, ability, and interest in travelling. It is partly a function of perception of risks associated with the COVID-19 pandemic and the financial means to travel. An example of market confidence in travel is the level of demand for air travel and hotel rooms.

Capacity to host is largely a supply concept that refers to Halifax's ability to host visitors. This driver includes the city's infrastructure, health and travel guidelines, access to labour, and the functioning of restaurants, bars, hotels, and public events. An example of the capacity to host is the social distancing measures in place and their related impact on restaurants and bars.

In sum, many variables drive Halifax tourism. The pandemic is impacting the willingness or confidence of people to travel and the capacity of industries to host. In other words, the demand for travel and supply or capacity of industries to provide their goods and services are impacting the Halifax tourism sector. Both of these variables demonstrate high levels of impact and uncertainty, which makes it difficult for the sector to plan and prepare for the year ahead.

8. Discussion of Four Scenarios

The variables *market confidence in travel* and *capacity to host* were the focus of the second scenario-planning session. Using these variables, the 2 x 2 matrix below illustrates four plausible scenarios for Halifax tourism.

- Scenario 1: Market Confidence in Travel is High, Capacity to Host is High / Unconstrained
- Scenario 2: Market Confidence in Travel is Low, Capacity to Host is High / Unconstrained
- Scenario 3: Market Confidence in Travel is Low, Capacity to Host is Low / Constrained
- Scenario 4: Market Confidence in Travel is High, Capacity to Host is Low / Constrained
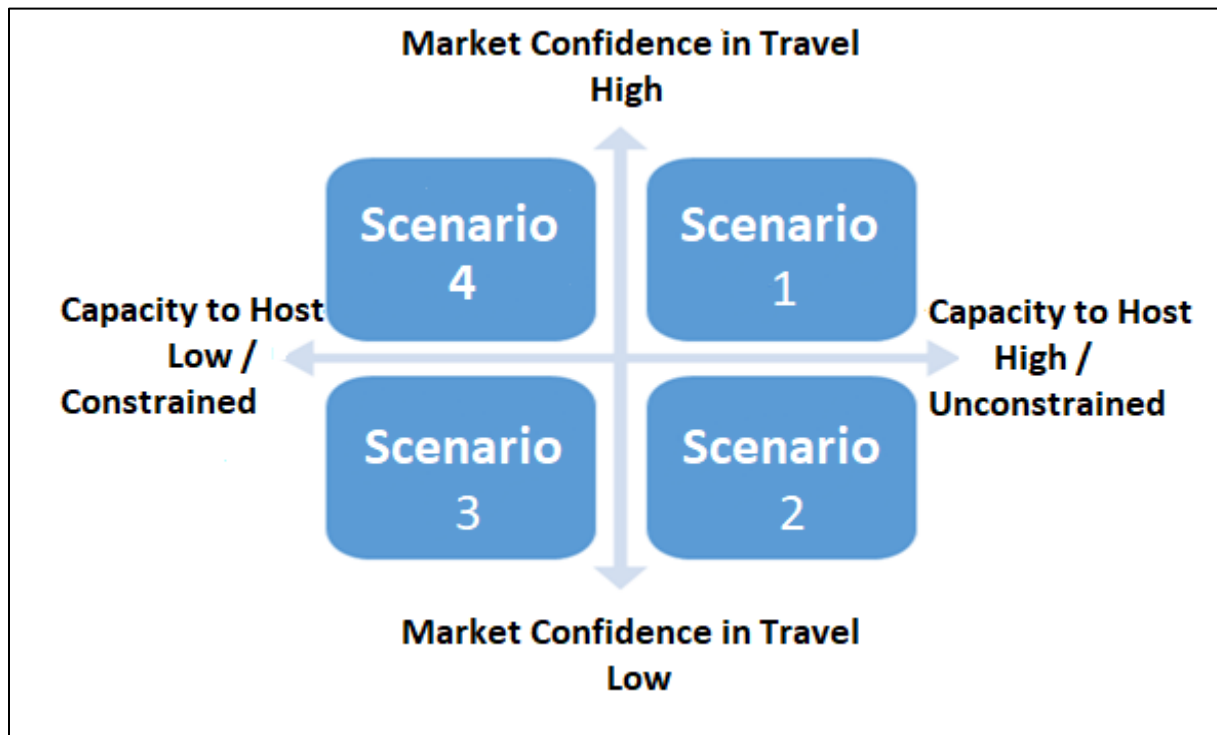
Figure 19: 2 x 2 Matrix with Selected Variables. Scenario 1 involves high market confidence in travel and high capacity to host, while scenario 3 involves low market confidence in travel and low capacity to host.

8.1. Scenario descriptions

Before discussing and describing the four scenarios, we named each one. As the figure below illustrates: scenario 1 is "happy days," which refers to a return to the supply and demand level prior to the pandemic; scenario 2, "suspicious minds," refers to Halifax having the capacity to host tourists but people are still too uneasy to travel; scenario 3, "ghost town," refers to a situation that is very much like the circumstances we faced between April and June this year, in which many places were closed and most people stayed home; and scenario 4, "all dressed up, nowhere to go," refers to a situation in which people are ready to travel again but rules, regulations, and processes are making it difficult for them to do so.
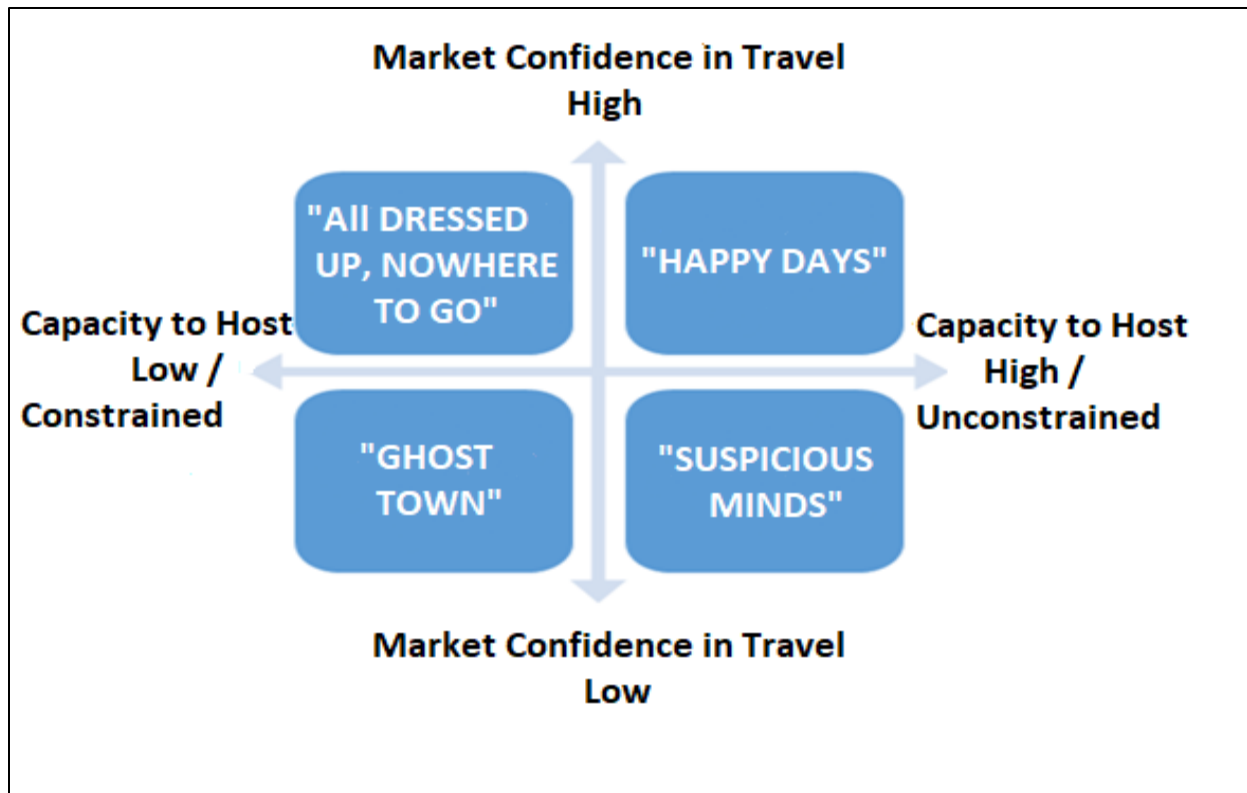
Figure 20: 2 x 2 Matrix with Named Scenarios. Scenario 2 is named "suspicious minds" due to the low market confidence in travel and high capacity to host, while scenario 4 is called "all dressed up, nowhere to go" because of the high market confidence in travel and the low capacity to host.

After identifying and naming the four plausible futures, we asked session participants to answer questions about the scenarios, which contributed to the description of each scenario. Key questions we asked include:

- What does the scenario look like and how would we get to this scenario?
- What are the underlying causes of this scenario?
- What are the potential critical failures in this scenario?
- What are the opportunities that present themselves in this scenario?

We also began the discussion of the scenarios with an opening description of each scenario. The following descriptions provide an overview of this discussion and identify the potential causes, critical failures, opportunities, and an example for each scenario.

Scenario 1: "Happy days"

Opening Description: Throughout the fall and winter, COVID-19 cases continue to grow but do so only moderately with many countries keeping their curves flat. Nova Scotia does not see any significant second waves or need to shut down.

With several vaccines and new therapeutics now being distributed globally, public health officials are signaling strong confidence and removing travel restrictions and local social distancing measures.

Being held back from travel from more than a year, people are eager to travel and are booking reservations. Businesses are eager to start meetings and salespeople to welcome back customers. Local hockey and sports tournaments are all on in 2021.

Discussion: "Happy days" is the best scenario for the tourism sector, as both market confidence in travel and capacity to host is high or unconstrained. Participants discussed several causes for this scenario including the introduction of an effective vaccine that is widely available, fewer social distancing measures, strong social license from the community (acceptance of operating processes and practices of businesses), stronger but efficient safety protocols such as at the airport, airports operating at greater capacity with higher demand for flights, provincial confidence in welcoming visitors to the province and city, the continued engagement of businesses in the sector, and the completion of a successful 2020-21 school year.

Potential critical failures of this scenario vary from health concerns to economic conditions. Participants discussed a resurgence of the virus, a failed or undersupplied vaccine, mutations in the virus, continued working-from-home practices, the possibility of travel becoming an elite exercise, and the province letting its guard down too much resulting in the disease returning in high numbers.

A significant opportunity presented by this scenario is the reaffirmation of the Maritimes' reputation as a safe place to live and travel, both during and after the pandemic. Halifax is already recognized as the Maritimes' "city" by the region; however, more national awareness could contribute positively to the sector. Participants also identified as opportunities for the sector the extension of peak tourism from April to November instead of June to September, the introduction of new tourist products and experiences, and time for learning more about how to welcome people from around the world to Halifax.

The relaxing of domestic and international border restrictions, higher demand for air travel and hotel rooms, easing of social distancing measures, businesses operating at full capacity, public events taking place, and the improvement of economic conditions are examples of conditions that could lead to the "happy days" scenario for Halifax tourism.

Scenario 2: "Suspicious minds"

Opening Description: After a long and scary winter of economic difficulty and growing cases globally and in North America, work to distribute new therapeutics and a new vaccine for which there is broad-based public support begins in May. Seeing a "light in the tunnel", governments remove most containment measures and restrictions on travel.

Due to the perceptions and confidence of consumers and the late introductions of a vaccine and therapeutics in the spring, consumers have not planned to travel. Companies have curtailed business travel because of constrained budgets, while individuals affected financially are cutting

discretionary spending on travel. Officials have cancelled the North American Indigenous Games (NAIG).

Discussion: "Suspicious minds" is the second plausible scenario and is characterized by low market confidence in travel and high or unconstrained capacity to host. Identified causes of this scenario include the government maintaining a conservative communications strategy with little encouragement for travel, public anxiety about air travel and the virus, staying-at-home and not traveling becoming normalized, discretionary spending on travel at risk, mixed messages for consumers regarding risk mitigation and travel insurance, the politicization of the situation, and relying on the domestic market to support the tourism sector.

Potential critical failures for this scenario are mainly related to the economy, including losses for businesses due to reinvestments and low sales and the government focusing on economic recovery more than health and safety. Participants also identified constant media coverage of the pandemic as a potential critical failure due to its role in generating public fear.

Opportunities for this scenario focus on the sector addressing its underlying vulnerabilities. Participants noted that the sector could take the time to make improvements, including investments in downtown infrastructure projects and strengthening the local tourism network. The sector can also focus on positive message campaigns in order to instill greater confidence in the travelling public.

Examples of conditions that could lead to the "suspicious minds" scenario include the relaxing of domestic and international border restrictions, easing of social distancing measures, and restaurants and businesses operating at full capacity, accompanied by low demand for air travel and hotel rooms and low attendance at public events.

Scenario 3: "Ghost town"

Opening Description: Globally, cases continue to rise and North America is no exception. Nova Scotia has seen a resurgence of the virus, and officials reinstate measures to contain the spread. Borders to a majority of markets remain closed or constrained, and consumers are fearful of travelling.

Discussion: "Ghost town" is the third scenario for the tourism sector. Low market confidence in travel and low or constrained capacity to host characterize this scenario. Participants identified a lack of government support in the form of grants and incentives for businesses, the occurrence and damage of natural disasters, such as hurricanes, high geopolitical tensions, lower willingness to fly, travel access restrictions such as border closures, and the resurgence of fear among the population as potential causes of this scenario.

Potential critical failures of this scenario include the closure of schools and the need for more people to be home with their kids, resulting in lower household incomes, poor economic conditions and outlook, the closing of businesses due to low demand for tourism-related goods and services, businesses' overreaction to pressures of the pandemic, and too much bureaucratization of the sector.

To make the best of this scenario, participants identified several opportunities for the sector. Opportunities include a greater focus on supporting the local market and businesses, deregulation of government involvement to allow for more innovation and creativity for the sector, promotion of the environmental landscape of the city as tourist attractions, and working to address the underlying vulnerabilities of the sector. The sector might also permanently downsize; businesses might look for new opportunities.

Lower demand for air travel and hotel rooms, domestic and international border closures, stricter social distancing measures, restaurants and businesses operating at limited capacity, no public events, and no improvement in economic conditions are some examples of conditions that characterize the "ghost town" scenario.

Scenario 4: "All dressed up, nowhere to go"

Opening Description: After a long and scary winter of economic difficulty and growing cases globally and in North America, confidence has returned in June due to the distribution of new therapeutics and the distribution of a new vaccine for which there is broad-based public support.

Confidence in travel has returned and people are eager to travel, but many businesses have now permanently closed. Health authorities are still concerned about the spread and are holding off on removing travel restrictions. Due to liability issues, sports teams are still not hosting tournaments, and concerts and conventions are not taking place. Major event rights holders will not host, and the NAIG is canceled.

Discussion: In the fourth scenario, "all dressed up, nowhere to go", market confidence in travel is high, while the capacity to host is low or constrained. Participants identified travellers' risk perception, higher liabilities related to virus exposure, markets not recovering, fewer airlines and flight routes, and overregulation of the sector as causes of this scenario.

The loss of small businesses due to health regulations, closures, and liability issues that constrain demand for tourism goods and services was identified as a potential critical failure for this scenario. The loss of small businesses that make Halifax special, for example, could also make the city a less desirable destination for travellers.

Participants identified collaboration between industries and the government to develop and encourage consistent safety protocols, a focus on rebuilding the sector through the inclusion of industries that do not normally self-identify as in the sector, the leveraging of city suburbs, and working to maintain Halifax's brand awareness as opportunities for Halifax tourism.

Higher demand for air travel and hotel rooms, restaurants and businesses operating at limited capacity, domestic and international border closures, stricter social distancing measures, and no public events taking place are examples of what could lead to the "all dressed up, nowhere to go" scenario.

8.2. How do we respond to these scenarios?

The final stage of the scenario-planning process is to develop policies in light of these scenarios. The policies would help evaluate programs/partnerships/investments and determine if these strategies would help the sector achieve its mission, irrespective of which of the four scenarios actually occurs. In other words, the strategies are not developed or approved because they are successful in one specific scenario; rather, these strategies should be successful if any of the four scenarios occurs. The descriptions below capture some of the discussion during the second scenario-planning session.

Important considerations

Before the COVID-19 pandemic, Halifax tourism experienced annual growth for the sixth consecutive year and was looking forward to its peak tourism season. In response to the pandemic, individuals from public, private, and non-profit industries are working to develop ways of delivering services that are consistent with health guidelines. At the same time, participants suggested that the health crisis is leading to an economic crisis. Together, these crises are contributing to anxiety among the population, which is taking a toll on the tourism sector. The pandemic is also revealing the vulnerabilities of the sector.

> **Four Plausible Futures**
> "Happy days", "suspicious minds", "ghost town", and "all dressed up, nowhere to go" are the four scenarios we identified using the variables *market confidence in travel* and *capacity to host*.

Session participants stressed the inflexibility of municipal governments as another issue facing Halifax tourism. For instance, current legislation prevents the municipality from deferring property taxes. Although the municipality is permitted to lower the interest from 15% to 10% on overdue accounts, the municipality faces difficulty lowering it any further. Additionally, participants discussed social licensing as an issue facing the city: how can the tourism sector convince locals and visitors that Halifax is a safe place to visit? While Halifax has a reputation for being a safe and welcoming city, industries across the tourism sector have a role in promoting how they are working to make their services and attractions safe and in encouraging visitors to come.

The novelty of the situation also means that the sector will have to face a high level of uncertainty for the foreseeable future.

Create a strategy to improve sector coordination

Typical of many tourism sectors, the Halifax tourism sector is comprised of mainly SMEs, working in a competitive context. This can make it difficult for the sector to coordinate and represent a unified position on issues. At the same time, those in the sector have shared aspirations for a healthy and prosperous community and a thriving tourism sector, which can be achieved more effectively in the current circumstances by better coordination across the sector. To respond to the scenarios described above, the sector needs to create a strategy for improving

sector coordination. This strategy would require tourism industries to meet more frequently and work to establish a method for engaging with other key stakeholders, such as the government and public health agencies. Stronger sector collaboration could also allow for better planning and risk mitigation for the future, along with the opportunity to make changes to the sector, aimed at placing it in a stronger position going forward. The sector will need to involve organizations that deliver services in support of Halifax tourism and engage in collective decision-making when managing sector changes, including those related to mandate and structure.

The tourism sector could also benefit from developing stronger partnerships with other sectors. As [Toronto's response to the 2003 SARS outbreak](#) exemplifies, the tourism sector may need to think outside-the-box when determining what sectors and organizations to engage with over the next 12 to 18 months. A year ago, the tourism sector might not have thought it needed a relationship with the provincial Department of Health and Wellness, but that is now the case. Developing stronger connections with the public sector could provide the tourism sector with more opportunities for strengthening its health and safety standards, while rebuilding the confidence of locals, visitors, and businesses of Halifax. Although participants identified overregulation as one of the biggest risks for responding to these scenarios, this collaboration would be largely communications-based, serving to provide the government with insights about the tourism sector and ensuring that business operations align with government directives.

Conduct collaborative exercises and planning

A significant takeaway from these scenario-planning sessions was the importance of the sector conducting such exercises. Scenario planning is a dynamic exercise that provides a basis for those in the sector to reflect and learn from the conversations that take place. It is about participants planning for these plausible scenarios and learning from the mistakes or inaccuracies of the other scenarios. Conducting similar planning exercises within or across tourism industries will allow the sector to identify how the city can become, and market itself as, a safe place to visit. The sector also needs to be adaptable, learn how to manage risks including public attitudes and government overregulation, and leverage opportunities presented by the different futures, which collaborative exercises and planning can help with.

In sum, these scenarios represent four plausible futures for the Halifax tourism sector. "Happy days" involves high market confidence in travel and high/unconstrained capacity to host, "suspicious minds" involves low market confidence in travel and high/unconstrained capacity to host, "ghost town" involves low market confidence in travel and low/constrained capacity to host, and "all dressed up, nowhere to go" involves high market confidence in travel and low/constrained capacity to host. To prepare for these futures, tourism industries must come together to reflect on what is and is not working well and to identify ways for the sector to move forward. Strategies for approaching these scenarios may include the creation of a strategy to improve sector coordination, and/or collaborative exercises and planning. Ultimately, stronger alignment across the sector could help the sector maintain high standards of public health and market itself accordingly; in so doing, it could help to allay public concerns from Nova Scotians and tourists from markets who visit Nova Scotia that the province is a safe place to visit.

9. **Discussion**

9.1. Method

Partnership

We worked closely with Discover Halifax during the development of these scenario-planning sessions. We met with Discover Halifax bi-weekly, which shared its expertise and insights about the Halifax tourism sector, including who to invite to these sessions, and helped to coordinate the logistics of the sessions, such as venue selection and booking. Discover Halifax also provided us with useful data for the information and figures included in the preceding overview of Halifax tourism. This collaboration aided in the planning and hosting of these sessions and, ultimately, the success of the project.

COVID-19 and Public Health Directives

The planning of these sessions required particular attention to the provincial public health directives in place for responding to COVID-19. We consulted government resources, including the Government of Nova Scotia's website, to collect health and safety information to share with session participants. The Westin Nova Scotian provided us with the layout of the meeting room, a large ballroom with a U-shaped table with seating for 25 people spaced 2 metres apart, to send to participants in advance. We distributed a digital survey to participants following each session to collect feedback related to content and set-up. One question asked participants to "indicate [their] level of satisfaction with the public health measures during the event" on a 5-point scale, with 1 being very dissatisfied and 5 being very satisfied. Respondents (n=8) ranked their level of satisfaction with the sessions' public health measures at an average of 4.75. Survey respondents (n=8) also indicated that they were satisfied with the sessions, with an average ranking of 4.63 for overall satisfaction. Together, this feedback suggests that it is possible to host successful events during the pandemic, while providing Discover Halifax and the MI with experiences to learn from and share with other organizations.

Session structure

Overall, the structure of the scenarios discussion proved to be effective. In particular, it was helpful to have one person start each scenario with a description of what it could look like. The sessions could have benefitted from having all participants come to each session with prepared notes that demonstrate a level of reflection of the distributed materials and personal perspectives, as it would have indicated greater engagement with the material. The time dedicated to scenario planning, particularly related to discussing approaches for the tourism sector, was a common comment of session participants. The inclusion of a third session would have improved this project by giving participants more time to reflect on the scenarios and discuss strategies for approaching the plausible futures. The group also expressed an interest in extending this exercise over the next several months and meeting as a sector to reflect on what has worked well for industries and where they can improve. This commitment aligns with the aim of scenario planning and its focus on reflection and learning. Additionally, having participants vote on their preferred drivers at the end of the first session could enhance scenario-planning sessions, as it

would provide people with more involvement in the scenario-planning process and additional time to reflect on the drivers and their causes.

Collected information

Throughout this project, it was crucial to remember that there is no way to confirm the accuracy of what participants say. Instead, the purpose of the sessions was to identify different perspectives of those involved in the Halifax tourism sector. Collectively, those insights reflect common attitudes of tourism actors, however, they do not capture the perspectives of the sector as a whole. Therefore, the responses discussed in the previous section serve only as examples of approaches for the sector to pursue.

9.2. Observations about the four scenarios

During discussion of the four scenarios, participants identified the causes, critical failures, and opportunities for each. Following are additional comments about each scenario.

Despite it being the most optimistic of the four scenarios, "happy days" is still subject to unexpected circumstances that could result in additional challenges for Halifax and the tourism sector. For example, the virus could return with more force than the province previously experienced. In addition to more cases, the lasting impacts of the virus could be greater, requiring businesses to shut down for a longer time. Thus, this poses the question of whether businesses in the tourism sector can sustain additional challenges before reaching "happy days".

As discussed during the second session, "suspicious minds" is about building up people's confidence to return to the sector. It is important to consider what people need to feel confident, from both public health and the tourism sector. The tourism sector needs to demonstrate how it has adapted to changing public health directives in a manner that is transparent, knowledge-driven, and out of concern for the public. In this scenario, we are more aware of the situation and how to manage the risks; however, regaining confidence in the sector could still be challenging. The pandemic involves high levels of uncertainty and dread, which have resulted in a highly volatile population that requires reaffirmation that it is safe to participate in tourism-related activities. Therefore, the sector must transparently demonstrate how its industries are working to provide services safely.

Defeatism is among the risks of the "ghost town" scenario. We already experienced this scenario during the early months of the pandemic, during which businesses were closed and people were staying home. As a result of this scenario, the city has faced permanent business closures and cancelled events, along with people becoming accustomed to staying at home. After flattening the curve, businesses began to open at greater capacity and welcome back visitors, but many people were not ready to return to pre-pandemic life.

One of the largest takeaways from "all dressed up, nowhere to go" is the difficulty associated with government regulation of the sector. The government plays an important role in supporting the sector's recovery, but it can be difficult for the government to deregulate. It is about the government striking a balance between stepping away from the sector and ensuring that

industries are safe and adhering to standards. By achieving this balance, the government enables the sector to resume its operations in a way that is safe, healthy, and within its own control.

9.3. Comments on session discussions

Takeaways from the discussions during the scenario-planning sessions include the significance of using technology, identifying attitudes and risk perceptions of consumers, and learning how to achieve government support and respond to uncertain risks.

Technology

Technology was one of the concepts participants often alluded to during these scenario-planning sessions. Participants suggested that businesses with online platforms or followings had an advantage during the pandemic. The conversations about technology did not address the potential shortfalls of focusing on technology. Technology changes pose a risk for businesses investing too many resources in a form of technology that may be outdated in years, or even months. While investment in technology, such as developing an online platform, may appear to be a strategic way to approach new and uncertain situations, there is always the risk that such endeavours can limit the flexibility of businesses when circumstances change.

Attitudes and risk perceptions

Attitudes and risk perceptions of consumers and how to shape them are of particular interest to the tourism sector. The uncertainty associated with the pandemic is causing anxiety related to travel, even within the Atlantic Bubble. Ultimately, consumer confidence levels will likely not fully recover until the virus is contained. Therefore, in the meantime, the sector must work on demonstrating how it is managing t risks, like a second wave, and creating the capacity to host.

Government support

Government support and collaboration came up several times throughout the discussions. As in other sectors, strong collaboration with the different orders of government is necessary to confront this unprecedented situation. As the Toronto tourism sector's response to the SARS outbreak in 2003 demonstrates, the tourism sector also requires coordination of its industries to develop coherent requests to the government for support for the sector. The Foot and Mouth Disease outbreak in the United Kingdom in 2001 also demonstrates the vulnerabilities for the tourism sector if it is highly fragmented, made up largely of small and medium-sized enterprises, and unable to articulate a coherent strategy for the sector.

Uncertain risks

The tourism sector has shown adaptative capacity throughout the pandemic, as demonstrated by many businesses' capacity to host amid changing health and safety standards. This flexibility, which is necessary for responding to uncertain risks, has also demonstrated the resiliency of the sector's industries. Nonetheless, the sector must continue to be cautious in how it responds to the evolving situation; it needs up-to-date information for changing standards and encouraging appropriate behaviours.

In sum, these scenario-planning sessions contributed to important discussions that are occurring across the Halifax tourism sector. Planning and hosting these sessions was made

possible by our collaboration with Discover Halifax and the Westin, and the willingness of stakeholders to participate in a new style of meeting. In planning for these scenarios, the tourism sector must acknowledge and learn how to address the risks, while not focusing its efforts too much on one area. To regain public confidence in Halifax tourism, the sector needs to be transparent, strengthen its network, and identify opportunities for collaboration with key stakeholders, such as government.

10. **Conclusion**

The Halifax tourism sector has endured many challenges throughout the COVID-19 pandemic, including higher rates of unemployment and business closures. Despite these challenges, industries in the tourism sector have shown adaptive capacity, along with a commitment to learn from this unprecedented situation. Looking ahead to summer 2021, the tourism sector could face a vastly different future, with attendant opportunities and risks. Scenario planning is one tool that the sector can use to identify, plan, and strategize for these possible futures and manage uncertainty. This report provides an overview of how the sector can use scenario planning and reflect on the discussions its industries are having, with the ultimate intent of making an uncertain situation a little clearer.

11. **Appendix**

Appendix A: Information about the MacEachen Institute

The MacEachen Institute for Public Policy and Governance at Dalhousie University is a nationally focused, non-partisan, interdisciplinary institute designed to support the development of progressive public policy and to encourage greater citizen engagement.

In February 2015, the Directors of the MacEachen Institute for Policy and Government announced a donation to Dalhousie University of $2.25 million. The donation was used to establish the Institute in the name of the Honourable Allan J. MacEachen.

A partnership with national reach

The MacEachen Institute for Public Policy and Governance at Dalhousie University provides an effective non-partisan mechanism to expand the reach and impact of the Institute's work. As such, it enables us to build on Mr. MacEachen's legacy by promoting vigorous debate on progressive public policy issues. Most importantly, it encourages and engages active participation by Canadian citizens in civic activities ranging from community and neighbourhood issues to issues of national concern.

Independent and informed

The Institute looks at progressive ways to tackle public policy and governance issues through open discussion with a variety of informed players and aims to serve as the "go to" place provincially, regionally, and nationally for rich, robust public policy debate, discussion and research. The MacEachen Institute at Dalhousie University engages scholars, students, and community members in the development of policy options, policy research, and other outputs of the Institute.

Vision

We see a diverse public engaged in thoughtful and informed public policy discourse advancing the cause of a progressive and democratic society.

Mission statement

Our mission is to energize and inform progressive public policy education, ideas, and debates in Canada and abroad. Our goals for the Institute are to:

- attract international, national, and local thought leaders from the public, private, and third sector to contribute to these debates.
- be part of a broad national and international network of forward-looking institutions and associations concerned about matters of progressive public policy.
- be a welcoming, collaborative, and non-partisan physical and virtual network.
- engage creatively with communities and technologies to maximize access.

- employ a rich, diverse, and international perspective, which will include interdisciplinary and comparative approaches.
- use our resources efficiently, transparently, and with integrity, with an eye to maximizing the Institute's impact and establishing and growing its reputation as a leading international centre for public policy research, debate, and education.
- communicate our findings regularly and in accessible formats and forums.
- excite, engage, and support young people, and in so doing help ready the next generation of policy-makers.

See the MacEachen Institute website for additional information about the organization.

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13. **Further Reading**

Quigley, K., Bisset, B., & Mills, B. (2017). *Too critical to fail: How Canada manages threats to critical infrastructure.* Montreal: MQUP.

For additional information on scenario planning, please consult the MacEachen Institute's scenario-planning materials.

The MacEachen Institute recently hosted expert panels on risk governance and economic and public health challenges posed by COVID-19.