

S.40 (1)

January 8, 2019

Dear: 

**Re: Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act*: TCII/54/2018**

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On December 10, 2018 *Tourism, Culture, Industry and Innovation* received your request for access to the following records:

“Briefing materials, decision notes, information notes, and key messages - in any and all formats, including paper and electronic - prepared for, and/or provided to, the minister, on the topic of air access, airline route promotions, and/or support for flights linking the province to national and international destinations. Date range of request is Jan. 1, 2018, to the present.”

I am pleased to inform you that a decision has been made by the Deputy Minister for the Department to provide access to the requested information.

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in section 42 of the *Access to Information and Protection of Privacy Act* (the *Act*). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner  
2 Canada Drive  
P. O. Box 13004, Stn. A  
St. John's, NL. A1B 3V8

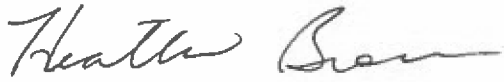
Telephone: (709) 729-6309  
Toll-Free: 1-877-729-6309  
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you

receive the decision of the public body, pursuant to section 52 of the *Act*.

If you have any further questions, please contact me by telephone at 729-3356 or by email at [heatherbrown@gov.nl.ca](mailto:heatherbrown@gov.nl.ca).

Sincerely,

A handwritten signature in cursive script that reads "Heather Brown". The signature is written in black ink and is positioned above the printed name and title.

Heather Brown  
ATIPP Coordinator

# Discussion- UK/Ireland Market

**Department of  
Tourism, Culture, Industry and Innovation**

**October 17, 2018**

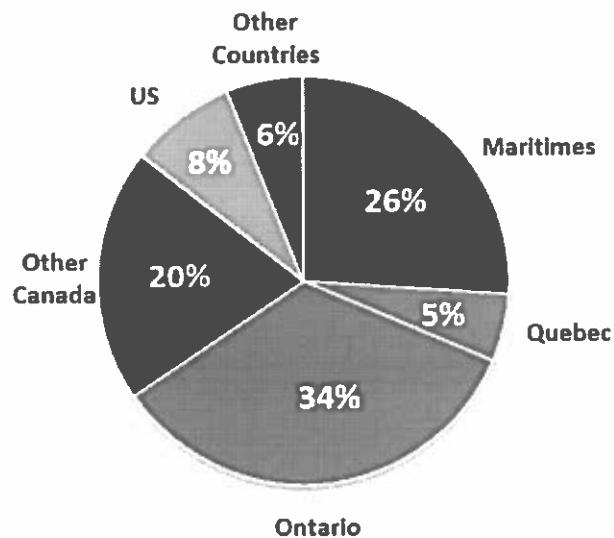


# Markets

- Based on 2016 Exit Survey, UK represents 2% of Newfoundland and Labrador's overall travel parties, while Ireland represents only 0.3%. It is worth noting that visitation from Canada represents 86% of our total visitation, followed by the US at 8%.

## ORIGIN – Non Resident Parties (2016 Exit Survey)

Chart 1: 2016 Non-Resident Parties – Origin  
(% Parties; May to October)



*Ontario remains Newfoundland and Labrador's major travel market*

Chart 1 shows the origins of travel parties who visited Newfoundland and Labrador in 2016. Over one third (34%) of visitors came from Ontario, representing the province's largest source market. At over one quarter (26%), visitors from the Maritimes accounted for the second largest share of travel parties. In terms of other markets, Quebec represented 5% of non-resident parties while 20% of visitors arrived from provinces west of Ontario and the territories.

# ORIGIN – Non Resident Parties (2016 Exit Survey)

## Further Breakdown of “Other” Category (Highest of 83 countries)

1.	United Kingdom	1.7%
2.	Germany	0.6%
3.	Australia	0.5%
4.	Norway	0.4%
5.	Ireland	0.3%
6.	Netherlands	0.2%
7.	France	0.2%
8.	Switzerland	0.1%
9.	Denmark	0.1%
10.	Austria	0.1%

# Business Development - Market Considerations

## Canadian Total Exports 2017

### Origin: TOP 10 Countries

### Destination: Newfoundland and Labrador

Country	% Percentage	Value in Thousands of CDN dollars
United States	52.88	5,387,708.00
China	7.81	795,743.06
United Kingdom	6.83	696,266.22
Netherlands	5.3	540,504.56
Japan	3.28	334,001.06
Belgium	3.21	327,277.68
Italy (incl. Vatican City State)	2.87	292,906.20
France (incl. Monaco, French Antilles)	1.78	181,001.61
Trinidad and Tobago	1.76	179,790.60
Spain	1.52	155,102.93
Sub-total	87.25	8,890,301.91
Others	12.75	1,298,928.18
Total All Countries	100	10,189,230.09

Source: Trade Data Online (accessed: October 16, 2018)

# Business Development- Market Considerations

## Canadian Imports 2017 Origin: TOP 10 Countries

### Destination: Newfoundland and Labrador

Country	% Percentage	Value in Thousands of CDN dollars
United States	47.43	1,543,922.82
United Kingdom	11.26	366,645.53
Norway	9.79	318,825.98
Russia	4.41	143,543.66
Korea, South	4.4	143,131.82
Angola	4.12	134,246.56
Romania	2.68	87,202.54
Netherlands	2.17	70,696.18
Spain	2.04	66,250.89
India	1.42	46,350.20
Sub-total	89.72	2,920,816.17
Others	10.28	334,560.84
Total All Countries	100	3,255,377.01

Source: Trade Data Online (accessed: October 16, 2018)

## Other Considerations – International Students

- International Students (MUN) – Full and Part Time (2017)

### Enrolment by Citizenship – Top 5

Citizenship	# of Students
Asia	1229
Middle East and North Africa	408
Latin America/Caribbean	258
Sub-Saharan Africa	234
Europe	188*

*\* 2 Students from Ireland, 26 from U.K.*



# TCII Supports – UK & Ireland

Financial Supports

Project Funding (SJIAA, DSJ)

Marketing Partnerships

SJIAA, DSJ, TCII, ACAT

Travel Trade and Media

# Financial Supports

Government of Newfoundland and Labrador  
Department of Tourism, Culture, Industry and Innovation



# Historical and Current

- Air Access Programs (2010/11-2013/14)
  - Disbursed approximately \$800K to airlines and \$155K to airport authorities (**Provincially**)
- TCII Programming (2014 - Present)
  - **SJIAA** approved for \$850,000 for marketing projects with West Jet and Air Canada (\$735,000 disbursed to date). All UK/Ireland routes.
  - **Destination St. John's** has received \$148,800 (\$21,300 for FAM tour support for International markets and \$127,500 for implementation of sales and marketing plan for the UK and Ireland markets).
- Other: Approximately \$14 million for Category III project.

## Financial Supports –Current Requests to TCII

- ✓ Amend SJIAA project to re-profile \$75K from Westjet-Gatwick project to Westjet- Ireland route
- ✓ Amend DSJ project to allow additional FAMs (re-profile funds)

## Other Supports – UK & Ireland

Government of Newfoundland and Labrador  
Department of Tourism, Culture, Industry and Innovation



## Other Supports – UK & Ireland

- Under Atlantic Canada Agreement on Tourism (ACAT), NL Tourism currently works with 16 UK tour operators, who focus primarily on UK, while 7 also have reach into Ireland.
- Annually since 2016, TCII has undertaken 10 Co-op Air Canada and YYT Joint marketing programs exclusive for YYT/travel trade initiatives for the UK market in partnership with DSJ.
- In 2017, NL hosted 75 travel trade and media from UK markets - 26 travel trade professionals representing 13 UK companies and 49 travel media representing 24 UK media outlets.

## Discussion & Next Steps

Government of Newfoundland and Labrador  
Department of Tourism, Culture, Industry and Innovation



## Strategic Focus

- SJIAA – what is the strategy and how is it developed?
  - How does SJIAA determine markets and target airlines?
  - What information is used? Sources of economic intelligence?

## Working Together

- Effective collaboration and partnership requires early stage discussion.
- Ongoing dialogue required about opportunities.
- TCII is a willing partner to explore:
  - Travel trade and media event in support of Come From Away
  - Joint marketing partnership with WestJet



## KEY MESSAGES

### Tourism, Culture, Industry and Innovation

#### Loss of Direct WestJet Dublin flight

December 3, 2018

#### Summary:

- On November 22, WestJet announced its decision to cancel its direct flight from St. John's to Dublin. The flight will now connect through Halifax.

#### Anticipated Questions:

- Why did WestJet decide to cancel the direct flight to Dublin?
- Why did we let this happen?
- What has government done to encourage more airline activity?

#### Key Messages:

- We are disappointed with the recent announcement by WestJet to discontinue the direct flight to Dublin. The introduction of the direct Dublin service from Halifax in 2019 is equally disappointing.
- Our government is committed to collaboration and to working together to support air routes and airlines. My Deputy Minister spoke with the Vice-President of Air Canada last week. I have meetings scheduled with both Air Canada and Westjet to discuss other airports and other opportunities.
- I am encouraged that the Federal Government is now engaged with this file and I hope they come forward with some options to improve connectivity for all airports in the province. The industry is highly regulated through the Federal Government. It would be helpful if they could make some improvements to these regulations to allow for more international flights.

#### Secondary Messages:

- WestJet has stated that the decision was not taken lightly, but unfortunately the route was not performing to expectations. Decisions by airlines are made based on passenger use as well as financial incentives.
- WestJet was recently provided details of a planned promotional initiative that partners would undertake to build on previous marketing efforts to support the Dublin flight. The expanded campaign was to begin this year and run throughout 2019. This was a significant, well-funded and well-balanced campaign; unfortunately it was not sufficient for WestJet to discontinue the flight in 2019.
- The Provincial Government offers financial support to partners such as the St. John's International Airport Authority and Destination St. John's on a project-by-project basis to help attract routes to specific markets. This approach allows us to

proactively support opportunities as identified by our partners. (The provincial air subsidy program was eliminated in 2013.)

- Since 2014, TCII has provided almost \$1 million to Destination St. John's (DSJ) and St. John's International Airport Authority (SJIAA) to promote international air routes.
- TCII has provided \$300,000 to the SJIAA to promote the St. John's to Dublin flight.
- Government proactively promotes Newfoundland and Labrador as a strategic destination for business and as a tourism destination.
- We still have year round direct air access to London-Heathrow with Air Canada and our efforts are focused on maintaining this service and our accessibility to central Canada hubs.

**Drafted by: Tansy Mundon, Director of Communications**

**Approved by: Hon. Christopher Mitchelmore, Minister of Tourism, Culture, Industry and Innovation**

**Department of Tourism, Culture, Industry and Innovation**  
**Meeting Note**

**Date:** Wednesday Dec. 12<sup>th</sup> @ 1:30pm

**Attendees**

Andrew Gibbons, WestJet  
Hon. Christopher Mitchelmore  
Ted Lomond

**Purpose of Meeting:**

- As a part of a broader discussion on air market access, Minister Mitchelmore and Ted Lomond, Deputy Minister are expected to discuss the importance of WestJet and their current and future plans and commitments to the province.

**Background**

- WestJet, a Canadian airline in operation since 1996, services three destinations in Newfoundland and Labrador: St. John's and Gander since April 2003 and Deer Lake since May 2007.
- With nearly 400,000 inbound non-stop seats and a 29% share of all inbound non-stop capacity in 2018, WestJet is the second largest air service provider to the province (Air Canada is the largest).
- WestJet's inbound non-stop seat capacity has increased from 64,892 seats in 2004 to 367,588 seats in 2018, with capacity increases in 11 out of the last 15 years.
- WestJet has been providing services from domestic, international and "sun destinations", with routes and service frequency varying often (frequent service cuts, additions and changes in seasonality). Current domestic origins include Calgary, Toronto and Halifax. Current "sun destinations" include Orlando, Tampa and Fort Lauderdale (starting in 2019).
- Recently terminated services include service from Ottawa and Gatwick to St. John's (in operation 2016 to 2017 as one route Ottawa – St. John's – Gatwick), Dublin to St. John's (2014 to 2018) and Halifax – Deer Lake (2015 to 2018).
- After five consecutive years of growth (2013 to 2017), WestJet's capacity peaked in 2017 at 437,857 seats, dropping 16% in 2018, to 367,588 seats. The significant reduction in capacity in 2018 was due to several service terminations (Gatwick-St. John's, Toronto-Gander, Ottawa-St. John's) and service reductions (Toronto-St.

John's, Halifax-St. John's, Dublin-St. John's). The 2018 capacity decreases were offset by increases on the Calgary-St. John's and Halifax-Gander routes.

- WestJet was recently provided details of a planned promotional initiative that partners would undertake to build on previous marketing efforts to support the Dublin flight. The expanded campaign was to begin this year and run throughout 2019. Collectively, we would be investing as much as \$800,000 in this promotional initiative. This was a significant, well-funded and well-balanced campaign; unfortunately it was not sufficient for WestJet to discontinue the flight in 2019.

## **Agenda Item #1 (Discontinuation of WestJet Service and Future Service Commitments)**

### Analysis

- The Dublin-St. John's service as well as the Toronto-Deer Lake service are terminated for 2019, with WestJet services remaining on eight different routes, including three from Florida and five from domestic origins, including Halifax (year-round to St. John's and Gander), Toronto (year-round to St. John's, seasonal to Deer Lake) and Calgary (seasonal to St. John's).
- The significant reduction in inbound non-stop seat capacity in 2018 was due to service cuts between:
  - Gatwick and St. John's (terminated for 2018)
  - Ottawa and St. John's (terminated for 2018; same route --- Ottawa – St. John's – Gatwick)
  - Toronto and Gander (terminated for 2018)
  - Dublin – St. John's (reduction of 1,270 seats, 11 fewer flights)
  - Halifax – Deer Lake (reduction of 9,828 seats, 126 fewer flights); service was year-round and was terminated as of November 2018
  - Halifax – St. John's (reduction of 17,245 seats, 18 fewer flights, use of smaller aircraft); 4 daily flights reduced to 3 daily flights as of November 2018 continuing into 2019
  - Toronto – St. John's (reduction of 5,371 seats, 51 fewer flights)
- In 2018, capacity cuts were offset by increases in the service between:
  - Calgary and St. John's (7,506 seats additional seats; 47 additional flights)
  - Halifax and Gander (9,282 additional seats, 119 additional flights); year-round service resumed in April 2017

- WestJet's air service to destinations in NL appears to be in constant change, with frequent changes from seasonal to year-round service, termination and re-commencement of a route, for example:
  - Toronto – Deer Lake: seasonal 2008 to 2012; year round 2013 to 2017; seasonal 2018 (and 2019)
  - Halifax – Gander: in operation July 2015 to May 2016 (with operation in off-season); year-round service re-start April 2017 (to current)

### Potential Speaking Points

- We are disappointed with the recent announcement by WestJet to discontinue the direct flight to Dublin. The introduction of the direct Dublin service from Halifax in 2019 is equally disappointing.
- WestJet's air service to destinations in NL appears to be in constant flux, with frequent changes from seasonal to year-round service, termination and re-commencement of a route. Could you explain the planning and decision making process.
- Government proactively promotes Newfoundland and Labrador as a strategic destination for business and as a tourism destination.
- Our government is committed to collaboration and to working together to support air routes and airlines.

**Prepared/approved by:** M. Roebathan/C. Murphy/T. Lomond (Pending)

**Appendix A**  
**WestJet Air Service to Newfoundland and Labrador**

**Summary of WestJet Inbound non-stop seat capacity to Newfoundland and Labrador 2013 to 2018**

Origin	Destination	2013	2014	2015	2016	2017	2018
Dublin	St. John's	0	17,952	23,606	22,620	24,050	22,780
Gatwick	St. John's	0	0	0	21,840	22,466	0
Orlando	St. John's	3,808	3,808	3,754	9,540	7,822	7,935
Punta Cana	St. John's	1,360	1,768	1,904	0	0	0
Tampa	St. John's	0	0	0	0	1,268	1,310
Halifax	St. John's	98,838	97,788	106,436	121,207	125,977	108,732
Halifax	Deer Lake	0	0	13,260	47,346	56,550	46,722
Halifax	Gander	0	0	13,260	9,880	19,188	28,470
Ottawa	St. John's	0	24,752	22,090	22,620	22,462	0
Calgary	St. John's	11,152	16,864	14,140	11,424	11,424	18,930
Toronto	St. John's	86,782	109,233	111,347	111,063	106,865	101,494
Toronto	Deer Lake	31,093	38,114	38,614	40,058	30,650	31,215
Toronto	Gander	0	0	17,326	17,658	9,135	0
<b>Total</b>		<b>233,033</b>	<b>310,279</b>	<b>365,737</b>	<b>435,256</b>	<b>437,857</b>	<b>367,588</b>

Source: Diio Air Access Database; 2018 as of 5 December 2018 (subject to change)

**Summary of scheduled WestJet services to Newfoundland and Labrador 2019\***

Origin	Destination	Service Period	Scheduled Flights
Fort Lauderdale**	St. John's	March to May	2 – 5 per month
Orlando	St. John's	Year round	4 – 5 per month (8 in April)
Tampa	St. John's	March to June	4 per month (1 in June)
Halifax	St. John's	Year round	3 daily
Halifax	Gander	Year round	1 daily
Calgary	St. John's	20 June to 2 September	1 daily
Toronto	St. John's	Year round	1 – 3 daily
Toronto	Deer Lake	1 April to 25 October	4 per week to 2 daily

Source: Diio Air Access Database; as of 5 December 2018 (subject to change)

\* As of 5 December, scheduled seat capacity information is only available up to November 2019

\*\* New service as of 2019

### Summary of WestJet terminated services

Origin	Destination	Service Period
Dublin	St. John's	Seasonal May to October 2014 to 2018
Gatwick	St. John's	Seasonal May to October 2016 to 2017
Punta Cana (Cuba)	St. John's	January/February to April 2013 to 2015
Halifax	Deer Lake	Year round July 2015 to October 2018
Ottawa	St. John's	Jan to Apr 2004 / Seasonal May to October 2014 to 2017
Ottawa	Gander	January to April 2004
Toronto	Gander	Seasonal 2015 / year round May 2016 to April 2017

Source: Diio Air Access Database