

Tall Ships 2009 Economic Impact Study Final Report

Submitted to:

Tall Ships Nova Scotia & Waterfront Development Corporation Limited

Prepared by:

TMSOLUTIONSinc & Kelco Consulting Limited

Project Contact:

Thomas McGuire 902.431.6972.



**TALL SHIPS
NOVA SCOTIA**



**Waterfront Development
Corporation Limited**

November 2009

November 24, 2009

Ms. Leanne Strathdee

Director of Marketing and Communications
Waterfront Development Corporation Limited

1751 Lower Water Street
2nd Floor
Halifax, Nova Scotia
Canada
B3J 1S5

Our Project #: 09_013 Tall Ships 2009

Re: Tall Ships Nova Scotia 2009 Economic Impact Study

I am pleased to submit the attached final report of the **Tall Ships Nova Scotia 2009 Economic Impact Study**.

Where appropriate, we have included statistical comparisons to the 2007 Tall Ships Economic Impact Study and Survey Results throughout this document.

It has been a pleasure to work with you and the Team at the Waterfront Development Limited Corporation and the Tall Ships Project office.

Should you wish to discuss the Final Report, or any other aspect of our measurement and evaluation efforts, please contact me at your convenience.

Sincerely,



Thomas McGuire, Senior Associate

Kelco Consulting Limited
P.O. Box 816
Kentville, Nova Scotia
B4N 4H8
Canada

e. m McGuire@kelcoconsulting.ca
e. m McGuire@solutions-inc.ca
Direct: 902.431.6972
Office: 902.679.3604
Fax: 902.679.1989

Encl. Tall Ships Nova Scotia 2009 Economic Impact Study

Executive Summary

The following top line survey summary report was prepared by Kelco Consulting Limited and TMSOLUTIONSinc for the Waterfront Development Corporation Limited.

This data analysis will form part of a forthcoming assessment of the economic impact in Nova Scotia of **Tall Ships Nova Scotia 2009**.

The focus of the study is to determine the economic impact of non-Nova Scotian (non-NS) visitors who were motivated to come to the province by Tall Ships 2009.

The Festival took place from July 16th to August 1st, and included **7 ports**;

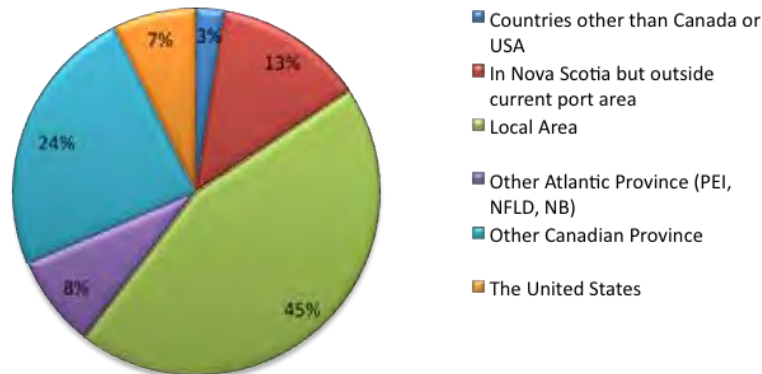
- » Halifax (July 16 – 20)
- » Louisbourg (July 22 – 23)
- » Lunenburg (July 22 – 23)
- » Port Hawkesbury (July 22 – 23)
- » Sydney (July 25 – 26)
- » Pictou (July 28 – 29)
- » Pugwash (July 31 – August 1)

The survey findings are based on an intercept survey used to collect required information from random visitors attending Tall Ships events at all ports in Nova Scotia.

A total of 1,580 surveys were completed. This provided more than enough data on a range of factors to allow for statistically reliable analysis of the sample population and strata within it, from party composition to trip related spending.

The following figure provides the distribution of the usual place of residence of Tall Ships survey participants.

Usual place of residence, All Ports n=1,556



In comparison to 2007, there were fewer Tall Ship survey participants from the local area and more from other Canadian Provinces. Origin comparisons are provided as follows:

- » 45% from the local area – (57% in 2007)
- » 24% from other Canadian provinces – (16% in 2007)
- » 13% from within Nova Scotia but outside the local area – (13% in 2007)
- » 8% other Atlantic provinces – (5% in 2007)
- » 7% from the United States(US) – (7% in 2007)
- » 3% from international locations – (2% in 2007)

To ensure surveys were not inadvertently oversampling non-Nova Scotians (2007: non-Nova Scotians comprised 30 percent of the sample; 2009: 42 percent were non-Nova Scotians), we introduced a concurrent survey where 70 visitors were asked where they were from. This 'visitor origin survey' confirmed that there was a higher proportion of non-Nova Scotians attending Tall Ships 2009 when compared with Tall Ships 2007.



The Nova Scotia Department of Finance used its Input-Output (NSIO) model to assess the Tall Ships attributed spending by Non-Nova Scotian visitors using the data provided by our team. In consideration of the estimated \$32.8 million in 2009 non-Nova Scotian Tall Ships motivated spending¹, the economic impacts include:

- » As many as 611 positions sustained through direct and spin-off impacts.
- » \$14.5 million in household income (wages and salaries, benefits, tips) through a short-term boost generated by the event which broke down as follows:
 - » \$8.5 million in direct wages and salaries
 - » \$5.9 million in indirect and induced wages and salaries
 - » \$3.5 million in incremental (New) Nova Scotia tax revenue, including direct HST (1.98 million), income tax (418,000) and fuel tax revenue (491,000), to the Province of Nova Scotia².

(Footnote) 2.

GDP and its components were not included in the 2009 analysis provided by Finance.

(Footnote) 1. In 2007, the Nova Scotia Department of Finance used its Input-Output (NSIO) model to assess the Tall Ships attributed spending by Non-Nova Scotian visitors using the data provided by our team. The results of the 2007 NSIO run indicated the following economic impacts from \$27.5 million in non-Nova Scotian visitor spending:

- » As many as 475 positions sustained through direct and spin-off impacts.
- » \$12.61 million in household income (wages and salaries, benefits, tips) through a short-term boost generated by the event which broke down as follows:
 - › \$7.56 million in direct wages and salaries
 - › \$2.23 million in indirect wages and salaries
 - › \$2.82 million in induced wages and salaries
- » \$19.6 million contribution to Nova Scotia's GDP (at market prices) including
 - › \$11.20 million in direct GDP
 - › \$3.58 million in indirect GDP
 - › \$4.87 million in induced GDP
- » \$2.1 million in incremental (New) Nova Scotia tax revenue, including direct HST and fuel tax revenue, to the Province of Nova Scotia.

The Province notes: The results reported for 2009 are considered “sustained activity in the Nova Scotia economy and are not to be confused with total additional or new activity in the province.”

Special Thanks

An important aspect of the measurement and evaluation process is made possible through the combined efforts of many Tall Ships volunteers who have spent hours in the heat, sun, rain and wind that comprises an authentic Nova Scotian Tall Ships experience.

We wish to thank the following survey crew members:

Louisburg

Rebecca
Jennifer

Port Hawkesbury

Annie
Lynn

Halifax

Angela
Jodi
Anne
Hollie
Renee
Jill
Blake
Emma
Amanda
David
Karen
David

Lunenburg

Nick
Morgan
Kathleen

Pugwash

Belle
Mary
D. Farley
Jean

Pictou

Alison
Sheila

Sydney

Baylee
Bryanna
Darren

(Footnote) 9.

The Department of Finance urges cautions in the interpretation of their results. Direct employment is model-generated and is overstated because of the interaction of “constant returns to scale” and the level of expenditures in the Retail, Traveller Accommodations and Food Services and Drinking Places industries. Spinoff employment has been reported as indirect (inter-industry) and induced (effects of household spending and re-spending).

These considerations reinforce the caution in using IO Model generated numbers to measure the impacts of a “short time period” event such as Tall Ships. See Appendix C.

These individuals served a valuable role in the measurement and evaluation of Tall Ships 2009. We had a group of enthusiastic Tall Ships volunteers throughout the surveying process in all of the participating ports.

Members of the Survey Crew also filled an equally important role as Ambassadors for Nova Scotia. **The members of the 2009 Survey Crew welcomed more than 1,500 visitors to Tall Ships 2009!**

Acknowledgements

The Project Team wishes to thank:

- » Nova Scotia Department of Finance, Economics and Statistics Division
- » Nova Scotia Department of Economic and Rural Development
- » Nova Scotia Department of Tourism, Culture and Heritage, Tourism Division, Research
- » Atlantic Canada Opportunities Agency
- » The Halifax Regional Municipality
- » Waterfront Development Corporation Limited



We would also like to thank the Project Office of the Tall Ships Nova Scotia 2009 and Outport organizers for their help in making this evaluation process an important part of their efforts to host Tall Ships 2009.

Project Team

The project team for this study included Thomas McGuire (Project Manager for this study), Bruce Roberts (President of Kelco Consulting Limited), Christina MacLean, John Jozsa, Terri Roberts, Matthew Reeves, Kurt Hillier and Emma McGuire.

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Chapter 1: Introduction

Tall Ships Nova Scotia Festival 2009 was a multi-day event that took place throughout Nova Scotia from July 16th to August 1st (inclusive).

As with Tall Ships 2007, the 2009 event included a five-day stop in Halifax (July 16th to July 20th) and a series of two-day visits to the following Outports:

- » Louisbourg (July 22 - 23)
- » Lunenburg (July 22 - 23)
- » Port Hawkesbury (July 22 - 23)
- » Sydney (July 25 - 26)
- » Pictou (July 28 - 29)
- » Pugwash (July 31 – August 1)

As part of Tall Ships Nova Scotia 2009's accountability commitment to its stakeholders, a **measurement and evaluation** study was commissioned to objectively quantify the economic benefits of the 2009 festival to the Province of Nova Scotia.

Kelco Consulting Limited and TMSOLUTIONSinc are pleased to submit this Intercept Survey Summary Report.

The approach to measurement and evaluation used in this analysis of Tall Ships 2009 builds from the methodology developed by this consulting team and applied in the 2007 Tall Ships study. Lessons learned from the evaluation process in 2007 have been refined and applied to the 2009 measurement and evaluation research.



Photo: WDCL

1.1 Measurement and Evaluation Study Objectives

The objectives of the measurement and evaluation assignment are to provide:

- » A credible economic impact analysis of Tall Ships Nova Scotia 2009; and
- » Information that will help Tall Ships Nova Scotia, the Waterfront Development Corporation Limited and its stakeholders understand the impact of the event throughout Nova Scotia.

This report provides a top-line statistical summary of the intercept survey utilized as the primary research tool for gathering the data necessary to measure the economic impact of Tall Ships 2009. Comparisons between 2007 and 2009 survey findings are made throughout this report. Where 2007 data tables have been reproduced, they are so labelled and shaded **yellow**. Data tables from 2009 are shaded **blue** to assist in distinguishing the years for which the data is being presented.



1.2 Study Methodology & Work Plan

The research into the economic impact of the Tall Ships event was “primary research focused”, meaning it included:

- » An Intercept Survey of individuals attending the event (based on the 2000 and 2004 surveys – estimated at 10 to 15 minutes to administer; asked by 10 to 12 Tall Ships 2009 volunteers and five contract surveyors, trained by our team). Questions identified:
 - › Origin of attendees
 - › Expenditures at the event and on related travel in Nova Scotia
 - › Enjoyment of the event
 - › The Influence Tall Ships had over travel in Nova Scotia

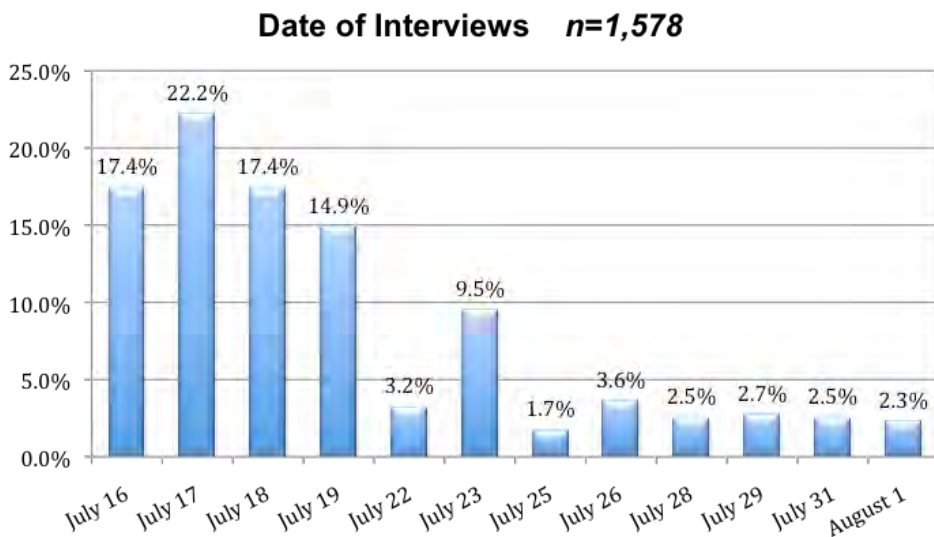
The resulting statistical results become the input necessary for Input-Output modeling (I-O), with the resulting data used to develop inputs for the Nova Scotia Department of Finance’s I-O Model.

Chapter 2: Tall Ships 2009 Intercept Survey Findings

In total, 1,580 intercept surveys were completed from Tall Ships Nova Scotia 2009 participants, province wide.

The Halifax waterfront generated 1,138 completed surveys (Halifax Port Set) and Provincial Outports produced 442 completed surveys (Outport Set).

With the exception of the Parade of Sail day, surveying took place on each day of the Tall Ships Nova Scotia 2009 event, as shown in **Figure 1**.



(Left) Figure 1:
Dates of Interviews



Photo: WDCL

July 20th and 21st were repositioning days for most vessels. Ships were not open to the public and no visitor intercept surveying was conducted.

As shown in **Figure 1**, the majority of the surveys were collected from July 16th to the 19th, which included a busy weekend of activity at the Halifax Port⁴. Visitors were not permitted to board vessels on Thursday and this may have affected the composition of the crowd on this day.

July 17th, 18th and 19th generated more than 50% percent of the completed surveys.

(Footnote) 4.

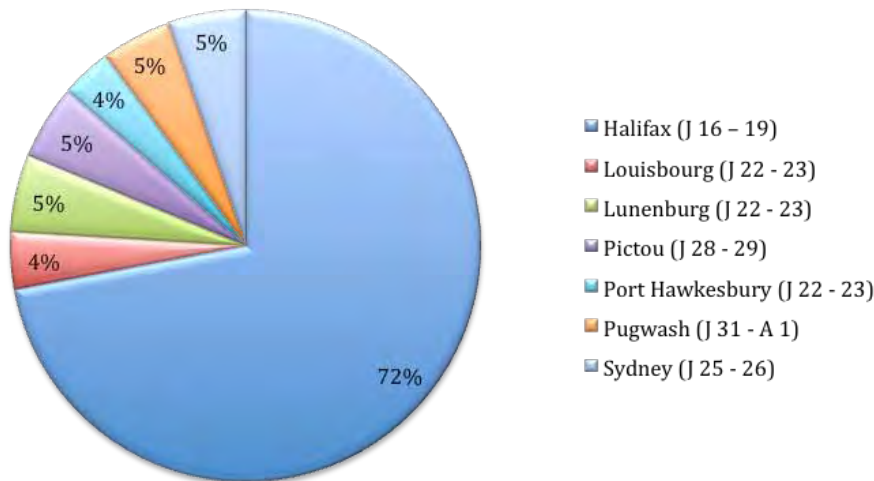
The number of survey participants responding to each questions may vary, as not all respondents surveyed (1,580) answered every question. The sample completing the question is provided using the notation “n=” and the number show is the number of survey participants who responded to that particular question.

The sample target for Halifax was set at 1,000, increased from 600 as originally scoped. This was based on a requirement among Tall Ships public sector funders that the measurement and evaluation team have sufficient data to stratify the sample based on visitor origin and trip motivation, among other characteristics. Using information from the 2007 intercept survey, a sample of 1,000 would ensure there would be a sufficiently-sized group of non-Nova Scotian (non-NS) visitors within the 2009 sample.

A similar need drove the sampled target for the Outports, setting a goal of 670 completed surveys for all the participating Outports, up from 400 surveys as originally proposed.

Figure 2 provides a summary of the number of completed surveys by Tall Ships Port.

Port where survey was completed? n=1,580



(Left) Figure 2:
Ports Where Surveys
Were Completed

While the Outport sample is large enough to provide statistically significant results for the entire Outport portion of the Tall Ships 2009 event, the data are not sufficient to provide analysis of the experiences of individual Outports. There are too few observations in individual Outports for a port-by-port analysis.

Table 1 provides a summary of the port-by-port sample targets and the actual number of completed surveys returned to the measurement and evaluation team.

Outport Name	Target Sample	Actual Sample	Variance
Lunenburg	89	62	-30.3%
Pugwash	74	76	2.7%
Louisbourg	60	62	3.3%
Pictou	74	81	9.5%
Sydney	313	84	-73.2%
Port Hawkesbury	60	55	-8.3%
Total Surveys	670	420	-37.3%

A significant outreach effort preceded the engagement of Outports in the survey process. This included two in-person training sessions (one was held in Halifax, the other in Pictou), information on surveying and a telephone training session for those unable to participate during the two in-person training sessions.

Pugwash, Louisbourg and Pictou achieved and surpassed their survey targets to support the measurement and evaluation of Tall Ships 2009.

Port Hawkesbury was slightly below their target sample, while Lunenburg and Sydney were significantly below their targets. Because of this, the Outports generated nearly 40 percent fewer surveys than had been targeted.

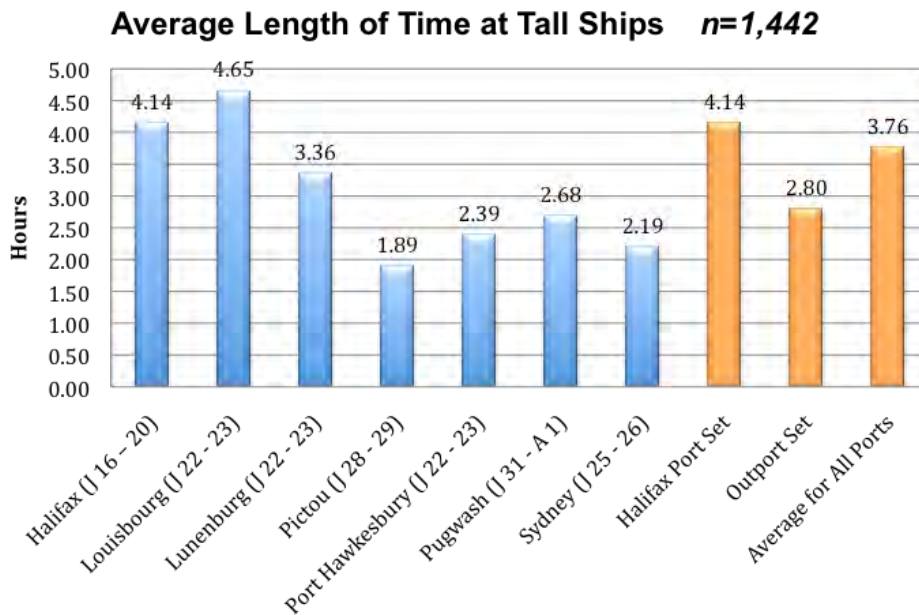


2.1 Time Spent at Tall Ships

Question 1 of the survey asked: **How much time do you expect to spend on the waterfront TODAY in relation to the Tall Ships?**

Province wide, 1,442 survey participants responded to this question and indicated they tended to spend 3.76 hours per day at the Tall Ships (3.51 for 2007).

The average length of time spent at the Tall Ships event per day, per port and per survey set (Halifax Port Set, Outport Set and the All Ports Set – which is the Outport and Halifax Port Sets combined) is presented in **Figure 3**.



(Left) Figure 3:
Average Length of Time
at Tall Ships (time at the
waterfront)

Figure 3 presents the average duration of Tall Ships visits in each data set (Halifax Port Set, Outport Set, and All Ports Set).

The provincial average (All Ports), Halifax Port and Outport sets are shown in orange. The average length of stay at all ports was 3.76 hours. The average duration of daily visits in Halifax was slightly higher at 4.14 hours (3.92 hours in 2007).



2.2 Visiting Tall Ships

Intercept survey participants were asked a two-part question on their planned visits to Tall Ships:

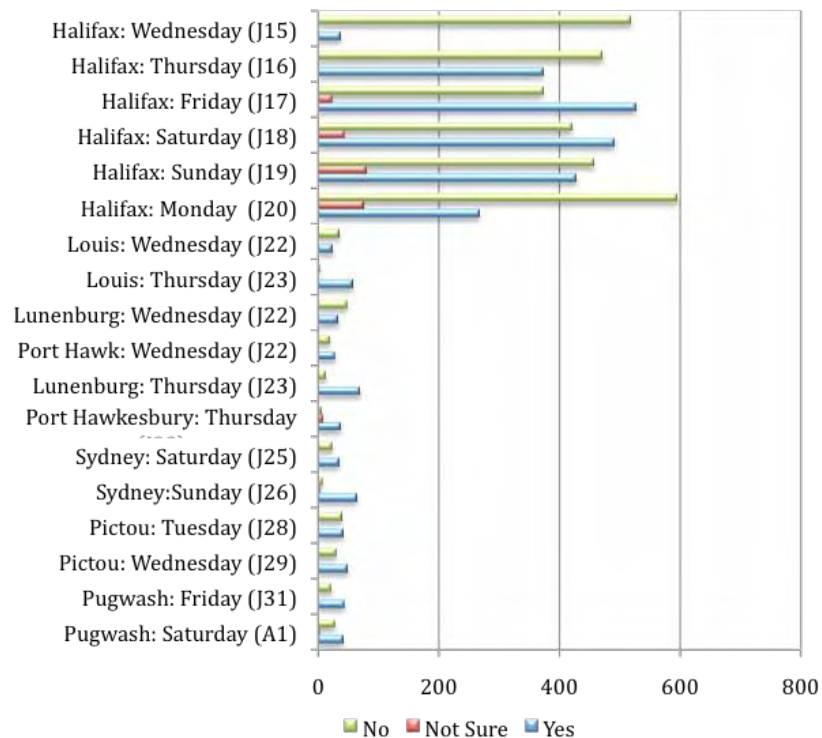
- » On what days did they visit or plan to visit the Tall Ships?
- » How many trips each day did they make or expect to make to the waterfront to see the Tall Ships?

These questions were asked to help assess the number of times a unique person was likely to have visited Tall Ships Nova Scotia Festival 2009.

2.2.1 Planned or Intended Visits To Tall Ships

The number of people who “visited or planned to visit” the Tall Ships each day is presented in **Figure 4**.

Did you visit or do you plan to visit the Tall Ships on the following days? n=1,541



(Right) Figure 4:

Days Visited or Days
Planned to Visit the Tall
Ships



Based on the reported intentions of 1,541 respondents, one would expect Friday, July 17th in Halifax to have been the busiest single day for Tall Ships Nova Scotia Festival 2009. Observations made by Police on crowd flows and crowd density (and those of waterfront Development Corporation Limited) confirm this was indeed a busy day. However, Sunday appears to be the busiest day based on preliminary crowd counts. We suspect weather impacted plans. Friday turned out to be rainy and Sunday was a spectacularly warm, sunny day (30 degrees C) in downtown Halifax.



Photo: WDCL

2.2.2 Trips to the Waterfront

On average, survey participants indicated they visited or planned to visit the Tall Ships event 2.04 times (up from 1.7 times in 2007).

Canadians from outside Atlantic Canada were the most likely to make repeat trips to the waterfronts, followed by visitors from the United States (US) and international visitors. The frequency of repeat trips to the waterfronts in 2009 is presented in **Figure 5**.

(Right) Figure 5:
Average Number of
Trips to Waterfront, by
Visitor Origin

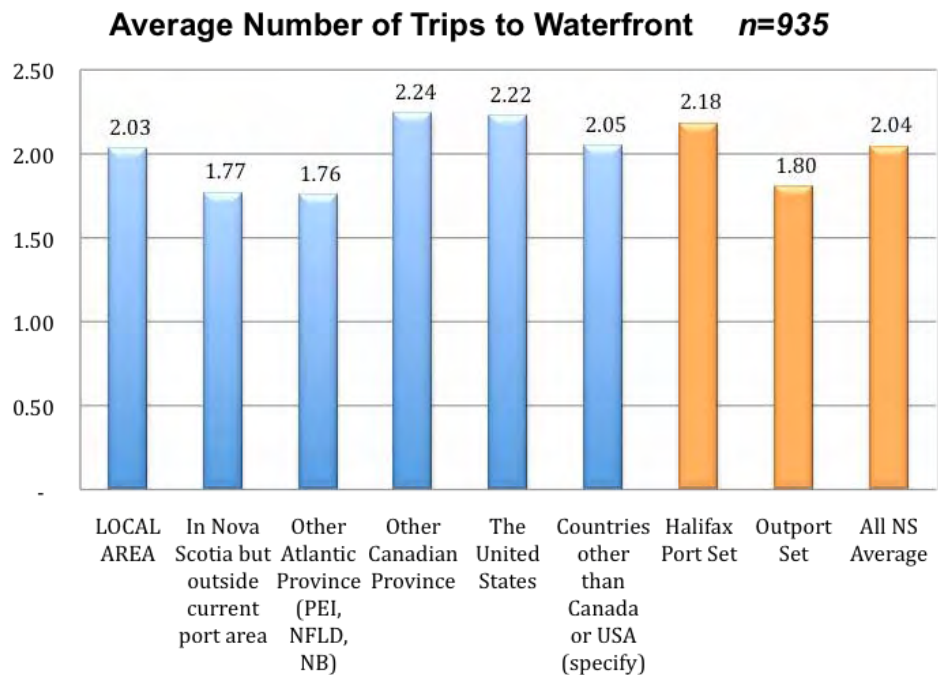




Photo: WDCL

In 2007 international visitors were the most likely to be repeat visitors, followed by visitors from Canadian Provinces outside of Atlantic Canada, visitors from the United States (US), and visitors from the host port (local). In 2009, Canadian visitors from outside Atlantic Canada made more trips to the waterfront (2.24), followed by visitors from the United States (2.22) and international visitors (2.05). International visitors made roughly the same number of trips to the waterfront as visitors from the local area (2.03).

The average number of visits (or planned visits) per person to the Halifax Tall Ships Event was 2.18 times (1.75 in 2007), while visitors to the Outports portion of Tall Ships 2009 events had visited or planned to visit the Tall Ships event 1.8 times (1.5 times in 2007).

Table 2 – Average Number of Visits to Tall Ships Event, by Visitor Origin

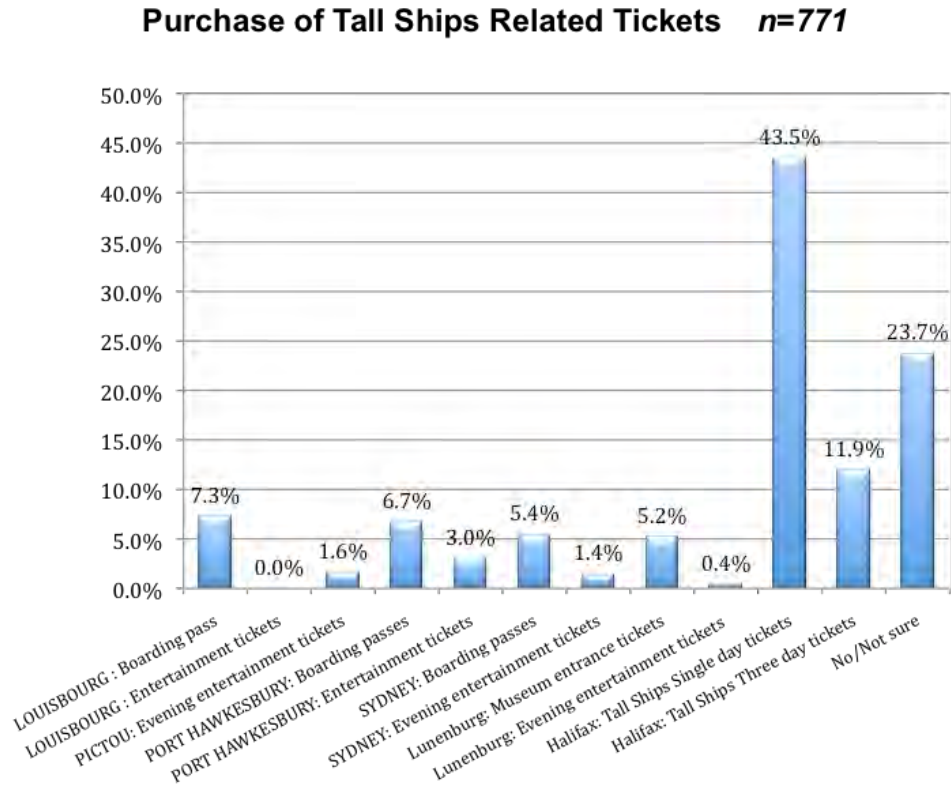
Visitor Origin	Average Visits Per Person
Local	2.03
In Nova Scotia but outside LOCAL AREA	1.77
Other Atlantic Province (PEI, NFLD, NB)	1.76
Other Canadian Province	2.24
The United States	2.22
International	2.05
All Origin Average	2.04

Table 2 provides a summary of average number of times Tall Ships’ attendees visited the waterfront. The Provincial average number of Tall Ships’ visits was 2.04 per person.

2.3 Ticket Purchases

There was a variety of ticket options available across Tall Ships Ports (Figure 6).

(Right) Figure 6:
Tall Ships Ticket
Purchases



In all, 771 survey respondents purchased or intended to purchase a total of 1,878 tickets.

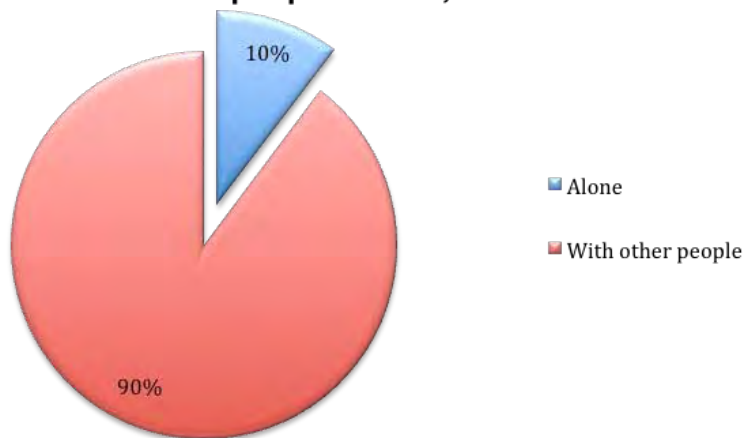


2.4 Party Size and Composition

Tall Ships visitors were asked about their party composition and size.

The majority of those surveyed indicated they came to the Tall Ships with others (90 percent – see **Figure 7**).

Did you come to the Tall Ships today alone or with other people? n=1,539



(Left) Figure 7:
Tendency to Travel
in Parties 2009

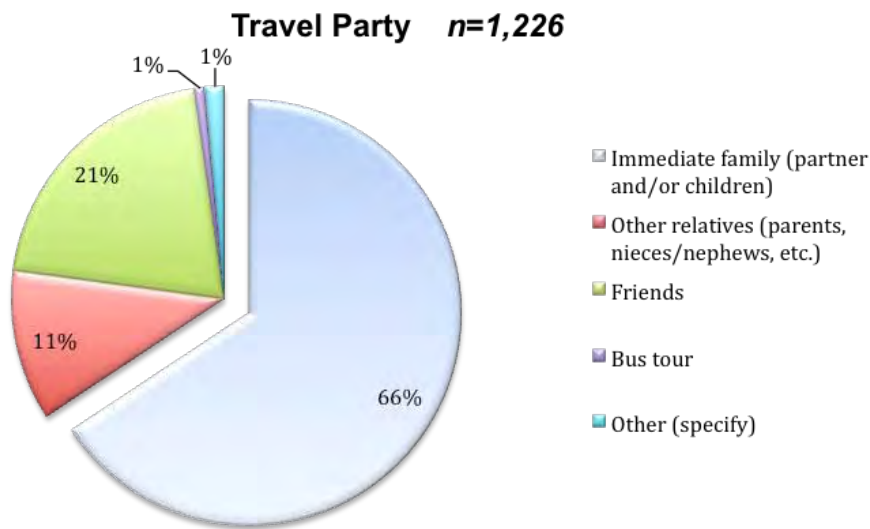
When a 'group' was indicated, survey participants were asked to describe the composition of the group with whom they were travelling. **Table 3** summarizes the responses.

Party Type	Average Party Size		
	Halifax Port	Out-ports	NS Average
Alone	1	1	1
Average of Immediate family	3.6	3.6	3.6
Average of Other relatives	5.9	4.7	5.5
Average of Friends	4.3	4.2	4.2
Average of Bus tour	37.4		37.4
Average of Other Party (specify)	3.8	3.5	3.7
Average Party Type by Survey Set	3.8	3.5	3.7



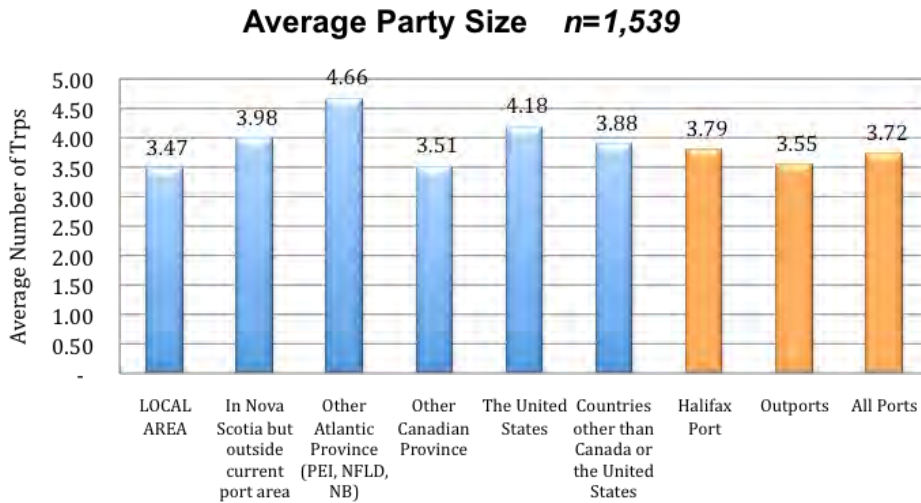
Figure 8 shows the composition of Tall Ships travel parties, with 66% attending with their immediate family, followed by friends (21%) and other relatives (11%).

(Right) Figure 8:
Percent of Parties by
Travel Party Type



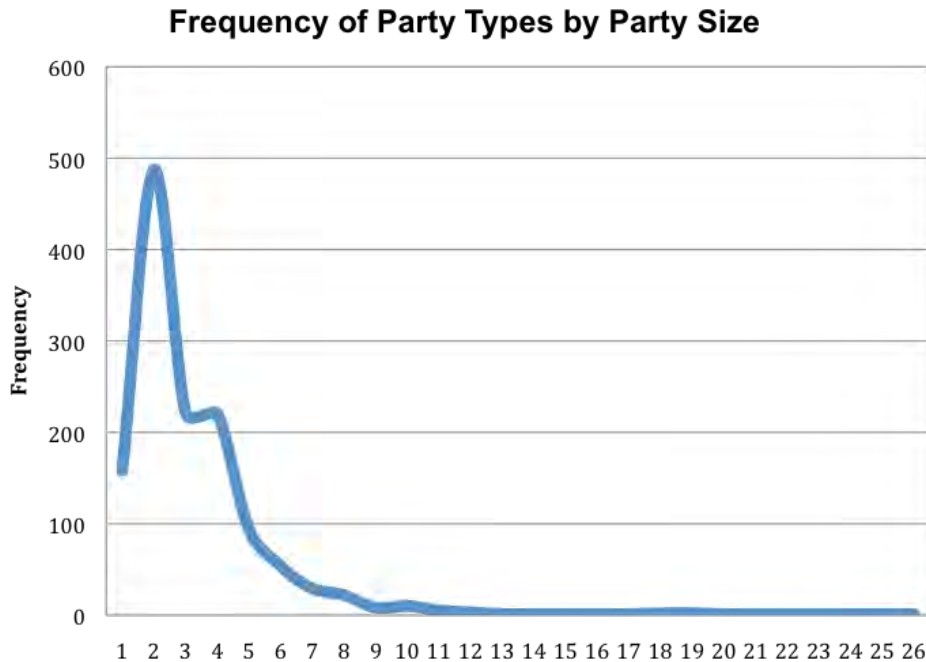
The average party size at the Halifax Port was 3.79 people (3.14 people in 2007). The average Outport party size was 3.55 (2.8 in 2007). The average party size was 3.72 people (3.05 in 2007) across all Tall Ships Ports in 2009.

Including those who came alone, a total of 1,539 respondents provided details on their party composition, with responses presented graphically, by party origin, in **Figures 8 and 9**.



(Left) Figure 9:
Average Party Size, by
Visitor Origin

Figure 10 plots the frequency of occurrences of various party sizes for all of Nova Scotia.



(Left) Figure 10:
Frequency of Party Size

The breakdown of 2009 party sizes is as follows:

- » Alone: 12% (13.0% in 2007)⁵
- » Two person party: 37% (28.6% in 2007)
- » Three person party: 17% (9.7% in 2007)
- » Four person party: 17% (11.5% in 2007)
- » More than four persons in the party: 18% (37.2% in 2007)

In total, 1,328 individuals responding to the survey represented over 4,500 people.

(Footnote) 5.

This figure differs from the 10% reported in the previous question due to respondents skipping the question and, therefore, different sample sizes for each question.



Photo: WDCL

Open-ended comments provided on party composition reflected the following party group combination, with people visiting with/as:

- » Guardians minding young children(babysitting)
- » Clients
- » Cruise from NY, planned stop
- » Group from adult residence for disabled/group home
- » Scout group (2)
- » Senior citizens group
- » Staff/workers (3)
- » Tour group

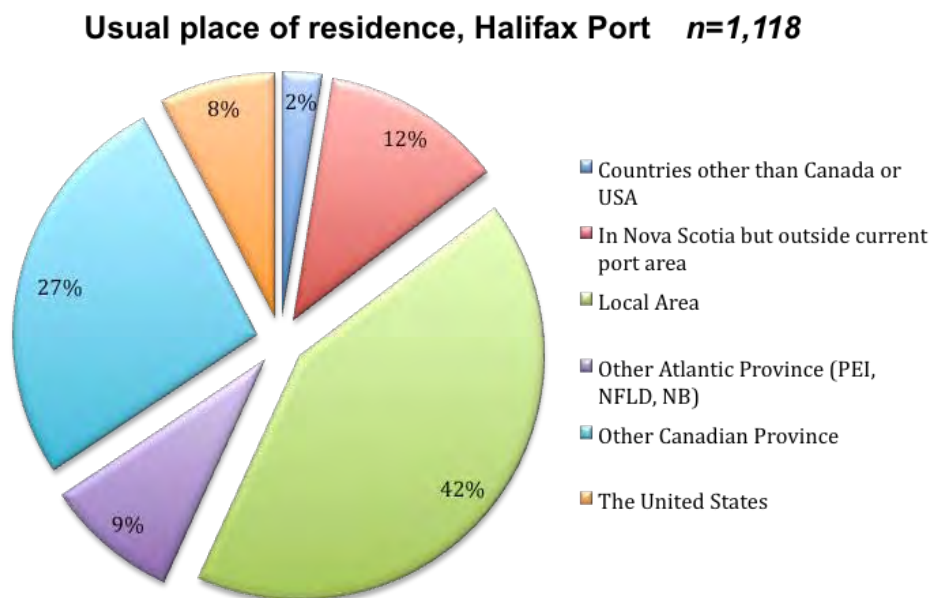
2.5 Origin of Survey Participant

The origin of survey participants is presented below, in **Figure 11**, for Halifax Port, **Figure 12** for the Outports and **Figure 13** for Nova Scotia (Halifax Port and the Outports combined).

2.5.1 Halifax Port Survey Set

The largest share (42 percent) of Tall Ships attendees at the Halifax event self-identified as local (51 percent in 2007). The majority of 2009 respondents, however, were from outside the local area (58 percent).

The distribution of visitors by usual place of residence is shown in **Figure 11**.



(Left) Figure 11:
Halifax Port Tall Ships
Participants by Origin

Of the 1,118 respondents (48.56 percent) at Halifax Port who answered this question and indicated they were not from the local area, 416 provided information on their origins, which breakdown as follows:

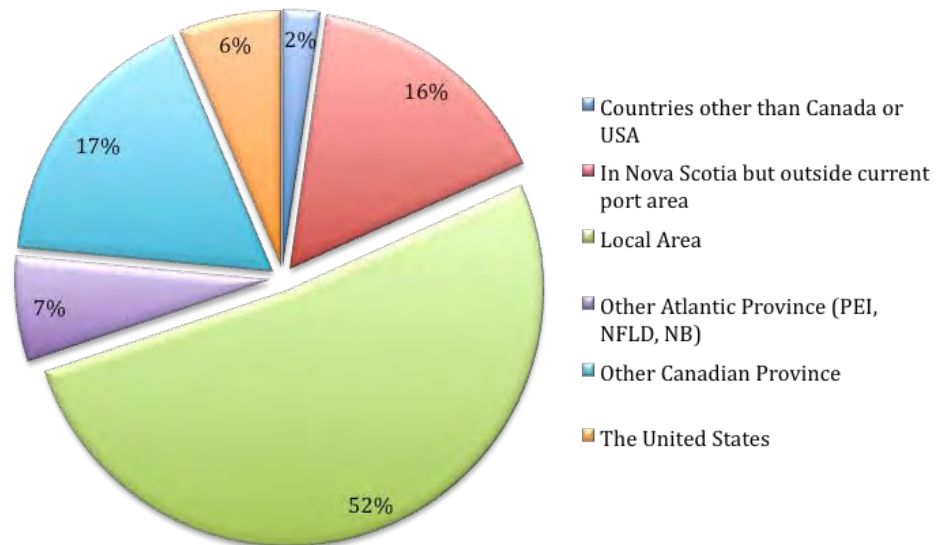
- » In Nova Scotia but outside the local area – 12% (12.20% in 2007)
- » Other Atlantic Province (PEI, NFLD, NB) – 9% (6.87% in 2007)
- » Other Canadian Province – 27% (19.07% in 2007)
- » The United States – 8% (7.87% in 2007)
- » Countries other than Canada or USA (specify) – 2% (2.55% in 2007)

2.6 Outport Survey Set

Participants at the Outports (**Figure 12**) were more likely to be from the local area, 52 percent, compared to 42 percent in Halifax Port. In 2007, 67 percent were from the local area in the Outports.

Usual place of residence, Outports n=438

(Right) Figure 12:
Outport Tall Ships
Participants by Origin



Outport respondents indicated they were from:

- » Local Area – 52%
- » In Nova Scotia but outside local area – 16%
- » Other Atlantic Provinces (PEI, NFLD, NB) – 7%
- » Other Canadian Provinces – 17%
- » The United States – 6%
- » Countries other than Canada or USA – 2%

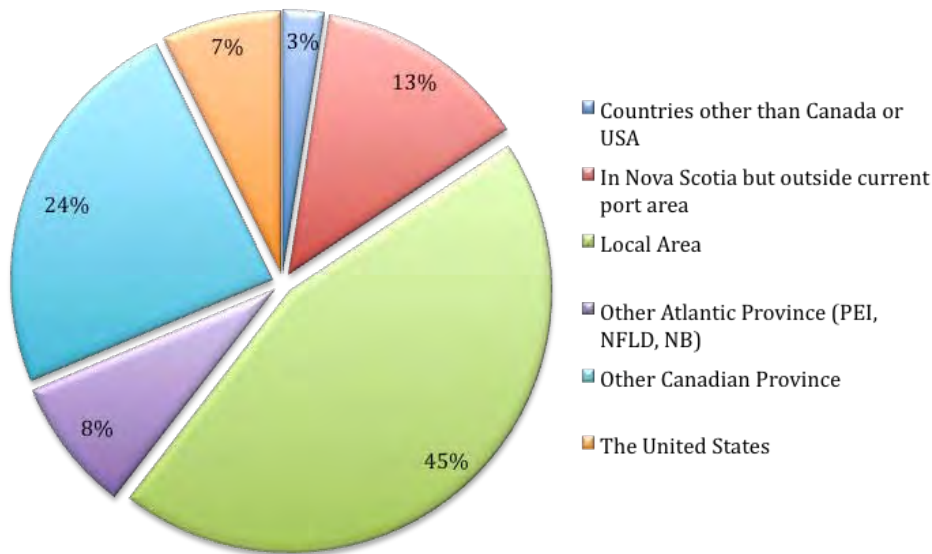
2.6.1 Outport and Halifax Port Combined (NS Survey Set)

Figure 13 presents a summary of the origin of all visitors to the Nova Scotia Tall Ships 2009 Festival.



Photo: WDCL

Usual place of residence, All Ports n=1,556



(Left) Figure 13:
Visitor Origin, Tall Ships
Nova Scotia Festival
2009 – All Ports

Based on all ports, Tall Ships Survey Participants were from:

- » Local Area – 45%
- » In Nova Scotia but outside local area – 13%
- » Other Atlantic Provinces (PEI, NFLD, NB) – 8%
- » Other Canadian Provinces – 24%
- » The United States – 7%
- » Countries other than Canada or USA – 3%

2.7 Daily Expenditure in Relation to Tall Ships

All local visitors were asked to provide their planned or expected expenditure in relation to their visit to Tall Ships during the day on which they were surveyed⁶. **Table 4** provides a summary of the 666 responses provided for 2009 and a comparison to the 693 responses from 2007.

Data	Halifax Port	Outports	Nova Scotia
2007 - Number reporting	452	241	693
2007 - Average Tall Ships Daily Spending per Local visitor	\$46.60	\$19.77	\$37.27
2009 - Number reporting	454	212	666
2009 - Average Tall Ships Daily Spending per Local visitor	\$47.77	\$57.24	\$50.78

(Footnote) 6.

Non-local residents were also asked this question; however, this value is assumed to be included in the sum of expenses they provided in relation to their travel in NS.

In 2007, average local spending was \$46.60 per Halifax Port visitor, \$19.77 per Outport visitor, and \$37.27 overall. These values were higher in 2009 with overall NS local spending averaging \$50.78 for Tall Ships 2009.

The increase over 2007 in daily expenditures is attributed to a number of individuals who indicated they spent more than \$200 during their trip to the waterfront. The daily expenditure in 2007 ranged between \$0 and \$600. In 2009 the range was \$0 to \$1,200.





Photo: WDCL

2.8 Tall Ships & Motivation to Visit Waterfront

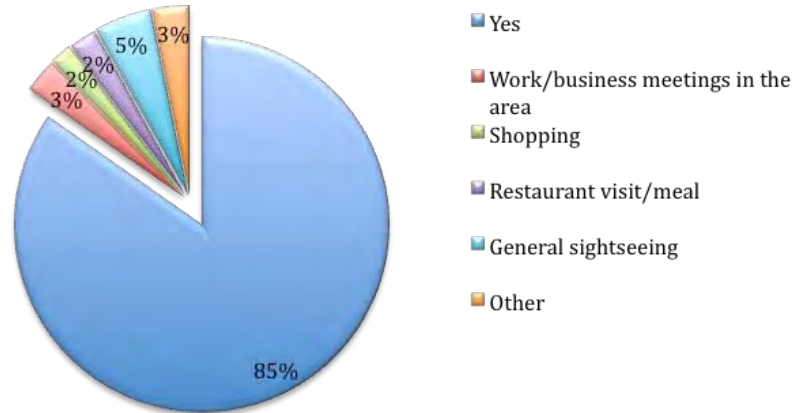
Survey participants were asked: **Did you come to the waterfront today specifically to attend the Tall Ships event?**

Figures 14, 15 and 16 provide the distribution of responses for the Halifax Port, Outports and all of Nova Scotia, respectively.

Did you come to the waterfront today specifically to attend the Tall Ships event? *n=472, Halifax*

(Right) Figure 14:

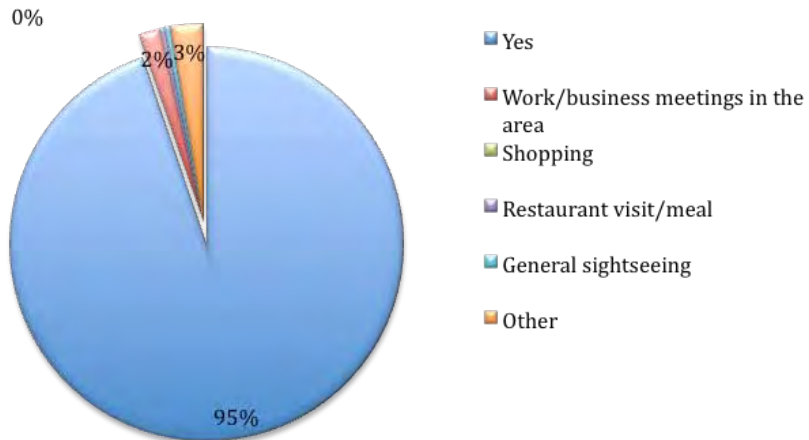
Motivation of Tall Ships
to Day Visit Waterfront –
Halifax Port



Did you come to the waterfront today specifically to attend the Tall Ships event? *n=216, Outports*

(Right) Figure 15:

Motivation of Tall Ships
to Day Visit Waterfront
– Outport



Did you come to the waterfront today specifically to attend the Tall Ships event? *n=700, All NS*

(Right) Figure 16:

Motivation of Tall Ships
to Day Visit Waterfront
– All Ports

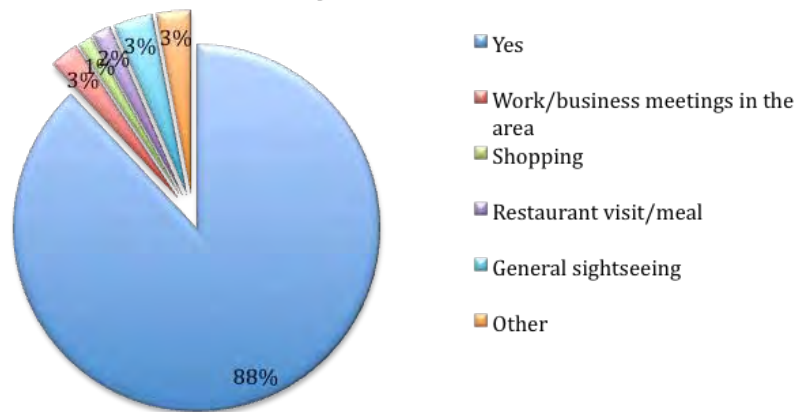




Photo: WDCL

Table 5 – Day Visit and Motivation (All Attendees)

Was Tall Ships the Reason for you being in....	Halifax Port	Outports	Grand Total
Yes...	400	216	616
Work/business meetings in the area	14	4	18
Shopping	9		9
Restaurant visit/meal	11	1	12
General sightseeing	23	1	24
Other	15	6	21
Total Responses	472	228	700

The Tall Ships festival was the reason for the majority of visits to the waterfronts among those survey participants responding to this question. It was the reason for 85 percent (87 percent in 2007) of the Halifax Port visitors and 95 percent (90 percent in 2007) of the Outports Tall Ships visitors to the waterfront.

Overall, Tall Ships was the reason for 88 percent (88 percent in 2007) of all surveyed visitors to the waterfront during Tall Ships Nova Scotia 2009.

Respondents identified other main reasons including:

- » Work/business meetings in the area – 3%
- » Shopping – 1%
- » Restaurant visit/meal – 2%
- » General sightseeing – 3%
- » Other – 3%

2.9 Tall Ships & Motivation for Travel in NS

The intercept survey asked about the role of *Tall Ships Nova Scotia 2009* in motivating non-local people to travel in Nova Scotia as follows:

Q8: How important was Tall Ships in your decision to travel in Nova Scotia in July/ August 2009? 0 indicates “no influence” and 10 indicates “Tall Ships is the only reason for your travel in Nova Scotia”.

Table 6 shows, for nearly 50 percent of the respondents, Tall Ships was more than 50 percent of the reason they choose to travel in Nova Scotia. For 34.1 percent of the respondents, Tall Ships was *the reason* they were travelling in Nova Scotia.

Importance of Tall Ships	Halifax Port (n=614)	Outports (n=203)	All NS Ports (n=817)
0 - No Importance	17%	24%	19%
1	4%	2%	4%
2	3%	3%	3%
3	3%	3%	3%
4	2%	4%	2%
5	5%	6%	5%
6	4%	7%	5%
7	6%	6%	6%
8	9%	10%	9%
9	6%	5%	6%
10 – “Reason We Are Here”	41%	30%	38%
Grand Total	100%	100%	100%
Percent of Respondents reporting Tall Ships was 50% or more of the reason for their travel in NS	67%	57%	64%

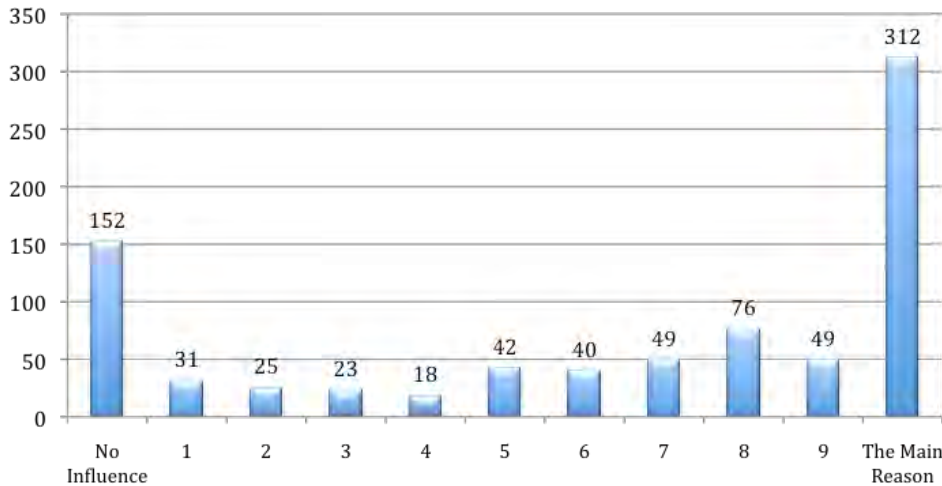
In 2009, the average ‘motivation’ indicated by nonlocal (outside the port area) visitors to the:

- » Halifax Port was just under 67% (54% in 2007), meaning Tall Ships Nova Scotia 2009 was, on average, nearly 67% of the reason for their travel in Nova Scotia for 50% of those surveyed in Halifax
- » 57% of Outports survey participants said that Tall Ships was 50% or more of the reason they travelled to Nova Scotia (46% in 2007)
- » Province wide, Tall Ships Nova Scotia 2009 was 64% (52% in 2007) of the reason for travel in Nova Scotia by non-local Tall Ships attendees

When considering only non-Nova Scotian Tall Ships' attendees surveyed in 2009 (637 visitors responding to the motivation question), the Tall Ships festival was 65 percent (47.94 percent in 2007) of their reason for travel in the province.

Figure 17 provides more detail on the range in the extent to which Tall Ships Nova Scotia 2009 motivated non-local attendees to travel in Nova Scotia where, for 312/817 (38%) of visitors Tall Ships was the main reason for travel in Nova Scotia.

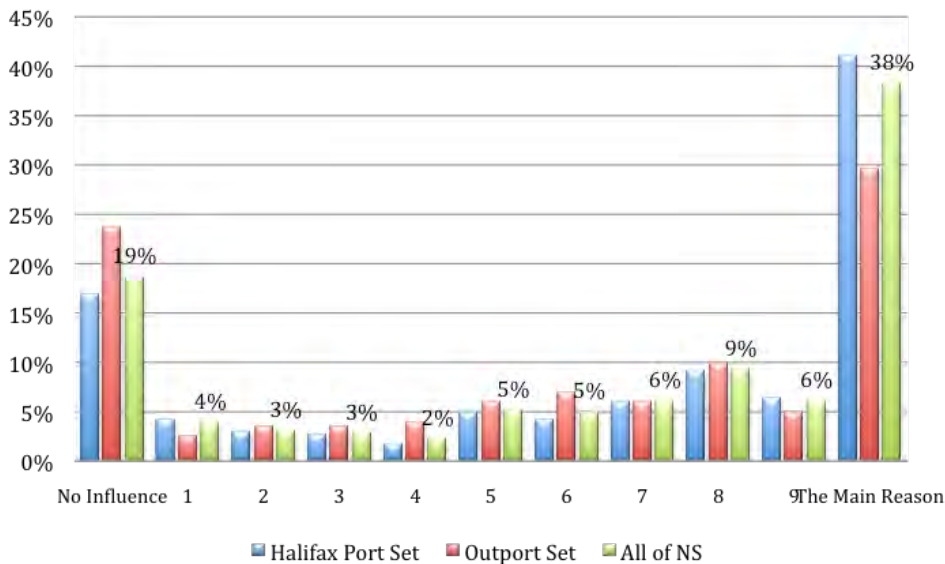
Tall Ships Motivation for Travel in NS n=817



(Left) Figure 17:
Role of Tall Ships in
Motivating Travel to NS,
All Ports

The effective motivation of Tall Ships on NS travel for each set (Halifax Port Set, Outports Set and NS) is shown in **Figure 18**.

Tall Ships Motivation for Travel in NS n=817



(Left) Figure 18:
Role of Tall Ships in
Motivating Travel to NS
by Survey Set



Table 7 describes the level of importance of Tall Ships in motivating travellers by traveller origin. Attendees who were from Nova Scotia (but outside the local area) and those travellers from other Atlantic Provinces were mostly likely to say that Tall Ships was “The reason we are here” (54 percent and 54 percent respectively).

Table 7 – Motivation of Tall Ships in Causing Travel in NS, n=817

	Nova Scotia but outside Local Area	Other Atlantic Province	Other Canadian Province	United States	International	Overall
0 - No Importance	6%	11%	25%	22%	40%	19%
1	1%	2%	5%	7%	6%	4%
2	2%	1%	4%	6%	6%	3%
3	2%	2%	4%	2%	0%	3%
4	2%	1%	3%	1%	6%	2%
5	5%	5%	5%	7%	3%	5%
6	6%	4%	5%	7%	3%	5%
7	3%	7%	7%	7%	6%	6%
8	14%	8%	7%	10%	9%	9%
9	6%	5%	7%	6%	3%	6%
10 - The Reason We Are Here	54%	54%	30%	27%	20%	38%
Percent of Respondents reporting Tall Ships was 50% or more of the reason for their travel in NS	82%	78%	55%	56%	40%	64%

International travellers and US travellers were least likely to identify Tall Ships as “The Reason” for their travel in NS (20 percent) and, conversely, more likely to indicate Tall Ships was less important in motivating their trip to NS (40 percent)



Photo: WDCL

Among the out-of-province points of origin, Tall Ships was the number one reason for travel to NS for:

- » 54% for those from Other Atlantic Province
- » 30% for those from Other Canadian Province
- » 27% for travellers from the United States
- » 20% for travel among International travelers

The Tall Ships Festival was the number one reason for travel for 38 percent, non-Nova Scotian Tall Ships attendees.

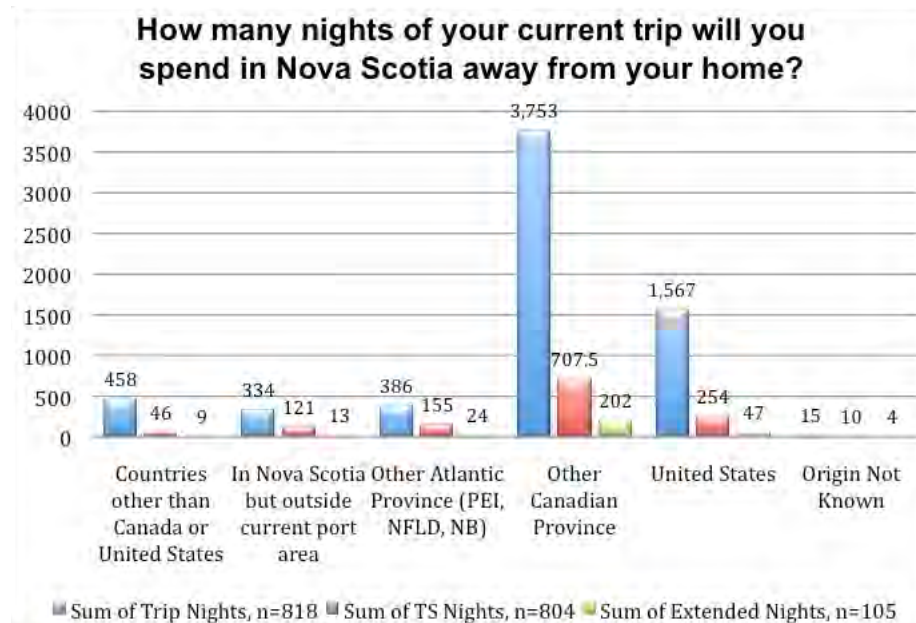


2.10 Travel Nights in Nova Scotia

Question 9 asked survey participants “How many nights of your current trip will you spend in Nova Scotia away from your home?” and “How many of these nights in NS are because of the Tall Ships event?”

Figure 19 presents the summary of total nights stayed from all survey participants (all NS, Halifax Port Set and Outports Set) by visitor origin.

(Right) Figure 19:
Nights Stayed in NS,
by Visitor Origin



Survey participants indicated they had planned to stay in NS 6,515 nights (818 people answered this question) and that 1,296 were allocated to attending Tall Ships.

2.11 Extended Nights

Survey participants were asked “Did you extend your travel in Nova Scotia because of the Tall Ships event?” About 15 percent, or 120 respondents (10.3 percent or 54 respondents in 2007), indicated they did extend their stay (Figure 20).

Only 105 gave a specific number of days, saying they intended to stay a combined 299 additional nights in NS due to the influence of Tall Ships Nova 2009.

The 299 extended nights describe the extent to which survey respondents either reallocated or increased their travel time budget, due to the influence of Tall Ships, to spend more nights in NS than they originally anticipated. (The extended nights are included in the 1,296 Tall Ships nights given above).

Table 8 provides a summary of information provided by survey participants on the number of nights they stayed in Nova Scotia, in relation to Tall Ships, and the number of extended nights due to Tall Ships.

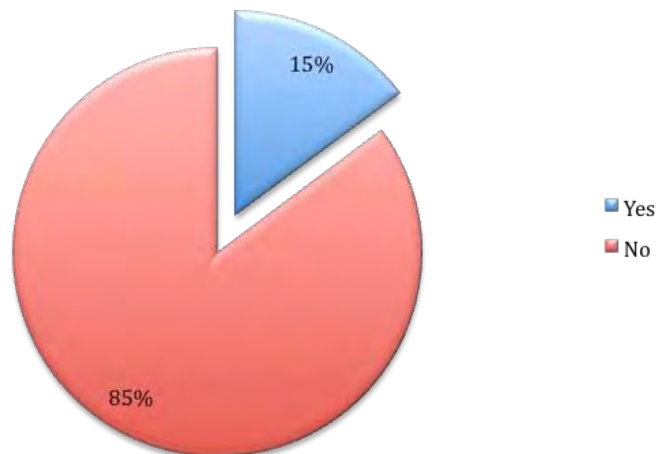
Table 8 – Nights in NS, by Visitor Origin and Survey Set n=499			
Nova Scotia Nights, n=818	Halifax Port	Outports	All NS
Countries other than Canada or USA (specify)	252	206	458
In Nova Scotia but outside current port area	195	139	334
Other Atlantic Province (PEI, NFLD, NB)	227	159	386
Other Canadian Province	2722	1031	3753
United States	889	678	1567
Unknown Origin	15		15
Total Nova Scotia Nights	4300	2213	6513
Tall Ship Nights, n=804			
In Nova Scotia but outside Local Area	40	6	46
Other Atlantic Province (PEI, NFLD, NB)	75	46	121
Other Canadian Province	130	25	155
United States	643.5	64	707.5
International	217	37	254
Unknown Origin	10		10
Total Tall Ships Nights	1115.5	178	1293.5
Extended Nights, n=105			
In Nova Scotia but outside Local Area	9		9
Other Atlantic Province (PEI, NFLD, NB)	6	7	13
Other Canadian Province	14	10	24
United States	183	19	202
International	39	8	47
Unknown Origin	4		4
Total Tall Ships Nights	255	44	299



Photo: WDCL

Figure 20 shows the probability that survey participants extended the number of nights stayed because of Tall Ships. Of 812 respondents to this question, 15% indicated they did extend the number of nights they stayed in Nova Scotia. The total number of nights survey participants attributed to Tall Ships was 1,294. Of these, 299 were nights of extended stay due to Tall Ships (included in the 1,294).

Did you extend your travel in Nova Scotia because of Tall Ships event? $n=812$



(Right) Figure 20:
Probability of Tall Ships
Extending Visitor Stays



2.12 Total Expenditures Estimates

Question 11 was the first of two similar questions designed to address the trip expenditures of non-local visitors to Tall Ships Ports. Non-local Tall Ships attendees were asked:

“In total, how much do you estimate you (including all members of a group) will spend in Nova Scotia during this trip [in Canadian currency]?”

A total of 72 survey participants provided expenditure data, indicating an overall average anticipated per party expenditure of **\$1,433.71** per trip to Nova Scotia (this was \$1,266.78 in 2007).

The average total trip spending by origin was as follows:

- » \$412.67 – In Nova Scotia but outside local area (\$256.91 in 2007)
- » \$622.83 – Other Atlantic Province (PEI, NFLD, NB) (\$675.58 in 2007)
- » \$1,841.72 – Other Canadian Province (\$1,787.95 in 2007)
- » \$2,416.93 – United States (\$1,973.75 in 2007)
- » \$ 2,920.65 – International (\$1,700.00 in 2007)

The average total expenditure for only out of province travellers (non-Nova Scotians) was **\$1,736.96** (this was \$1,620.83 in 2007) per party trip, as reported by 591 (320 in 2007) respondents.⁷

(Footnote) 7.

Excludes survey responses where the participant’s origin was not specified.

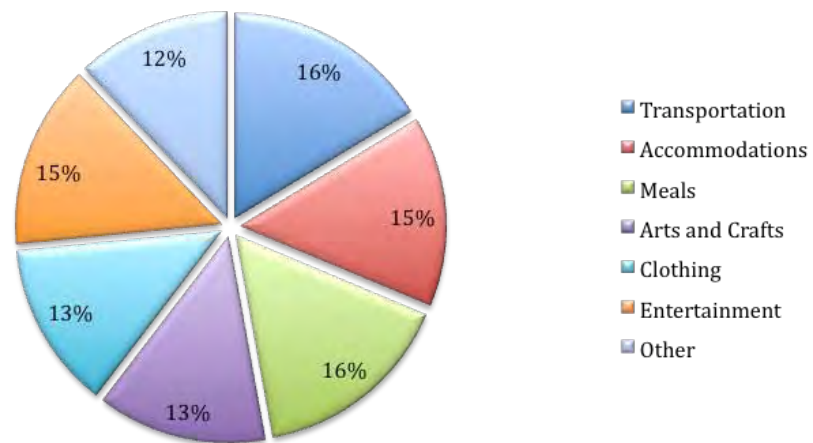


2.13 Detailed Expenditures Estimates

Question 12, the second trip expenditure question, asked the survey participants for more detailed information about NS trip related spending. **Figure 21** presents the spending by category.

Spending by categories n=781

(Right) Figure 21:
Spending by Category
of Expenditure



A summary of 2009 spending is provided in **Table 9** and 2007 spending is summarized in **Table 10**.

Survey participants from outside Nova Scotia area and travelling in NS spent an average of \$1,736.97 to \$1,803.42 per party while travelling in NS.

The per party expenditure for the Halifax Port survey participants was slightly lower than the average for the Outport survey participants (\$1,638.95 to \$1,750.66 for Halifax compared to \$2,084.16 to \$2,006.34 for Outports). A total of 595 observations provided usable data.

Table 9 – Non Nova Scotian Resident Spending per Party by Type of Expenses, n=595

Spending Type	Halifax Port	Outports	Grand Total
Average of Transportation	\$651.23	\$656.43	\$652.32
Average of Accommodations	\$523.18	\$500.71	\$518.66
Average of Meals	\$406.96	\$584.88	\$444.99
Average of Arts and Crafts	\$92.91	\$105.34	\$95.51
Average of Clothing	\$74.84	\$77.28	\$75.34
Average of Entertainment	\$103.05	\$160.18	\$115.50
Average of Other	\$22.74	\$43.75	\$26.86
Average of Total Spending in NS (Given)	\$1,638.95	\$2,084.16	\$1,736.97
Average of Calculated Spending	\$1,750.66	\$2,006.34	\$1,803.42
Average of Party Size	3.98	3.52	3.88

Table 10 – Total Non-Nova Scotian Resident Spending in 2007, by Survey Set, n=352 (2007)

Spending Type	Halifax Port	Outports	Grand Total
Average Sum of Spending (Given)	\$1,617.89	\$1,640.85	\$1,620.83
Average Sum of Spending (Calculated)	\$1,996.01	\$1,956.57	\$1,990.97

Table 11 provides spending averages (calculated based on category details and lump sums provide) for all Tall Ships Visitors excluding local visitors.

Table 11 – Spending by Port Set, by Origin (Excludes "Local" Visitors)

Residence	Spending Category	HRM Port Set	Outport Set	Grand Total
Countries other than Canada or USA	Number of responses	24	7	31
	Average of Total Spending	\$3,349.58	\$1,450.00	\$2,920.65
	Average of Calculated Spending	\$2,672.75	\$1,527.14	\$2,414.06
	Average of Party Size	3.62	5.00	3.88
In Nova Scotia but outside current port area	Number of responses	113	63	176
	Average of Total Spending	\$406.63	\$423.49	\$412.67
	Average of Calculated Spending	\$383.06	\$429.38	\$398.59
	Average of Party Size	4.11	3.63	3.98
Other Atlantic Province (PEI, NFLD, NB)	Number of responses	93	29	122
	Average of Total Spending	\$652.80	\$526.72	\$622.83
	Average of Calculated Spending	\$622.78	\$535.18	\$602.84
	Average of Party Size	5.09	3.43	4.66
Other Canadian Province	Number of responses	269	68	337
	Average of Total Spending	\$1,813.35	\$1,953.97	\$1,841.72
	Average of Calculated Spending	\$1,978.17	\$2,030.47	\$1,988.07
	Average of Party Size	3.49	3.55	3.51
United States	Number of responses	74	27	101
	Average of Total Spending	\$1,748.38	\$4,249.26	\$2,416.93
	Average of Calculated Spending	\$2,114.84	\$3,726.44	\$2,502.24
	Average of Party Size	4.50	3.18	4.18
Origin not known	Number of responses	4	0	4
	Average of Total Spending	\$550.00	N/A	\$550.00
	Average of Calculated Spending	\$533.20	N/A	\$533.20
	Average of Party Size	2.67	N/A	2.67
Number Reporting Total Spending, All NS		577	194	771
Average of Total Spending, All NS		\$1,397.61	\$1,544.87	\$1,434.66
Average of Calculated Spend, All NS		\$1,477.60	\$1,492.11	\$1,481.03
Total Average of Party Size, All NS		4.01	3.55	3.90

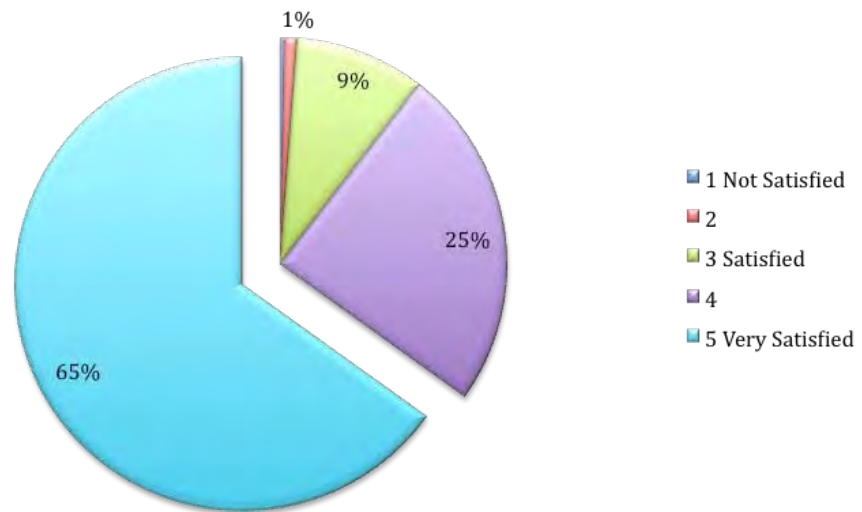


Photo: WDCL

2.14 Overall Satisfaction with Tall Ships

Survey participants were overwhelmingly satisfied with their experiences at the Nova Scotia Tall Ships 2009, as shown in **Figure 22**.

How satisfied are you with Tall Ships? *n*=1,531



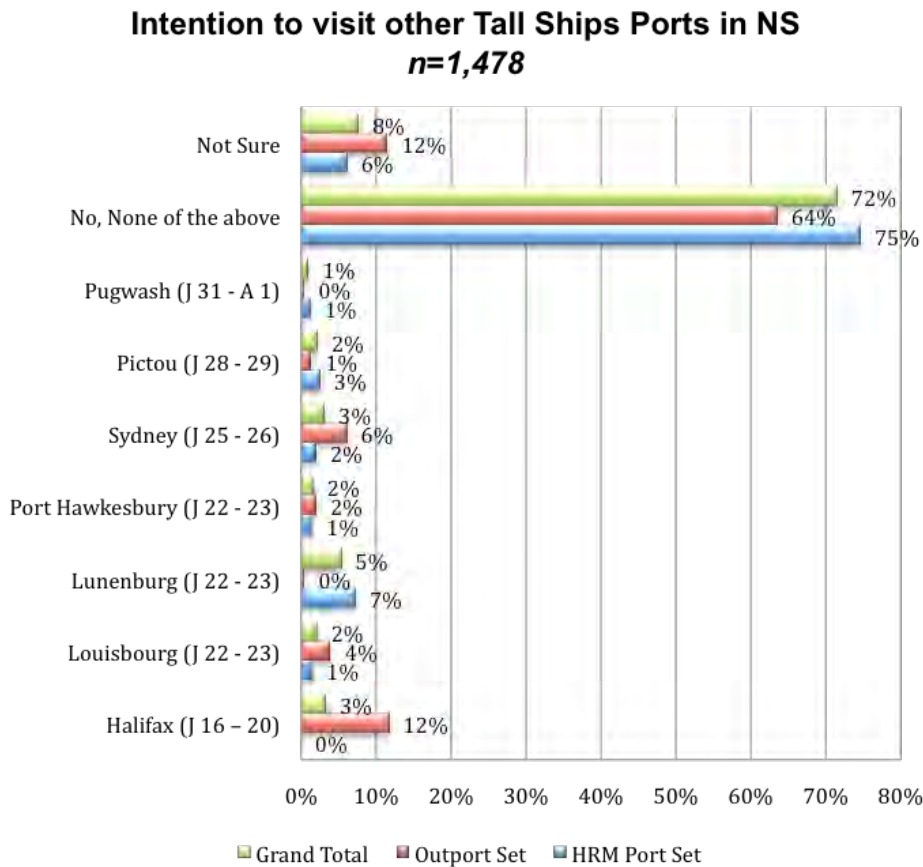
(Right) Figure 22:
Level of Satisfaction
with Tall Ships 2009

The majority of respondents (90 percent) were at least “Satisfied” with their experience at Tall Ships 2009. This includes 9% who were satisfied, 25% who were more than satisfied and 65% were very satisfied.



2.15 Plans to Visit Other Ports

Figure 23 shows most survey participants (72 percent) were not intending to visit other ports to see the Tall Ships, a result consistent with 2007 where 72 percent were not planning to visit other Tall Ships ports.



(Left) Figure 23:
Intention to visit to
Other Tall Ships Ports

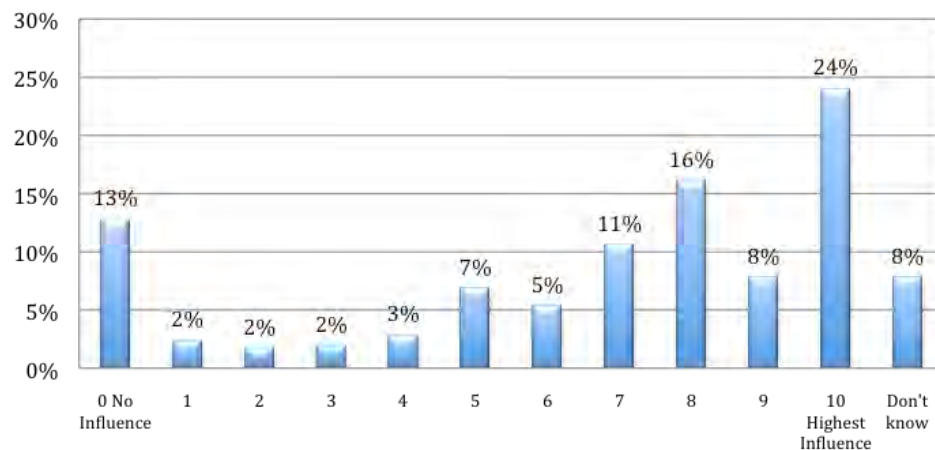
Among those who were planning to travel to other ports to see the Tall Ships (or had travelled to other ports to see the Tall Ships), Lunenburg (7 percent in 2009 and 8 percent in 2007), was cited most often as “likely to be visited.” The Outport visitors were more likely to say they had visited Halifax (12 percent) while the Halifax respondents were more likely to say that they planned to visit Lunenburg (7 percent).

Halifax Port survey participants were less likely to visit other ports (75 percent said “No” in 2009 and 76 percent said “No” in 2007) than Outport Survey Respondents where 64 percent said “No” (compared with 63 percent who said “No” in 2007).

2.16 Future Travel and Event Participation

Tall Ships 2009 had a positive impact in terms of its potential to encourage subsequent travel within Nova Scotia and / or participation at subsequent festivals and events or attractions.

Influence of Tall Ships on attending future NS events/attractions or to plan travel in NS



(Right) Figure 24:
Influence of Tall Ships
on Other NS Event
Participation or Travel

Figure 24 shows that, for 24 percent of survey participants, Tall Ships had the “highest influence” it could have on the respondent’s possible future event participation and / or travel in NS. For more than 70 percent of the respondents, Tall Ships had a greater than 50 percent influence on potential participation at subsequent events or subsequent travel in NS.

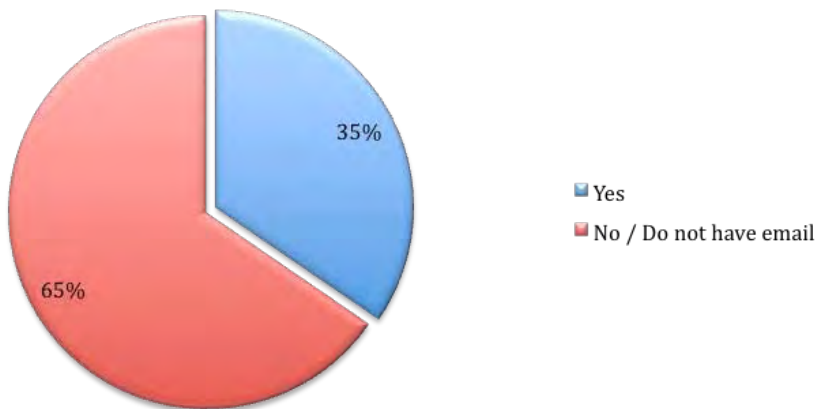


Photo: WDCL

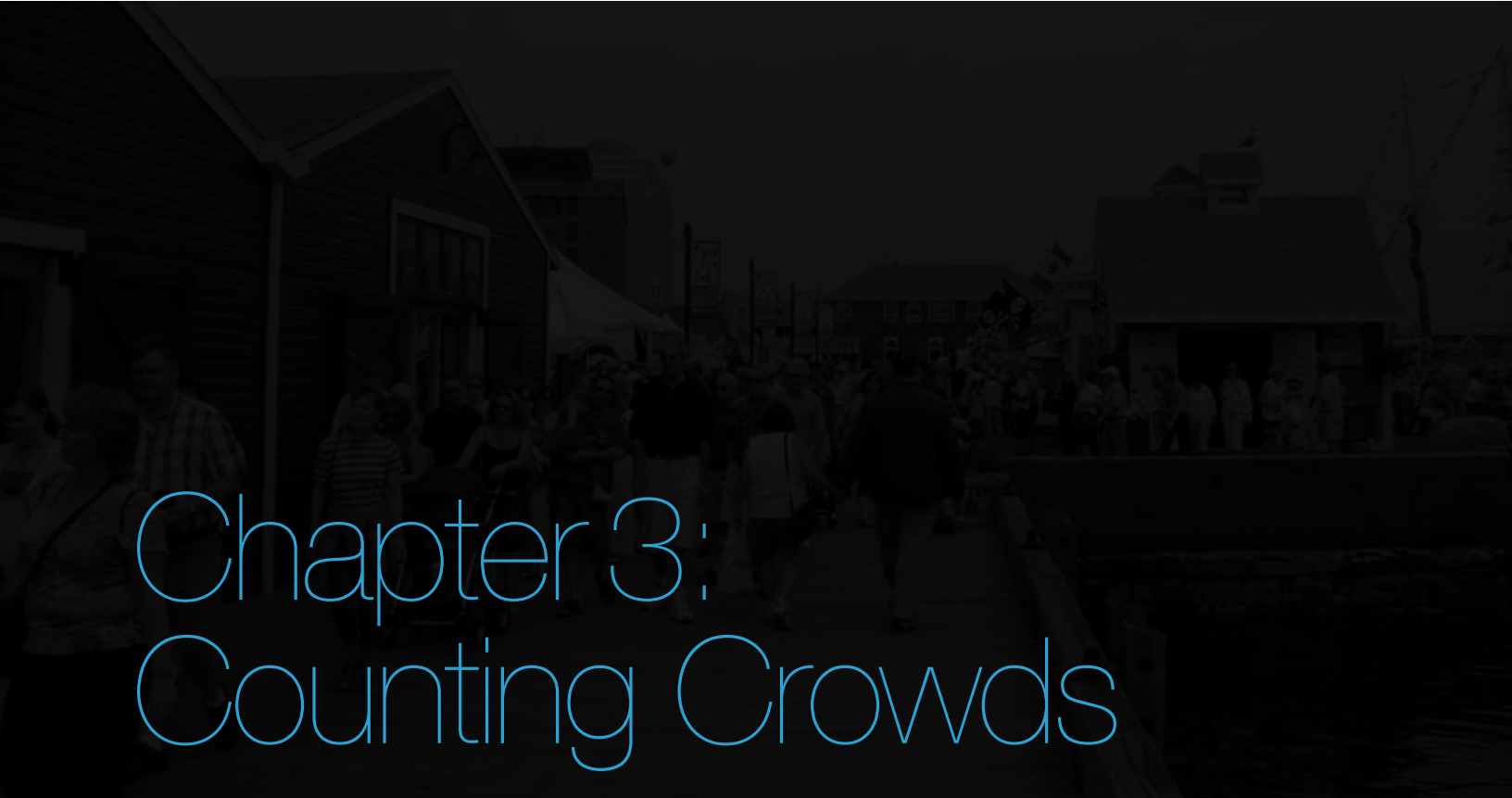
2.17 Potential for Follow-up

A total of 514 (413 in 2007) individuals indicated a willingness to participate in a follow-up survey and provided contact details for entry in a draw for Tall Ships souvenirs (**Figure 25**).

Take part in a potential follow up survey $n=1,487$



(Left) Figure 25:
Willingness to Participate
in Follow-up



Chapter 3: Counting Crowds

In this section we present the results of the crowd estimations for Tall Ships 2009.

3.1 Halifax Crowds

As with 2007, 2009 Tall Ships visitors to the Halifax waterfront were free to come and go and view the ships without purchasing tickets or otherwise registering their attendance. Unlike 2007, the research team had only one source for crowd estimates for Tall Ships 2009 – crowd estimates provided by the Halifax Regional Municipality Police Department.

In 2007 the Halifax Regional Police gauged crowds and estimated that there were 50,000 to 60,000 people on the Halifax waterfront event site during peak hours. Based on Halifax Regional Police information, the 2007 crowds were estimated at 600,000 during the five day event (Thursday to Monday inclusive).⁸

The measurement and evaluation consulting team estimating the Tall Ship visitor attendance in 2007 by usage the results of the Visitor Intercept Survey research and crowd sampling theory, in which the study team applied a grid count sampling method with ground-based photo sampling to estimate the size of the crowd.

(Footnote) 8.

Estimates from Halifax Regional Police ranged between 570,000 to 630,000



Photo: WDCL

The “Tall Ship” crowd size estimate prepared by the consulting team in 2007 was lower than the Halifax Regional Police crowd estimates because of the different sampling methodologies, among other factors, that account for differences between police crowd counts and our counts. These differences include:

- » **Venue Area:** We used approximately 10 hectares for the venue footprint.
- » **Duration of Attendance:** We standardised our crowd numbers for average time on-site to avoid double counting, targeting an estimate of unique attendance.
- » **Flow of Visitors:** Crowd numbers differed by time of day and our estimates were based on changes in numbers over the day.
- » **Hours in a ‘Day’:** We used a 12-hour day (9 AM to 9 PM) (ships closed for viewing at 5 PM and most concerts were underway by 9 PM).

The main source of the difference between our estimate and the police estimate for 2007 was that our team was counting the part of the ‘crowd’ that was on-site to see and participate in the Tall Ships festival. Police counts would have focussed on the crowd size for security purposes, independent of the crowd’s reasons for being on-site. Our team was estimating unique visitors who were motivated to be at the waterfront because of the Tall Ships Festival.

The on-site crowd estimate of 600,000 did not reflect the number of “unique” visitors to Tall ships 2007. Adjusting for unique visitors and motivation to be on the waterfront, Tall Ships 2007 generated between 271,807 and 291,150 unique visitors at the port of Halifax – an average estimate of 281,479 unique individuals whose reason for being one of the crowd on the Halifax waterfront was the Tall Ships Festival 2007.

The crowd used in the 2007 Economic Impact study is presented in **Table 12**.



Photo: WDCL

Table 12 – Summary of 2007 Halifax Port Crowds

HRM 2007	Police Estimate	“Tall Ships” Crowd	Unique Tall Ships Visitors
Low Estimate	600,000	465,020	271,807
High Estimate	600,000	498,112	291,150
Average 2007 Estimates	600,000	481,566	281,479

The grid count sampling method followed in 2007 was not applied in 2009. Instead, we obtained the police crowd estimates for 2009 which indicated the crowd was comparable to 2007 and very likely 25 percent to 30 percent higher, with more volume on both the land and water side of the event. This estimate of increased crowd flow in Halifax is also consistent with the following findings:

- » July 2009 visitor flows to Nova Scotia were up 20 percent from July 2008 (although they are only up by 5 percent relative to July 2007), and
- » Outport Tall Ships attendance was up by 24 percent.

Applying these ranges of percentage changes to the average “police crowd” estimate, “Tall Ships” crowd estimate, and “unique” visitor counts generates the following results (See **Table 13**).

Table 13 – Halifax Port Crowds, 2009

Estimates and Increases	Police Estimate	“Tall Ships” Crowd	Unique Tall Ships Visitors (Average)
2007 Estimates	600,000	481,566	281,479
5% increase	630,000	505,644	295,552
10% increase	660,000	529,723	309,626
20% increase	720,000	577,879	337,774
25% increase	750,000	601,958	351,848
30% increase	780,000	626,036	365,922

Although the Police estimates indicate a higher level of traffic at Tall Ships 2009, our own observations, as well as available tourism data, indicate 2009 was a modest increase over prior years. **Therefore, we are applying a more conservative increase of 5 percent to our 2007 data on crowds to derive a total unique Tall Ships Attendance for the Halifax Port estimated of 295,552 in 2009.**

It is important to note that counts from the Halifax Regional Police are based on their methodologies and cannot be verified by the study team. It is also important to note that the financial and economic impact analysis that follows is critically dependent on crowd estimates. Finally, the Tall Ships occurred at a busy time in Halifax, overlapping with two major concerts, the Jazz Festival and several other events in and around the Halifax Regional Municipality.

3.2 Outport Crowds

2009 estimates of Outport Tall Ships attendance were provided by the Outports themselves, as was the case in 2007. Relative to the Halifax event, Outport Tall Ships attendance is much more straightforward, as it is based on ticket sales and/ or boarding pass sales at gated events. Nevertheless, there were some complications with Outport crowd estimates. Rate structure for Outport admissions varied across Outports, with several ports not charging for children under 12 years of age. Because of this, the total Outport Tall Ships crowd count of just over 80,000 (up from around 60,000 in 2007) is likely to understate the true Tall Ship crowd that participated during the Outport events of Tall Ships 2009.

Table 14 – Outport Crowds, 2007 and 2009

Outport ⁹	2007 Tall Ships Crowds	2009 Tall Ships Crowds	Unique 2009
Lunenburg	8,088	7,700	4,274
Louisbourg	5,000	1,325	735
Port Hawkesbury	6,000	6,000	3,330
Sydney	30,000	32,546	18,064
Pictou	7,000	7,500	4,163
Pugwash		25,000	13,875
Yarmouth	3,000		
Shelburne	1,700		
Total	60,788	80,071	44,441

(Footnote) 9.

Pugwash was new in 2009, while Yarmouth and Shelburne participated in 2007 but not in 2009.

The average 2009 Outport visitor attended Tall Ships 2009 a total of 1.80 times. Therefore the total number of unique 2009 Tall Ships Outport attendees is estimated at 44,441 (See **Table 14**).



3.3 Summary of “Unique” Visitors to Tall Ships – All Ports

Table 15 below summarizes the total number of unique visitors to Tall Ships 2009. Unique visitors to Tall Ships are individuals who visited the Tall Ships at least once. These are ‘unique’ counts because it does not count repeat trips to the waterfront that may have been made by a individual Tall Ships attendee.

Table 15 – Summary of 2009 Port Crowds¹⁰

Port Name	Estimated # of Unique Visitors
Halifax Port (Average)	295,552
Lunenburg	4,274
Louisbourg	735
Port Hawkesbury	3,330
Sydney	18,064
Pictou	4,163
Pugwash	13,875
Total all ports	339,993

(Footnote) 10.

Yarmouth and Shelburne were not visited As part of the Tall Ships 2009 Festival, while Pugwash was a new Outport in 2009.



Photo: WDCL

Based on crowd estimates from Outports and the Halifax Regional Police counts for Halifax, as well as information provided by the 2009 Tall Ships Visitor Intercept Survey, we estimate the total unique province-wide visitation to Tall Ships 2009 at 339,993.

3.4 Non-NS Visitors to Tall Ships

As with 2007, it is the non-Nova Scotian resident spending that is of interest to stakeholders of Tall Ships Nova Scotia 2009.



3.4.1 Non-NS Visitors to the Halifax Port

The number of non-Nova Scotians who were influenced to visit Nova Scotia by the Tall Ships 2009 event are determined by survey research that showed:

- » 45.8 percent (36.4 percent in 2007) of the visitors to the Halifax and Dartmouth waterfronts were non-Nova Scotians,
- » 32.4 percent of the visitors to the Outport waterfronts were non-Nova Scotians,
- » 65 percent of all non-Nova Scotians visiting the Halifax Port were influenced by Tall Ships to come to Nova Scotia,
- » 48 percent of all non-Nova Scotians visiting Outports were influenced by Tall Ships to come to Nova Scotia, and
- » 60 percent of all non-Nova Scotians visiting all Ports combined were influenced by Tall Ships to come to Nova Scotia.

Based on this information, we estimate that the number of unique non-Nova Scotian visitors at the Halifax Port visit of the Tall Ships that came to Nova Scotia in some part due to Tall Ships 2009 was 94,897.¹¹

(Footnote) 11.

The number of unique Tall Ships motivated non-Nova Scotians that came to Nova Scotia in some part due to Tall Ships 2007 was estimated at 62,317.

Chapter 4: Gross and Attributed Non-NS Spending

Based on the 2009 per party spending estimates, motivation of Tall Ships and party size, **Table 16** provides the estimated expenditure attributed to Tall Ships Nova Scotia 2009 (and comparative data from 2007).

	2007		2009	
Population (Estimate of Unique Non-NS Visitors)		62,317		94,897
Average Party Size for non-Nova Scotians Visitors ¹²		3.46		3.88
Est. Total Visitor Parties		15,547		24,446
Average Spending for Visitors Per Party (Calculated)		\$1,996.01		\$1,814
Per Person Spending (Calculated)	\$576.88		\$467.31	
Average Spending for Visitors Per Party (Given)		\$1,617.89		\$1,745
Per Person Spending (Given)	\$467.60		\$449.52	
Gross Non-NS Spending				
High		\$37,019,494		\$44,346,962
Low		\$30,006,546		\$42,658,460
Motivation Adjusted (i.e. incremental) Non-Nova Scotia Spending				
Motivation Adjustment	75.6%		75.50%	
High		\$27,977,866 ¹³		\$33,463,441
Low		\$22,677,758		\$32,189,327

(Footnote) 12.

Following a presentation of this data to a Technical Review Committee, it was recommended that very large parties not be considered for their impact on the overall data. As a result, three non-NS visitor parties with total party sizes of 15 to 32 people were deleted. This reduced the average party size from 3.46 to 3.36.

(Footnote) 13.

The 27,977,866 spent in 2007 is equivalent to \$28,802,950 in 2009 based on an average annual rate of inflation over the two year period of 1.46 %, for a 2.95% increase overall.

However, since those non-Nova Scotians who reported the Tall Ships had “zero influence” on their visit to Nova Scotia were already removed from the estimated non-Nova Scotian Tall Ships motivated attendance, the average trip motivation factor increases to 75.5 percent (75.6 percent in 2007).

Thus, the ‘motivation’ adjusted spending and Tall Ships extended spending is estimated in the vicinity of \$32 to \$33 million.

Table 17 provides a detailed estimate of total Tall Ships motivated expenditures by non-Nova Scotians, by type of expense (Average of \$32.8 million).

Table 17 – Analysis of Non-Nova Scotian Spending, per Party, by Expenses, n=591			
Spending Type	Per Party Spending	Gross Spending (24,446 Parties)	Tall Ships Motivated Spending
Airfares (in and out of Nova Scotia)	\$312	\$7,622,634	\$5,751,906
Ferries (e.g., US/NB/PEI/NFLD)	\$39	\$943,597	\$712,022
Car rental	\$111	\$2,714,512	\$2,048,323
Taxis, Limousine Services	\$6	\$150,064	\$113,236
Fuel	\$142	\$3,461,298	\$2,611,835
Auto repairs	\$5	\$113,727	\$85,816
Fixed roof Accommodation (e.g., hotel)	\$455	\$11,129,746	\$8,398,311
Campgrounds	\$33	\$803,338	\$606,185
Meals and beverages in restaurants (Food/drink)	\$332	\$8,106,532	\$6,117,047
Groceries/liquor	\$87	\$2,121,172	\$1,600,600
Visual arts (a)	\$6	\$145,415	\$109,727
Handicrafts (b)	\$29	\$701,045	\$528,996
Jewellery	\$14	\$345,011	\$260,339
NS Music and NS Books	\$6	\$143,954	\$108,625
Clothing	\$68	\$1,659,486	\$1,252,219
Textiles (bags, fabric)	\$3	\$73,337	\$55,339
Entertainment (e.g., live performances)	\$28	\$680,206	\$513,271
Museums, art galleries, etc.	\$24	\$596,770	\$450,312
Casino, VLTs, etc.	\$32	\$775,738	\$585,359
Recreational activities (e.g., green fees)	\$24	\$598,320	\$451,482
Personal Care (hair, salons, spas, etc.)	\$8	\$186,339	\$140,608
Other item	\$18	\$428,394	\$323,259
Average Total Spending (Detailed)	\$1,745	\$42,658,460	\$32,189,327
Average Total Spending (Given)	\$1,814	\$44,346,962	\$33,463,441

The above analysis is specific to the impacts associated with non-Nova Scotian visitors – the group of people who came to this province as a result of Tall Ships 2009, with their individual expenditures weighted based on the degree to which Tall Ships motivated them to come to NS (from 10 percent to 100 percent).

Table 18 provides a detailed estimate of total Tall Ships motivated expenditures by non-Nova Scotians, by type of expense for 2007.

Table 18 – Analysis of Non-Nova Scotian Spending, per Party, by Expenses, n=352

Spending Type	Per Party Spending	Gross Spending (18,494 Parties)	Tall Ships Motivated Spending
Air fares (in and out of Nova Scotia)	\$388	\$7,197,630	\$5,439,684
Ferries (e.g., US/NB/PEI/NFLD)	\$48	\$890,987	\$673,373
Car rental	\$138	\$2,563,164	\$1,937,137
Taxis, Limousine Services	\$8	\$141,697	\$107,089
Fuel	\$176	\$3,268,312	\$2,470,060
Auto repairs	\$6	\$107,386	\$81,158
Fixed roof Accommodation (e.g., hotel)	\$457	\$8,469,197	\$6,400,683
Campgrounds	\$33	\$611,302	\$461,997
Meals and beverages in restaurants (Food/drink)	\$372	\$6,898,100	\$5,213,311
Groceries/liquor	\$97	\$1,804,972	\$1,364,126
Visual arts (a)	\$11	\$203,087	\$153,485
Handicrafts (b)	\$53	\$979,084	\$739,953
Jewellery	\$26	\$481,845	\$364,159
NS Music and NS Books	\$11	\$201,047	\$151,943
Clothing	\$63	\$1,162,512	\$878,580
Textiles (bags, fabric)	\$3	\$51,375	\$38,827
Entertainment (e.g., live performances)	\$22	\$406,731	\$307,391
Museums, art galleries, etc.	\$19	\$356,840	\$269,685
Casino, VLTs, etc.	\$25	\$463,855	\$350,563
Recreational activities (e.g., green fees)	\$19	\$357,767	\$270,386
Personal Care (hair, salons, spas, etc.)	\$5	\$93,661	\$70,785
Other item	\$12	\$215,328	\$162,736
Average Total Spending (Q11)	\$1,621	\$30,061,160	\$22,719,034
Average Total Spending – Detailed (Q12)	\$1,991	\$36,926,061	\$27,907,254

(Footnote) 14.

The data tables within the I-O model identify the portion of each spending type that is retail and wholesale margins. The margins become the measure of the amount of retail and wholesale services purchased. The model then uses information on trading patterns to measure the portion of each purchase type that is produced in Nova Scotia or imported to the province. Imports have no expansionary effect on the economy. Purchases of goods and services produced in NS have expansionary effects due to re-spending within NS.

The total spending by category (**Table 17**) was provided to the Department of Finance and prepared for input-output analysis using the Nova Scotia Input Output model. ¹⁴

The results of the I-O modeling are summarized in **Section 6** and more details are provided in **Appendix B**, which contains the Input-Output analysis prepared by the Nova Scotia Department of Finance’s Economics and Statistics Division. ¹⁵

(Footnote) 15.

For the purpose of the I-O run, airfare and ferries was reduced by 50% to reflect point-to-point travel and the assumption that 50% of the expense would have occurred at a point in Nova Scotia and 50% outside the province and car rentals were zeroed for those who had car rentals but no airfare to reflect that these non-NS most likely rented the car outside of NS and drove to the province. Other assumptions are noted in Appendix C.

4.1 Ship Surveys

During the planning for this project, the committee added a second survey of participating ships to capture information on operational expenditures, made on behalf of the vessels for such items as fuel and other vessel provisions, as well as personal spending by visiting crew members during their time in Nova Scotia.

Two brief questionnaires were developed by the consulting team and distributed to the participating vessels during the Halifax portion of the 2009 Tall Ships festival.

A total of 16 vessels and 68 crew members participated in this survey process. The results of the “Marine Crew Survey” and the “Vessel Expenditure Survey” are presented in the following sections.

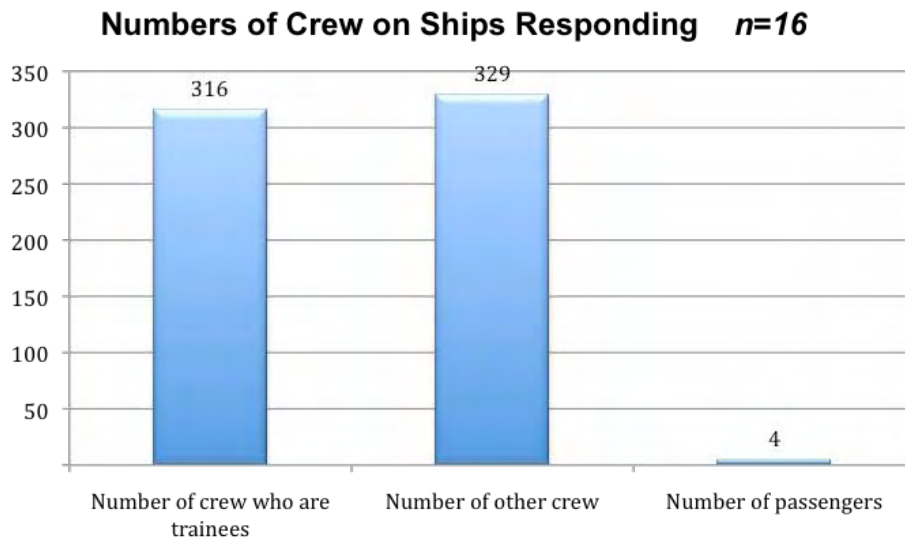


These values are not included in the non-Nova Scotian Tall Ships motivated spending impacts but provide a benchmark for the spending that occurs due to the personal and vessel spending among the visiting ships.

4.2 Vessel Survey

A total of 17 different ships provided information on the number of crew on their respective vessels. Of these ships, 2 were from Nova Scotia, the rest had home ports in elsewhere in Canada (3), the US (4) and international locations (8). Survey responses were usually provided by the commanding officer either directly or through the port liaison officer.

The participating ships represented 613 crew members, including 316 sail trainees, 329 other crew members and 4 passengers (**Figure 26**).



(Left) Figure 26:
Number of Crew
Members by Type
of Crew

The average vessel in the survey had just over 38 crew members per ship, ranging between 3 and 210 per vessel.

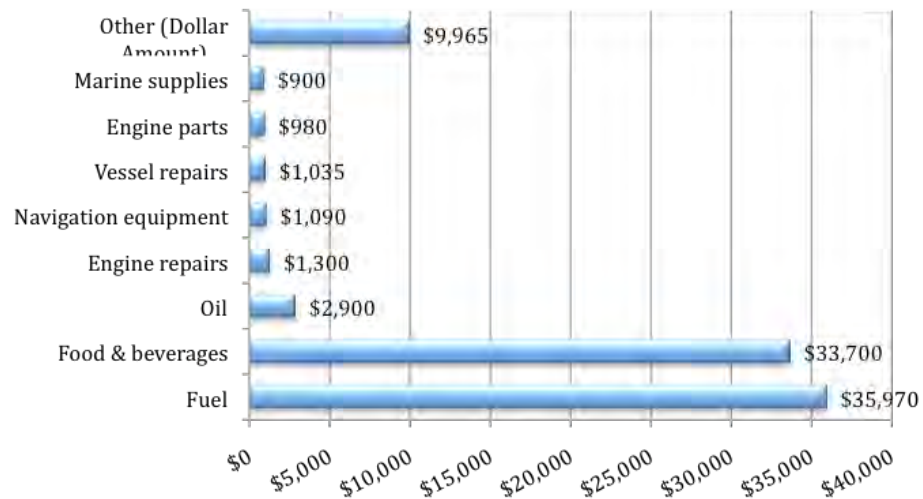
Fifteen vessels provided information on ship related spending. Categorical shares of vessel spending are shown in **Figure 27**.

Expenses on food and beverages comprised the largest share of vessel spending (41%) followed by expenses on fuel (38%) and oil (3%).



Ship spending in Nova Scotia n=15

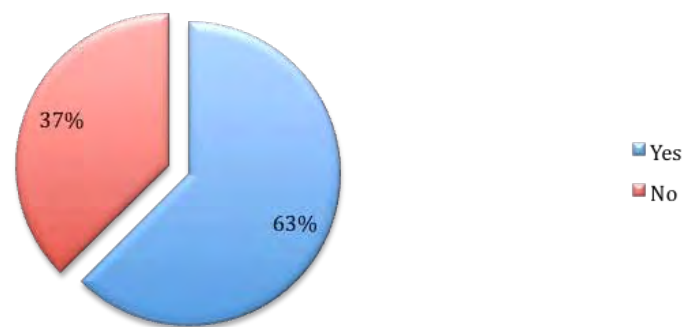
(Right) Figure 27:
Vessel Spending by
Category of Goods and
Services



Vessels indicated they would be spending an average of 7.13 days in NS ports, for a total of 107 days for all ships surveyed. Vessels were also likely (62%) to spend more time in NS outside of scheduled Tall Ships ports of call (see **Figure 28**).

Will the vessel be making calls to any NS port outside of scheduled Tall Ships visits?

(Right) Figure 28:
Other Ports of Call, n-17



4.3 Crew Survey

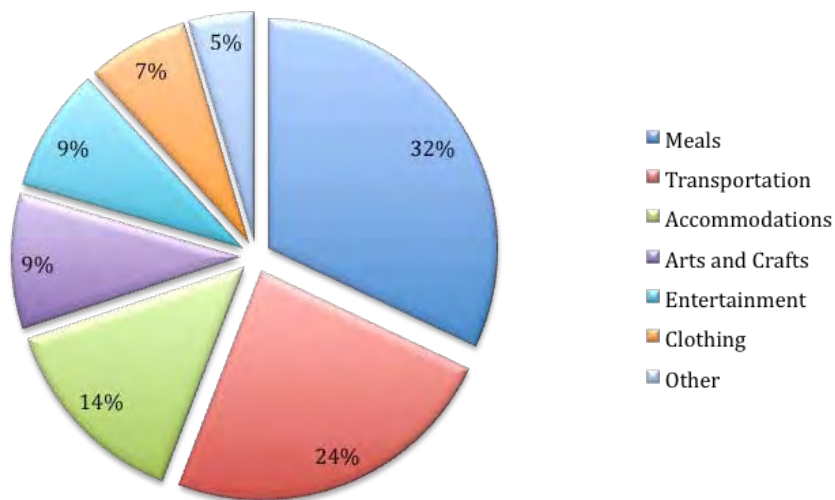
Each of the ships participating in the Vessel Survey was also given “Crew Surveys” to circulate among their crew members. A total of 68 crew participated in the crew survey.

These survey participants indicated meals accounted for the largest single share of their Nova Scotian expenditures (32%), followed by transportation (24%), accommodations (14%) and arts and crafts (9%) – see **Figure 29**.



Photo: WDCL

Crew Spending in Nova Scotia n=68



(Left) Figure 29:
Share of Crew Spending
by Category of Goods
and Services

The average expenditure made by crew members in Nova Scotia was \$330.

4.4 Economic Impact of Vessel and Crew Spending

The financial impact of the visiting crew is estimated at \$528,000 in direct crew-related expenses (including Nova Scotian based crew as well as non-Nova Scotian crew spending).

Table 19 – Ship's Crew Spending While in Port

Expense	Total Reported Spending
Meals	\$7,190
Transportation	\$5,357
Accommodations	\$3,155
Arts and Crafts	\$2,145
Entertainment	\$1,965
Clothing	\$1,616
Other	\$1,025
TOTAL	\$22,453
<i>Average</i>	<i>\$330.19</i>

At least 29 vessels visiting the Halifax Port from were from outside Nova Scotia and these spent an average of \$5,856 per vessel, for a total \$169,824 in vessel-related spending.

Table 20 – Vessel Operating Related Spending While in Port

Expense	Total Reported Spending
Fuel	\$35,970
Food & beverages	\$33,700
Oil	\$2,900
Engine repairs	\$1,300
Navigation equipment	\$1,090
Vessel repairs	\$1,035
Engine parts	\$980
Marine supplies	\$900
Other (Dollar Amount)	\$9,965
TOTAL	\$87,840
<i>Average</i>	<i>\$5,856</i>





Photo: WDCL

4.5 Other Tall Ships Transactions

There are several other areas where the Tall Ships 2009 Festival generated economic activity. These include:

- » **Local Residents Spending** - those who visited the waterfront and spent money on their participation at Tall Ships
- » **NS Resident In-Province Traveller Spending** - “NS residents” who travelled within NS in relation to Tall Ships.

While this spending is of less interest to provincial economic development efforts, which are focused more so on imported dollars spent, they are worth noting.

Local Residents spent an average of \$50.78 (\$47 in 2007) per person in their party each day in relation to their daily visits to Tall Ships.

Thus, a total gross expenditure by 171,210 “local” Tall Ships attendees was in the vicinity of \$2.5 million dollars on food, entertainment and other expenses in relation to their outing.

Within Nova Scotia, travellers spent in the vicinity of \$400 per party (between \$264.41 and \$348.41 per party in 2007), **for a total within province direct gross expenditure of just over \$5 million** (estimated at \$5.5 to \$7.3 million in 2007).

Anecdotally, we know that there is a local spending that occurs as a result of Tall Ships particularly among those area residents who host friends or family members within their homes as part of their participation at Tall Ships. This ranges from friends and family coming together and making a ‘day’ or ‘night’ out of a visit to tall ships (such as combining a home based meal or a meal at a restaurant, to friends and family staying multiple nights with area residents. The result is an associated spike in household spending necessary to accommodate out-of-town guests. This spending, while clearly influenced by Tall Ships, is not captured in the preceding analysis.

Chapter 5: Economic Impact of Non-NS Spending

In consideration of the estimated \$32.8 million in 2009 non-Nova Scotian Tall Ships motivated spending¹⁶, the economic impacts include:

- » As many as 611 employment positions sustained through direct and spin-off impacts.
- » \$14.5 million in household income (wages and salaries, benefits, tips) through a short-term boost generated by the event which broke down as follows:
 - › \$8.5 million in direct wages and salaries
 - › \$5.9 million in indirect and induced wages and salaries
- » \$3.5 million in incremental (new) Nova Scotia tax revenue, including direct HST (1.98 million), income tax (418,000) and fuel tax revenue (491,000), to the Province of NS.

(Footnote) 16. In 2007, the Nova Scotia Department of Finance used its Input-Output (NSIO) model to assess the Tall Ships attributed spending by Non-Nova Scotian visitors using the data provided by our team. The results of the 2007 NSIO run indicated the following economic impacts from \$27.5 million in non-Nova Scotian visitor spending:

- » As many as 475 positions sustained through direct and spin-off impacts.
- » \$12.61 million in household income (wages and salaries, benefits, tips) through a short-term boost generated by the event which broke down as follows:
 - › \$7.56 million in direct wages and salaries
 - › \$2.23 million in indirect wages and salaries
 - › \$2.82 million in induced wages and salaries
- » \$19.6 million contribution to Nova Scotia's GDP (at market prices) including
 - › \$11.20 million in direct GDP
 - › \$3.58 million in indirect GDP
 - › \$4.87 million in induced GDP
- » \$2.1 million in incremental (New) Nova Scotia tax revenue, including direct HST and fuel tax revenue, to the Province of Nova Scotia.



Photo: WDCL

(Footnote) 17.

The Department of Finance urges cautions in the interpretation of their results. Direct employment is model-generated and is overstated because of the interaction of “constant returns to scale” and the level of expenditures in the Retail, Traveller Accommodations and Food Services and Drinking Places industries. Spinoff employment has been reported as indirect (inter-industry) and induced (effects of household spending and re-spending).

These considerations reinforce the caution in using IO Model generated numbers to measure the impacts of a “short time period” event such as Tall Ships. See Appendix C.

The province notes: The results reported for 2009 are considered “sustained activity in the Nova Scotia economy and are not to be confused with total additional or new activity in the province.”¹⁷

The new or additional activity that can be reported with a certain degree of accuracy is that the \$32.8 million of incremental visitor expenditures in the economy will generate direct HST and gas tax to the province of \$2.5 million.”

5.1 Vendor and Sponsor Feedback

Following Tall Ships 2009, 10 businesses were contacted and asked to participate in a telephone interview and outline the impact of Tall Ships 2009 on their operations. Businesses were selected throughout Nova Scotia with the input of all participating Tall Ships ports.

Initial responses to our efforts were weak; however we were eventually able to collect a representative sample of businesses and organizations throughout Nova Scotia. The results of the interviews provide a perspective and context on the economic impacts that are felt throughout Nova Scotia stemming from Tall Ships 2009. The results of these interviews are summarized as follows:



- » The majority of businesses interviewed (70% or 7/10) reported an increase in the total number of hours worked.
- » 50% (5/10) businesses added new staff to meet the demands created by the event.
- » 40% (4/10) increased the total number of hours worked by existing staff.
- » 30% (3/10) neither increased the number of staff employed nor added more hours, choosing to deal with the increase in traffic with existing staffing hours or not experiencing any significant pressure to add staff or increase hours. Effectively, this group would 'work harder' with existing resources if demand dictated.
- » Most businesses (70% or 7/10) reported gross revenues generated during Tall Ships 2009 were more than normally earned for a similar period, reporting 20 to 25 percent increases in revenues (over a similar period of time).
- » Businesses that experienced no change in revenues reported that they were away from the core of the Tall Ships activity. Businesses that were not proximate to the waterfront say they did not experience any direct benefits from Tall Ships. Some of those in this group commented that benefits would increase if something could be done to draw visitors/participants away from the waterfront and into the less centralized parts of the hosting port.

Overall, businesses were satisfied with both the organization of Tall Ships 2009 (50% or 5/10 were very satisfied and 30% or 3/10 were satisfied) and the pre-event information -- 20% (2/10) were very satisfied and 40% (4/10) were satisfied.

An area for improvement would be pre-event information, as 30% (3/10) indicated they were dissatisfied with this aspect of Tall Ships 2009.

Additional open comments provided by businesses, in some cases, reflect differing views about Tall Ships (e.g., some found the information about Tall Ships was sufficient, others felt they could have been better informed). Comments included:

- » It was a great event and would like to see it happen annually. It is a defining event for Halifax and NS, “This is who we are.” Hugely a cultural event. [Manager] is a big fan of the event.
- » Would like to see big events like that outside of the main summer peak. June or September. Summer is already busy, so it would be nice to increase revenues / business at other times of the year (e.g.: Victoria Day weekend).
- » The 10 percent discount at local shops was not well promoted.
- » Organization in Pictou was a “6 out of 5!” Information which would be appreciated: which ships are coming, with more advance notice, as well as more information about what types of ships they are. Suggestion: create a poster template that can be used at the port, with ship names to be filled in by the port once known. The delay in getting the ships names, and correspondingly printing posters, made it too late to be useful. Tall Ships is huge! Council members do not seem to recognize this, as Pictou’s own Tall Ship was not highlighted in any way.
- » Although Transport Canada regulates the ship viewing hours, it would be of great benefit to make some arrangements for Tall Ships to be available for viewing outside the 9-5 hours, to accommodate people who are working, as Tall Ships for ports such as Pictou did not occur during the weekend.
- » It would be helpful to have the Outport info on the Tall Ships website earlier.
- » Hopefully the Tall Ships keep coming back. It’s great to have these events!
- » Lunenburg is great with keeping businesses informed. Very pleased with that aspect. Believes everyone in Lunenburg would see an increase in business due to Tall Ships.
- » Lack of information about Tall Ships. This business owner indicated that had they been contacted directly they would have been able to do more road-side advertising to draw in Tall Ships visitors.
- » The hours of the gates being opened put 9-5 workers at a disadvantage, i.e.: they were unable to take part. Would appreciate “influence” from Halifax organizers to have the gates be opened later into the evening.
- » Tall Ships is big for them as a small town. Interviewee would like something like that each week. All their rooms were full and they had to turn many people away. Although people come to see the fortress, it would be beneficial to have more events like Tall Ships and the Crab Festival to keep people in the area for an extra day or two.



Photo: WDCL

- » More advertising needs to be done for the area in general, outside of the fortress. Tall Ships needed more literature.
- » Tall Ships is phenomenal for the area.

A couple of interviewees indicated local businesses and organizations had written letters of support to various port organizers to outline the benefits of Tall Ships to their communities.

Chapter 6: Methodology Lessons Learned

The most outstanding lessons learned during the assessment of the economic impact of Tall Ships 2009 were:

- » Volunteer surveying staff needs to be selected based on ability. In some cases, this means paid staff needs to be considered, given the importance of the data being collected. Having had one person do all the data entry this time, we were able to get feedback for comparing the quality of survey completion.
- » The Outports need to commit to the surveying process earlier on in the process and through contractual obligation, perhaps with participation tied to funding.
- » Selected survey staff members need to be available for training in advance of the event. This was a difficult task this year.
- » Sources for crowd counts must be verified and should be approved or agreed to prior to the event.
- » Survey crew members requested the survey be reformatted to make it easier to follow. More time and preparation would reduce this need.

Other comments which were mentioned by individuals who had approached the survey crew included:

- » Change stations are needed for people with babies and small children.
- » Wheelchair rentals should be made available for people who cannot walk for too long or who may not be able to stand for long periods of time.

There needs to be more information available at the event. A pamphlet or brochure outlining key aspects of the event would have been helpful.

Appendix A: Visitor Comments

More than 700 comments were provided. These reflected a wide variety of opinions about Tall Ships, the weather in NS and the hospitality of the province.

We reviewed the comments for relevance to Tall Ships Nova Scotia 2009 and these were provided to the Waterfront Development Corporation Limited.

The majority of comments reflected the positive experiences of those who attended Tall Ships 2009.

Appendix B: NSIO Results for 2009

The following report is prepared and provided by the Economics and Statistics Division,
Nova Scotia Department of Finance, November 2009

Economic Impact Of Tall Ships 2009 On Nova Scotia

Prepared for T.M. McGuire Ltd.

by

Economics and Statistics Division,
Nova Scotia Department of Finance,
November 2009

Introduction

T. M. McGuire Ltd. (McGuire), the consultant on contract to study the economic impact of the Tall Ships 2009 event in Nova Scotia, has asked the Economics and Statistics Division of the Department of Finance to perform an economic impact assessment on incremental visitor expenditures related to Tall Ships 2009.

The event was held July 16 - August 1, 2009 in several locations in Nova Scotia. However, the main spectacle was at the Halifax waterfront. This analysis contains all Nova Scotia locations visited by the Tall Ships. The expenditures related to visitors are subjected to analysis in order to obtain an estimate of the economic impact of these expenditures on the Nova Scotia economy in terms of employment, household income and taxation revenue generated for the provincial government.

Cautionary Note on the Economic Impact Analysis of Tall Ships 2009

The “constant returns to scale” methodology of the Nova Scotia IO Model

The Nova Scotia Input-Output Model (NSIO) uses “constant returns to scale” which, in effect, means that for every dollar of a type of expenditure there will be X person-years of employment and \$Y of household income. This is particularly problematic in industries that are strongly associated with consumer expenditures such as retail trade, accommodations, food services and drinking places, especially when the spending activity occurs in a short period of time or sporadically. For a hypothetical example, assume every \$1,000 of expenditure is related to a person-day of employment in retail. However, it is possible for a retail clerk to have a busier day and sell more volume and/or more relatively higher priced goods and generate \$2,000 in sales but still only work a person-day. The IO Model will





Photo: WDCL

indicate that two person-days are worked; however, the reality is that much of the “extra” employment generated is accommodated by current employees being busier or working more hours, rather than having more hires for a relatively short time period. The reality is that visitors’ expenditures will sustain employment in the retail and other sectors and will create some short-term duration part-time jobs, mostly on the Halifax waterfront.

It is not realistic to report that 451 direct jobs (see Table 2) will be created on a person-year basis because of the estimated \$32.8 million of incremental expenditures from Tall Ships 2009 from approximately two weeks of activity in the economy. Some additional part-time employment will be created during this time period but most of the impact will “sustain” jobs in the economy.

Table 1
Incremental Spending in Nova Scotia by Non-Nova Scotian Visitors for the Tall Ships
Event - by Spending Type

Spending Type	Tall Ships Motivated Spending by Non-Nova Scotians (\$ millions)
Transportation	11.3
Accommodations	9.0
Meals and Beverages	7.7
Arts, Crafts and Souvenirs	1.0
Clothing	1.3
Entertainment	2.0
Other	0.5
Total	32.8

The above spending was further broken down by McGuire to conform to Nova Scotia Input Output (IO) Model industry sector formatting.

The NSIO Model is used for economic impact analysis of visitor expenditures that have been transformed into input-output industry and commodity sectors. Economic impacts are divided into three components: direct; spinoff; and total impacts. Direct impacts are those that result directly from the individual's expenditures on, or purchases of, goods and services in Nova Scotia. Spinoff impacts are the sum of indirect impacts (due to inter-industry transactions) and induced impacts (from the repercussive effects caused by household spending and re-spending). Total impacts are the sum of direct and spinoff impacts.

Taxes paid to the government of Nova Scotia will come from three sources: from the direct sales tax paid by visitors on their purchases of goods and services in Nova Scotia; from gasoline taxes on motor fuel purchases; and from personal income and spending taxes on the labour income earned by employees of the businesses being impacted by visitor expenditures.

On the direct sales tax paid by visitors, the provincial portion of the HST is 8 percent. It is possible that some HST could be rebated to international visitors for some goods, or if some visitors are able to claim rebates on behalf of businesses or other eligible bodies. Ferries and groceries are exempt and air transportation is assumed to be "zero" under the assumption that the tickets are purchased outside Nova Scotia.



Photo: WDCL

Provincial gasoline taxes are 15.5 cents/litre. This rate is applied to \$2,611,835 of visitor gasoline purchases at an average price/litre of \$0.825 which was the average price in Zone 1 (HRM) over the period July 16 - August 1, 2009. The estimated provincial gasoline tax is \$491,000.

The direct impact on provincial government revenue, comprised of personal income and sales taxes, is estimated from wages and salaries, net of benefits and from a personal income and consumption tax template developed by the Department of Finance. Spinoff provincial government revenues are also estimated from spinoff wages and salaries using the tax pro forma developed by the Department of Finance. The provincial personal income tax rate is based on a single wage earner with three dependants (one partner, two children). Tax revenue impacts do not include provision for provincial taxes paid on corporate profits. The business produces a taxable supply and thus will not pay HST on business inputs.

However, there remains an inherent difficulty with determining the personal income and spending tax returns to the Provincial Government because of the Tall Ships event. Given that the event occurs over a two week period, one assumes that employees associated with the event would not be earning enough wages over this time period to hit the threshold for taxable income. Therefore, Tall Ships direct household income generates “zero” income tax returns to the government. However, the person spends that household income and will generate spending taxes for the provincial government. In this case, the analysis assumes that the Department of Finance’s tax template is only applicable to direct household income’s spending tax rate.

The tax problem continues with the “Spinoffs” that are calculated with the use of the IO Model.



Photo: WDCL

Economic Impact Assumptions

The following assumptions are used in the determination of the economic impact of incremental visitor expenditures for Tall Ships 2009 on Nova Scotia.

General Assumptions:

- » Visitor expenditures, originating from outside Nova Scotia, are incremental activity in the Nova Scotia economy. McGuire conducted a survey of selected visitors at the event and tabulated from survey results the expenditures that are incremental activity due to the Tall Ships Event.
- » All values are reported in constant 2009 dollar terms. Because the Nova Scotia Input-Output Model is 2003-based, inflation has been taken into account on household income inputs to reflect 2009 average Nova Scotia wage rates.
- » Direct labour is derived by the IO Model from expenditure data inputted into IO industry and commodity sectors.
- » Direct and Spinoff labour is reported in the IO Model on a person-year (PY) basis. Staff at Finance and McGuire believe that a two-week event does not create employment measured on a PY basis. However, the use of the IO Model for analysis dictates that measurement of expenditure impact activity is on PY terms. NOTE: see the **Cautionary Note on the Economic Impact Analysis of Tall Ships 2009**.
- » Labour fringe benefit rates are Nova Scotia average rates as taken from Statistics Canada, Estimates of Labour Income, Cat. No. 13F0016-XPB and CANSIM 382-0026
- » Retail and Wholesale Trade industry margins for Nova Scotia are sourced from Industry Canada: <http://strategis.ic.gc.ca>.



Photo: WDCL

Assumptions used to format expenditure data into IO industry and commodity sectors:

- » Expenditures of \$5.7 million for airfare (in and out of Nova Scotia) were allocated 50/50 between Imports and the “Air Transportation” industry sector of the IO Model.
- » Expenditures of \$0.7 million for ferries were allocated 50/50 between Imports and the “Water Transportation” industry sector of the IO Model.
- » Expenditures of \$2.0 million for car rental were placed in the “Automotive Rental and Leasing” industry sector of the IO Model.
- » Expenditures of \$113,236 related to taxis and limousine services placed in the “Taxi and Limousine Service” industry sector of the IO Model.
- » Expenditures of \$2.6 million for fuel were placed in the “Motor Gasoline” commodity sector of the IO Model.
- » Expenditures of \$85,816 related to auto repairs were placed in the “Automotive Repair and Maintenance” industry sector of the IO Model.
- » Expenditures of \$8.4 million related to fixed roof accommodation were placed in the “Traveller Accommodation” industry sector of the IO Model.
- » Expenditures of \$606,185 related to campgrounds were placed in the “RV Parks, Recreational Camps, and Rooming and Board Houses” industry sector of the IO Model.
- » Expenditures of \$6.1 million related to meals and beverages in restaurants were placed in the “Food Services and Drinking Places” industry sector of the IO Model.



- » Allocation of expenditures of \$1.6 million related to “Groceries, Liquor” follow the following methodology:
 - › A retail margin (20 percent supermarket and other groceries stores) was placed in the Retail Trade sector of the IO Model.
 - › A wholesale margin (22.8 percent) was placed in the Wholesale Trade industry sector of the IO Model.
 - › The remainder was allocated 68.6 percent to Imports, 10.4 percent to the Bread and Bakery industry, 10.4 percent to the Seafood Products industry and 10.4 percent to the Dairy Products industry.
- » Expenditures of \$109,727 related to visual arts had a retail margin of 60.3 percent applied (placed in the Retail Trade industry sector of the IO Model) and the remainder (39.7 percent) was placed in the “Households” sector of the IO Model.
- » Expenditures of \$528,996 related to handicrafts had a retail margin of 45.4 percent applied (placed in the Retail Trade industry sector of the IO Model) and the remainder (54.6 percent) was placed in the “Households” industry sector of the IO Model.
- » Expenditures of \$260,339 related to Jewellery had a retail margin of 51.2 percent applied (placed in the Retail Trade industry sector of the IO Model) and the remainder (48.8 percent) was placed in the “Jewelry and Silverware Manufacturing” industry sector of the IO Model.
- » Expenditures of \$108,625 related to NS music and NS books were allocated 50/50 between music and books. The music portion had a retail margin of 47.7 percent applied, with the remainder (52.3 percent) placed in the “Sound Recording Industries” industry sector of the IO Model. The book portion had a retail margin of 36.4 percent applied, with the remainder (63.6 percent) placed in the “Newspaper, Periodical, Book, and Database Publishers” industry sector of the IO Model.



Photo: WDCL

- » Expenditures of \$1.3 million related to clothing purchases had a retail margin of 40.1 percent applied, from family clothing stores, which was placed in the Retail Trade industry. The remainder (59.9 percent) was considered to be Imports.
- » Expenditures of \$55,339 related to textiles (bags and fabrics) were split 50/50 between textile, bags and canvas mills and fabric mills. The textiles (bags and fabrics) portion had a retail margin of 31 percent applied, and the remainder (69 percent) placed in the “Textile Bag and Canvas Mills” industry sector of the IO Model. The fabric mills portion had a retail trade margin of 31 percent and the remainder (69 percent) placed in the “Fabric Mills” industry sector of the IO Model.
- » Expenditures of \$513,271 related to entertainment were allocated to the “Performing Arts, Spectator Sports and Related Industries “ industry sector of the IO Model.
- » Expenditures of \$450,312 related to museums, art galleries were placed in the “Heritage Institutions “ industry sector of the IO Model.
- » Expenditures of \$585,359 related to casinos, VLTs were allocated to the “Gambling Industries “ industry sector of the IO Model.
- » Expenditures of \$451,482 related to recreational activities were placed in the “Amusement and Recreation Industries “ sector of the IO Model.
- » Expenditures of \$140,608 related to personal care were allocated to the “Personal Care Services and Other Personal Services “ industry sector of the IO Model.
- » Expenditures of \$323,259 related to Other were placed in the Personal Care industry sector of the IO Model.

Economic Impact

The economic impact of Tall Ships 2009 incremental visitor expenditures (from both Canada and non-residents of Canada) of \$32.8 million on the Nova Scotia economy are presented in Table 2.

Economic Impact of Tall Ships 2009 Incremental Visitor Expenditures of \$32.8 million on the Nova Scotia Economy

	Direct	Spinoff	Total
Employment (PYs)	451	160	611
Household Income (\$'000)	8,552	5,943	14,495
Provincial Gov't Revenue (\$'000):			
- Direct HST	1,980*	----	1,980
- Gas Tax	491	----	491
- Income and Spending Tax	<u>418**</u>	<u>589</u>	<u>1,007</u>
Total Revenue	2,889	589	3,478

Notes:

* HST revenues could be overstated where visitors claim HST rebates or companies qualify for rebates or input credits.

** Spending Tax only

The results reported in Table 2 are considered sustained activity in the Nova Scotia economy and are not to be confused with total additional or new activity in the province. The only new or additional activity that can be reported with a certain degree of accuracy is that the \$32.8 million of incremental visitor expenditures in the economy will generate direct HST and gas tax to the province of \$2.5 million.

As discussed, the direct employment is model-generated and is overstated because of the interaction of “constant returns to scale” and the level of expenditures in the Retail, Traveller Accommodations and Food Services and Drinking Places industries. Spinoff employment has been reported as indirect (inter-industry) and induced (effects of household spending and re-spending).

These considerations reinforce the caution in using IO Model generated numbers to measure the impacts of a “short time period” event such as Tall Ships.

Tall Ships 2009 Economic Impact Study Final Report

Submitted to:

Tall Ships Nova Scotia & Waterfront Development Corporation Limited

Prepared by:

TMSOLUTIONSinc & Kelco Consulting Limited

Project Contact:

Thomas McGuire 902.431.6972.



**TALL SHIPS
NOVA SCOTIA**