Assessing the Economic Impact of Travel to Island Destinations in Canada

Janae Blackman
Grenfell Campus
Memorial University of Newfoundland

Canada is made up of ten provinces and three territories. For the most part it is a fairly landlocked country. With this being said there are a few major islands that this research will focus on: Newfoundland, Prince Edward Island, and Vancouver Island (BC). This research attempts with the use of library resource to find out if there is a significant extra cost in travelling to major islands in Canada, and if the extra cost can affect, more specifically deter the amount of tourists that could potentially travel to them. The main purpose of the study is to report on challenges of transport and impact on tourism to the island areas. The research will compare and contrast costs to travelling to these islands from primary socio-economic hubs in Canada.

**Key words:** Tourism, Travel, Transport, Islands, Canada

**Introduction**

Tourism is “the temporary movement of people to destinations outside their normal place of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs.” (Cook, Yale, Marqua, 2006, pp. 5). Tourism has been around since the beginning of time. When people would travel to different places because of sense of adventure and curiosity. But tourism really started to boom in the 18th and 19th century when technology advanced, making travel more efficient. (Cook, Yale, Marqua, 2006, pp.10).

Tourism is one of Newfoundland’s greatest drivers, as it is with many islands. It generated approximately 357 million dollars in 2007 (tcr.gov.nl.ca, April 2015). Though tourism is not just about the economic value, there are many benefits to a well-developed tourism plan. It provides employment opportunities both skilled and unskilled, because it is labor-intensive. It broadens educational and cultural horizons and improves feelings of self-worth. It reinforces preservation of heritage and tradition. And it also creates a favorable worldwide image for a destination. (Goeldner & Ritchie, 2012)These are just some of the many perks of tourism. “The Department of Finance through the province's input/output model estimates that the direct contribution of all tourism activity to the province’s economy during 2010 was $288 million in Gross Domestic Product (GDP) or 1.1% of the economy. This contribution was higher than logging (0.3%) and fish harvesting (0.6%) and about the same as fish processing (1.0%).” (NL Government, 2010, [http://www.tcr.gov.nl.ca/tcr/faq/tourism_statistics.html](http://www.tcr.gov.nl.ca/tcr/faq/tourism_statistics.html)).

The research objectives of this study are as follows:

- To determine if travelling to islands in Canada require tourists to pay more money;
- To determine if paying more money to travel to a location, will deter visitors from traveling there; and
- To determine if the price of travelling to Newfoundland compared to other Atlantic provinces has a significant effect on the amount of tourists that come to the island.
Research Methodology

The research made use of extensive review of literature on tourism transportation sector to different islands in Canada; which is more widely used for travel to these islands. This was done through a selection of secondary data from websites, forums, press releases as well as local news articles.

Research Limitations

With the time allotment the research is limited to the information collected and analyzed from other sources. Therefore there will be strictly secondary data used for this research project. The main focus of the project is on three major islands in Canada with special emphasis to Newfoundland and Labrador shown Figure 1.

Figure 1: Canadian Map

![Canadian Map](http://www.artofanderson.com/canadas-map/, April 2, 2015)

Review of Literature

1. The Importance of Transportation

Travel is a very vital part of tourism, and on can only travel through different forms of transportation. “Whether people travel by… car, motorcoach, camper, train, taxi, motorbike, or bicycle, they are taking a trip and thus are engaging in tourism” (Goeldner & Ritchie, 2012, pp.3). Travelling has been around since the beginning of time, as people would walk to their destinations, but this is not including transportation.
Transportation became a big form of travel in the 18th and 19th century, when people would travel to and from different continents via boats and ships (sea travel). Other modes of transport include: bicycle, horse, car, coach, train, and air travel. Of all of these forms of travel car and air travel dominate in post parts of the world. But in places in the Pacific, sea travel is more important along with rail and coach travel from more populated areas, like cities. In expression of international travel, air travel counts for 52% use and road travel is a close second with 40% use. Water and rail (Figure 2) were the smallest statistics, being 6% and 2%.

**Figure 2: Inbound Tourism by Mode of Transport, 2012**

![Inbound Tourism by Mode of Transport, 2012](image)

*Source: World Tourism Organization (UNWTO)*

Broadly speaking, air travel is used more for long haul travel, but gives way to road, rail and sea travel for medium and short length trips (Tolley & Turton, 1995; Lumsdon & Page, 2004; Goeldner & Ritchie, 2006). This discussion of transport as the coordinator of tourism has thrown off research in the sense of transport as tourism, as a perspective that proposes the transport can be an integrative part of the tourism offering rather than simply providing access to the experience. The idea of “tourism transport” explains how tourism and transport can come together as a tourism and transport experience. Transport continues to serve as a purpose of moving visitors from place to place but in doing so, it also supplies an attraction in its own right. This form of tourism transport is designed and planned to structure an essential part of the overall tourism experience. The mode of transport tourist use can usually form an integral part of their journeys and experience, a feature often neglected in existing research on tourism (Figure 3).
Tourism transport is a universal term which covers all trips within the tourism transport system. However, as stated, there is increasing recognition that transport in itself is an attraction to certain places and therefore should be planned and marketed differently than transport for tourism.

2. Statistics on Sea (Ferry) transportation in Canada

Canada is known for having one of the most successful and safest civil aviation programs in the world. Transport Canada works with many partners here [domestically] and around the world to protect and maintain our air safety and security record, and to make air travel more environmentally responsible (Government of Canada, http://www.statcan.gc.ca/pub, 2015). Air passenger traffic at Canadian airports has increased by 2.7% in 2013. The total number of enplaned (boarded) and deplaned (disembarked) passengers in Canada was 122.4 million. Figure 4 shows the rise of air transportation in Canada from 1997 to 2013.
Passenger traffic in the domestic, trans-boarder and international sectors increased in 2013. The domestic sector expanded 3.2% (Stats Canada, http://www.statcan.gc.ca, April 2015). Due to Canada being so large, many people (including tourists and domestic travellers) prefer to use air travel as a fast and easy way to go long distances. All main cities have airports with regularly scheduled flights to and from many different places (Government of Canada, www.cic.gc.ca, April 2015). Travelling by vehicle is made very simple in Canada. With the large network of highways it makes long distance travel possible for most places.

There are many islands in Canada, but three popular ones are:

- Vancouver Island (British Columbia),
- Prince Edward Island, and
- Newfoundland

Sea travel in Canada is not as common as other forms of transportation because it is primarily a landlocked country, but there are some provinces that use ferries to travel between and to different parts of the province. For example British Columbia would use ferries to bring passengers back and forth to the mainland of B.C. The ferries are a common and cheap way to travel. Many ferries transport both passengers and vehicles. In Table 1, you will see the different prices of some of the ferries within a few of the Canadian province.
Table 1: Ferry Transportation ($CAD)

<table>
<thead>
<tr>
<th>Name</th>
<th>Vehicle allowed</th>
<th>To</th>
<th>From</th>
<th>Price (vehicle added)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marine Atlantic</td>
<td>Y</td>
<td>Port-Aux Basque (Newfoundland)</td>
<td>North Sydney Cape Breton, (Nova Scotia)</td>
<td>$300-500</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine Atlantic</td>
<td>Y</td>
<td>Argentia (Newfoundland)</td>
<td>North Sydney Cape Breton, (Nova Scotia)</td>
<td>$300-700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC Ferries</td>
<td>Y</td>
<td>Nanaimo Victoria (Vancouver Island, BC)</td>
<td>Horseshoe Bay (BC)</td>
<td>$175-300</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bay Ferries</td>
<td>Y (Small)</td>
<td>Wood Islands (PEI)</td>
<td>Caribou (Nova Scotia)</td>
<td>$75-150</td>
</tr>
</tbody>
</table>


Many of the provinces that have ferry access can only be visited by ferry transportation. The only exception to this is Prince Edward Island (PEI), which has the Confederation Bridge, built from 1993-1997. The price of the three ferry services fluctuate depending on how many passengers you book for, or how big your car or vehicle is. The ferry to PEI is the cheapest, starting at $75 CDN, which includes one passenger and one small vehicle (car).

a) British Columbia:

British Columbia is the westernmost province of Canada, and is also the only province (not including territories) that border the Pacific Ocean. “British Columbia is a very hospitable environment for visitors. Its road systems are modern and well-marked, it has accommodations to fit every taste and/or budget, and its businesses are accustomed to serving clients from all over the world” (Hellobc, http://www.hellobc.com/, 2015). Vancouver Island is just off the coast of mainland BC, and is the provinces most visited island (has a collection of small islands), probably due to the fact that the provinces capital city is on the island.

b) Prince Edward Island:

The ferry is fairly inexpensive. This may be due to the fact that the Confederation Bridge is accessible to and from the island. Prince Edward Island (PEI) is the smallest province in Canada. It is approximately 56,000 km². PEI is split up into ten municipalities, and within those regions throughout the year there are many tourist attractions. PEI has many music festivals and art festivals throughout the province. “As an economic engine, tourism generates in excess of $400 million in revenues, $60 million in tax revenues and 15,000 jobs for Islanders. As a percentage of GDP, tourism represents over 10% of the province’s annual GDP” (Government of PEI http://www.gov.pe.ca/photos/original/tourism_final05.pdf, 2005). A quote from Tourism PEI states: “The green pastoral landscape and water views make our Island way of life unique, they also allow us to produce some of the tastiest food experiences found globally” (tourismpei, http://www.tourismpei.com/index.php3, 2015).
c) Newfoundland:

Newfoundland is the easternmost province of Canada, and is also the largest island in Canada. Newfoundland might look like a mid-sized island on a map, but it's actually a vast place with lots of open country, and many coastline areas. Newfoundland is known as a vacation destination, so their prime tourist season is in the summer months, so from June to August. Experiences connecting the traveller to the destination are very important for vacation destinations, and that is what Newfoundland tries to do. Affordability is the top concern for Canadians. This limits out-of-province vacation travel in most cases ([www.trc.gov.nl.ca](http://www.trc.gov.nl.ca), April 2, 2015). The Marine Atlantic Ferry is the most expensive ferry looked at. This may be due to the distance that the ferry must travel to get to Newfoundland from Nova Scotia.

3. Statistics on Air Transportation

Access to the air transportation information was done through Air Canada bookings ([http://www.aircanada.com/en/home.html](http://www.aircanada.com/en/home.html)). Air Canada is the major airline for all of Canada.

a) British Columbia:

When asked, visitors were most likely to participate in sightseeing, nature, wildlife viewing, shopping, visiting national or provincial parks and visiting friends or relatives on their trip (Destination BC, [http://www.destinationbc.ca](http://www.destinationbc.ca), 2012). Vancouver Island draws tourists in because of its scenic beauty and vast majority of activities. “Outdoor recreation activities are a motivator for 44% of those likely to take a trip to VI, followed by experiencing scenery and nature and to relax and unwind” (Destination BC, [http://www.destinationbc.ca](http://www.destinationbc.ca), 2012). The tourists not likely to visit Vancouver Island in the next 2 years mentioned costs as being the key factor (30%). Destination British Columbia has a list of things to consider in the next year, to try to draw in more tourists. Some things on the list include:

- Maintain exceptional quality of service, availability of information and visibility of visitor centres.
- Focus promotional material on the key activities that motivate future trips to Vancouver Island that can be participated in during shoulder seasons.

The last point to consider in the list is: “Address affordability: the key reason for reluctance to take a future trip to the region. Highlight free or inexpensive activities that are available in the region.” Table 1 and 2 indicates that travelling to Vancouver Island is expensive from Ontario’s capital (Toronto) which can be upwards of $1000.00 round trip. This is one of the most expensive flights, compared to the other islands travelled to from Toronto. The same goes for when looking at travelling from Montreal and Halifax. It is only the cheapest round trip flight when you are looking at travelling from Edmonton, Alberta. This airport is the closest, compared to the other main hubs in Canada, to Vancouver Island, so that may play a role in why it is the cheapest.
<table>
<thead>
<tr>
<th>To</th>
<th>From</th>
<th>Price (RT)</th>
<th>Price (OW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland (Deer Lake Regional Airport)</td>
<td>Ontario (Toronto Pearson International Airport)</td>
<td>$500-600</td>
<td>$200-300</td>
</tr>
<tr>
<td>Newfoundland (Deer Lake Regional Airport)</td>
<td>Québec (Montréal- Pierre Elliott Trudeau International Airport)</td>
<td>$500-800</td>
<td>$200-400</td>
</tr>
<tr>
<td>Newfoundland (Deer Lake Regional Airport)</td>
<td>Nova Scotia (Halifax Stanfield International Airport)</td>
<td>$500-800</td>
<td>$200-400</td>
</tr>
<tr>
<td>Newfoundland (Deer Lake Regional Airport)</td>
<td>Alberta (Edmonton International Airport)</td>
<td>$1,000-1,400</td>
<td>$500-700</td>
</tr>
<tr>
<td>Newfoundland (St. John’s International Airport)</td>
<td>Ontario (Toronto Pearson International Airport)</td>
<td>$400-600</td>
<td>$200-300</td>
</tr>
<tr>
<td>Newfoundland (St. John’s International Airport)</td>
<td>Québec (Montréal- Pierre Elliott Trudeau International Airport)</td>
<td>$400-600</td>
<td>$200-300</td>
</tr>
<tr>
<td>Newfoundland (St. John’s International Airport)</td>
<td>Nova Scotia (Halifax Stanfield International Airport)</td>
<td>$200-400</td>
<td>$100-200</td>
</tr>
<tr>
<td>Newfoundland (St. John’s International Airport)</td>
<td>Alberta (Edmonton International Airport)</td>
<td>$800-1,200</td>
<td>$400-600</td>
</tr>
<tr>
<td>Prince Edward Island (Charlottetown Airport)</td>
<td>Ontario (Toronto Pearson International Airport)</td>
<td>$400-500</td>
<td>$200-300</td>
</tr>
<tr>
<td>Prince Edward Island (Charlottetown Airport)</td>
<td>Québec (Montréal- Pierre Elliott Trudeau International Airport)</td>
<td>$400-800</td>
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<td>$500-600</td>
</tr>
<tr>
<td>Vancouver Island (Victoria International Airport)</td>
<td>Ontario (Toronto Pearson International Airport)</td>
<td>$800-1,000</td>
<td>$300-400</td>
</tr>
<tr>
<td>Vancouver Island (Victoria International Airport)</td>
<td>Québec (Montréal- Pierre Elliott Trudeau International Airport)</td>
<td>$700-1,200</td>
<td>$300-600</td>
</tr>
<tr>
<td>Vancouver Island (Victoria International Airport)</td>
<td>Nova Scotia (Halifax Stanfield International Airport)</td>
<td>$800-1,000</td>
<td>$400-500</td>
</tr>
<tr>
<td>Vancouver Island (Victoria International Airport)</td>
<td>Alberta (Edmonton International Airport)</td>
<td>$400-600</td>
<td>$200-300</td>
</tr>
</tbody>
</table>
b) Prince Edward Island:

Following a period of explosive growth brought about by the opening of the Confederation Bridge in 1997, Prince Edward Island’s tourism industry entered a period of decline, with the most dramatic decrease (16%) occurring in 2004. There is a real sense that a decline in PEI’s competitiveness has ensued, and that new and decisive actions must be undertaken to return the sector to a period of successive growth (Government of PEI http://www.gov.pe.ca/photos/original/tourism_final05.pdf, 2005). Travelling to PEI from the major hubs in Canada is generally at par with travelling to Newfoundland.

c) Newfoundland:

In a study of Canadian travellers, 50% were unlikely to travel out of province, due to cost. 47% of the people studied said that looking for bargains (cheap shopping) was a top priority for vacation destinations (Government of Newfoundland, Canadian Vacation Travel Market, 2014). Travelling to Newfoundland can be quite an expensive trip. There is a difference in price between the two major hubs of the island. Deer Lake Regional Airport is almost $200.00 more expensive, than St. John’s International Airport. Either through air travel, or taking the ferry, there is no way of travelling to Newfoundland that will cost less than $200.00 one way.

4. Challenges with Travelling to the Atlantic Provinces

This section is important to the research because two of the three major islands in Canada are within Atlantic Canada. Atlantic Canada is known as an enchanting assemblage of provinces that are known for their rugged coastline and distinct maritime culture. Atlantic Canadians enjoy the region’s natural beauty, relaxed pace of life, friendly communities and comfortable lifestyle (Demarco, 2009). In Figure 5, the Atlantic Provinces consist of New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador. Out of the total ten Canadian provinces, these four provinces are the most widely spread. In 2014 there was a potential of 22 million visitors (tourists) for all of Canada, and only 5% (1.2 million) of those were estimated to visit the Atlantic Provinces. But when the people were asked what provinces they had recently visited, Nova Scotia was ranked fourth with 18%, and Newfoundland and Labrador was ranked 5th with 8%. It was noted that British Columbia and Ontario were the most visited provinces. Experiences connecting the traveller to the destination are very important for vacation destination selection (Government of Newfoundland, www.trc.gov.nl.ca). With these statistics one would think that tourism is a major cause for revenue on the East Coast, and you would be right. But the Atlantic Provinces are not doing as well as some of the other provinces, and the question is why? There are multiple reasons why this is, but a major contributor is Atlantic Canada is facing a looming labour shortage, this means that more local people are moving out of province, to more opportunistic provinces, such as Alberta, and Ontario (DeMarco & George, 2009).
At present, the economic downturn has shifted focus away from these long-term challenges onto the immediate economic challenges facing Atlantic Canada’s families and businesses. However, demographic challenges will continue to impact the region long after its economy has recovered. Employers all across the country are facing shortages of skills, labour, or a combination of both. While some business owners find it hard to attract or hold onto employees with the skills, education or experience they need for their business, others face a general shortage of people to fill vacancies, including entry-level positions (DeMarco & George, 2009). Figure 6 shows graphically what Atlantic Canada’s greatest challenges are in the next five years (percentage). The problems noted affect travel tourism in the Atlantic Provinces in many different ways. If aging population is the biggest problem that they have then this means businesses will not be able to continue to run and thrive, because the owners are growing old and the young people are moving away. The third greatest challenge is shortage of qualified labour.
This means that there are not enough knowledgeable people to work in different industries throughout the provinces, which lead to the closure of businesses. Infrastructure is the seventh greatest problem. This posses a problem, not just for locals, but for tourists as well. Tourists will not be attracted to places that have low infrastructure.

5. **Negative Impact on Tourism in Newfoundland**

All forms of tourism exhibit positive and negative characteristics, and should be viewed accordingly (Guttentag, 2009). Since the 1992 cod moratorium, two distinctive strategies have been pursued to diversify the economy of Newfoundland and Labrador: “extractive” development in the form of the oil and gas sector and “attractive” development in the form of tourism, specifically nature-oriented tourism (Stoddart & Sodero, 2014). New tourism advertisements rebrand the province, reimagining it as a place that is joined with global networks of tourism mobility (refers to the movement, or lack thereof, of tourists traveling to and from their destination and traveling within their destination). However, this “rebranding” curbs climate change concerns, excluding reference to risks associated with both the oil industry and the greenhouse gas intensity of tourism-related mobilities (Stoddart & Sodero, 2014). Kember and Zylinska (2012) say that, media not only creates representations of the world, but are involved in “enacting” or “performing” the social-ecological world. This gives a fake picture to people that have not been to Newfoundland and attracts them with false hope. Over the last few decades there has been a shift in what attracts tourists. Tourists are not looking for mass tourism experiences anymore, but more authentic, eco-friendly, nature-tourism adventures. In 2005, a travel and tourism article from Florida’s St. Petersburg Times stated that many of the island’s teenagers also consider their futures may be found by leaving the island their elders call “the Rock”.

Source: Canadian Federation of Independent Businesses ([http://www.cfib-fcei.ca](http://www.cfib-fcei.ca))
It was found though that many of the residence that chose to stay in their community started to focus more of their efforts on tourists, and tourism, showing that residents do not want to leave the province. The high price of travelling to Newfoundland has played a major role on how many tourists visit the province, and there for how much tourism revenue is generated. With the prices being so high travellers will choose other provinces over Newfoundland to travel to throughout the year and high seasons.

6. Positive Impacts on Tourism in Newfoundland

Direct positive economic impacts of travel include the economic benefits accrued to an area in the form of travel related income, jobs, and taxes that result from traveller spending. Icebergs are a primary source of attraction for Newfoundland, and are often linked to media descriptions of the coast as “rugged” and rocky, as well as descriptions of the ocean and the unpredictable weather. Animals are also key tourism attractors, with whales serving as a primary symbol of Newfoundland nature. Seabirds and eagles also appear frequently as symbols of Newfoundland nature, often in association with whales.

The media describes a lot of different modes of interaction with the non-human environment. “Hiking, skiing, and kayaking are forms of mobility that allow users to directly experience and interact with nature”. Canada received 16 million international overnight visitors in 2012. Spending by visitors increased to $12.3 billion, as they stayed longer and spent more per trip (CTC, 2012). The traveller spending’s helps the Canadian economy as a whole. 66% of tourists in Canada want to come to Canada for scenic “pleasure” walks. 52% for scenic driving tours, and another 42% said they travel to Canada for nature and wildlife. These statistics are important for Newfoundland tourism because the province has many of the things that non-residential and international travellers are looking for when coming to Canada.

Newfoundland is a place that people (either domestic or international) would like to see, but with the cost of travelling to the island being so high the province does not see as many visitors as they could.

Discussion

From the literature review it is easy to see that travelling to islands in Canada does pose to be more expensive on the everyday traveller. It was also from this study that cost of travelling to islands in Canada, does pose some objection to tourists who would rather spend their money on other things, but this is not the leading factor for just island tourism. The leading factor in tourist flows to islands is the distance it is from their place of residence. The majority (56%) of travellers to Canada are between the ages of 45-65+ years of age.
50% of them have a minimum University degree, and 29% have an income greater than $100,000 per year.
This means that the tourists are intelligent wealthy people, in their prime years of life. So for the most part, they are not worried about the costs associated with coming to Newfoundland, they are focused on the time and effort it takes to get to the island. ¼ of travellers in Canada say they are too busy, or have no spare time to travel outside of their province.

**Conclusion**

Transportation combines all aspects of tourism, letting people discover and learn about new cultures, let economies grow and bloom and for tourists to educate themselves on different environments to explore. Transportation is a vital role in the tourism industry. Without it people would not be able to leave their place of residence, or experience new places abroad. Newfoundland is the easternmost province in Canada, and with the knowledge gained from researching the western provinces have wealthier people. With this being said, and taking into account the distance those residing in the west (British Columbia) would have to travel, it does make sense for Newfoundland to lower the cost of travelling to the island. The high prices of transportation do not affect the main tourist segment that travel in Canada (45+ year olds), and it does help the economy. But I truly believe if Newfoundland was to do a trial run, and lower some of the cost to travel to the island, either by ferry, or air travel, that the amount of tourists coming in would be so great, that it would counteract the lower costs.
References


"Getting Here - Newfoundland and Labrador." Newfoundland and Labrador, Canada â“


