Adventure Travel In British Columbia - Volume I

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ADVENTURE TRAVEL

in

BRITISH COLUMBIA

VOLUME ONE

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The Canada-British Columbia Tourist Industry Development Subsidiary Agreement is one in a series of subsidiary agreements under the Economic and Regional Development Agreement (ERDA) signed in November 1984, between the governments of Canada and British Columbia.

The responsibility for the content of this report is the Outdoor Recreation Council of British Columbia's alone. The conclusions in the consultants' reports do not necessarily reflect those of the Council, and the overall conclusions contained herein do not necessarily reflect the opinions of those who assisted during the course of this investigation or the federal or provincial governments which funded the study.

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THE OUTDOOR RECREATION COUNCIL OF BRITISH COLUMBIA
Established in 1976

The Outdoor Recreation Council of British Columbia is a registered non-profit umbrella organization dedicated to promoting outdoor recreation in British Columbia. For information about or referral to any of the Council's members, please contact:

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B.C. Waterfowl Society
B.C. Wildlife Federation - Lower Mainland Regional Branch
Canadian Hostelling Association
Canadian Parks and Wilderness Society
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Sierra Club of Western Canada
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Strathcona Park Lodge
Underwater Archaeological Society of B.C.
West Coast Environmental Law Association
Western Canada Wilderness Committee
Whitewater Canoeing Association of B.C.
Wilderness First Aid & Safety Association of B.C.

SUMMARY

ADVENTURE TRAVEL IN BRITISH COLUMBIA

Adventure Travel may be defined as a leisure activity that takes place in an unusual, exotic, remote, or wilderness destination and tends to be associated with high levels of involvement and activity by the participants, most of it outdoors. Adventure travelers expect to experience varying degrees of risk, excitement and tranquility and to be personally tested or stretched in some way. They are explorers of both an outer world, especially the unspoiled, exotic parts of our planet and an inner world of personal challenge, self perception and self mastery.

(MacLaren Plansearch, Volume II)

In British Columbia the following activities are offered as adventure travel opportunities:

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backpacking	hiking	mountaineering
heli-hiking	canoeing	kayaking
trail riding	river rafting	nature observation
sailing	bicycling	SCUBA diving
cross country skiing	ski touring	heli-skiing
hunting(*)	fishing(*)	

* excluded from this study

WHY A RESEARCH PROJECT?

The adventure travel industry utilizes many of the same natural resources that are used and prized by the non-commercial outdoor recreation enthusiasts who make up the membership of the member organizations of the Outdoor Recreation Council of British Columbia (O.R.C.). During the years since its formation in 1976, O.R.C. has seen the adventure travel industry grow rapidly, contribute to the economy of the province, provide employment and provide justification for conservation of the Super,Natural B.C. 'wilderness resource'.

As a result of its depth of knowledge and involvement with outdoor recreation O.R.C. was commissioned in 1986 and in 1987 to assist Tourism British Columbia in producing the Adventure Vacation Guide which has proved very successful and is in high demand by the adventure travel public.

From this involvement O.R.C. became aware that adventure travel was becoming a significant industry and that the Government of British Columbia and the industry lacked the resource, economic and market information that was needed to determine its potential, plan its marketing and provide guidance and rules for its development. The purpose of the present study was to provide some of this information to develop interim recommendations for guidance and to outline further research required.

THE STUDY . . . .

The Outdoor Recreation Council applied for and secured funding for the research study from the Tourist Industry Development Subsidiary Agreement (T.I.D.S.A.). A steering committee was formed comprised of members of O.R.C., the Wilderness Tourism Council, the Ministry of Tourism, Recreation and Culture, the Ministry of Environment and Parks, and the Department of Regional Industrial Expansion to develop parameters for the project and to provide ongoing guidance.

In May 1987 O.R.C. initiated the research project to:

a) prepare an inventory of adventure travel operations in the province;

b) assess the economic status and impact of adventure travel in B.C. and comment on future prospects; and

c) examine the industry's current marketing strategies and recommend future directions.

Item (a), the inventory, was carried out by O.R.C. staff, and in May 1987 a mail survey of adventure travel operators was conducted. This survey formed the main information source for the study.

Item (b) was carried out by The DPA Group Inc., economic consultants, under terms of reference provided by O.R.C.

Item (c) was undertaken by MacLaren Plansearch, marketing consultants, again under terms of reference provided by O.R.C.

This overview report summarizes the information provided in the operator survey and the reports of the two consultants and quotes freely from these reports. More detailed information, observations and recommendations may be found in the following sections.

INCLUSIONS AND EXCLUSIONS:

O.R.C.'s survey questionnaire addressed the opportunities for packaged tours and services. Economic and marketing information was solicited for the three most important packaged sectors offered by the operator (some operators offer adventure travel in several sectors eg. canoeing, heli-hiking, bicycling).

Fishing, hunting and alpine skiing were not included in this study. These activities have been covered by other recent studies.

The study includes only the activities and economic data of package tour operators in B.C. in 1986, estimated to be 396 in number. It does not take into account expenditures made by clients of tour operators for transportation, accommodation, purchases and services made before or after the tour or to others than the tour operators.

Nor does it include the very considerable expenditures on equipment purchases and rentals, charters, transportation, supplies, accommodation, lessons and other services made by adventure travelers independent of tour operators.

This research study is, therefore, a study only into the world of the non-fishing, non-hunting and non-alpine skiing tour operators, their economic impact, their marketing efforts and their potential.

A GROWING INDUSTRY FOR BRITISH COLUMBIA

British Columbia has the spectacular natural resource to support a world-class adventure travel industry. Both residents and travelers from beyond B.C.'s borders enthusiastically enjoy the province's natural beauty and wilderness. It is, however, only recently that the British Columbia government, the province's primary land manager, has begun to identify areas important to the adventure travel industry. In the past, Provincial Parks have protected areas from development for the use of residents and tourists. Recently there have been additions to the Parks system, proposed Wilderness Area designations within Provincial Forests, and changes within the Ministry of Tourism, Recreation and Culture to enhance and promote land use decisions which take into account recreation and tourism interests. These are all indications of the government's growing awareness of the potential of the adventure travel and outdoor recreation industry.

British Columbia is acknowledged by travel professionals as having the ideal resources for adventure travel. Yet the industry lacks support programs and awareness of the British Columbia product outside the province is very limited. Publicizes are not informed of B.C.'s adventure travel opportunities and very few North American travel wholesalers are including British Columbia in their adventure travel itineraries.

This study concludes that the adventure travel industry is important in economic terms to the Province of British Columbia and warrants further attention for at least three reasons:

- it has and will continue to experience growth rates significantly higher than those experienced by the travel industry as a whole;

- it appeals to affluent consumers willing to spend high per diem prices; and

- it has a positive impact on those regions of the province where other forms of tourism are difficult to attract and where other economic opportunities are limited.

THE ECONOMIC IMPACTS:

Based on the survey information, total industry revenues for 1986 were estimated to be $55.7 million. The breakdown of this is provided in the accompanying tables. Further general findings were:

The industry is characterized by a wide distribution of income. In 1986, while the average revenue was $141,000 per operation, the median revenue was much less - closer to $30,000.

Businesses offering adventure travel packages have tripled in number over the past ten years.

If the other adventure travel sectors of hunting ($21 million) and fishing ($57 million) are included, total revenue totals: $133.7 million.

Many adventure travel operations are family-run businesses offering activities close to home with the owners having other employment through the year. The average year-round employment level was 4.1 people per operation.

The industry directly generated an estimated 1,610 person-years of employment in 1986. Operations are seasonal, with August employment levels being double those in winter. An estimated 30-40% of employment represents part-time or casual workers.

Wage income of employees in the industry was $15 million in 1986, or $10,000 per year-round employee - a wage rate less than half the provincial average.

The industry purchased an estimated $29 million of goods and services from suppliers in 1986.

In 1986 capital investment in the industry was an estimated $76 million.

In 1986 the industry provided over a million client-days of service.

As is common in income related surveys of small operations, the above revenues and employment incomes are probably somewhat understated. However, no adjustments were made to the financial information reported.

Constraints to growth identified . . . .

The operators who were surveyed identified the following constraints to growth:
degradation of important wilderness characteristics by logging, mining and road development, and a lack of opportunity for input to the decision making process in this regard;

- lack of cash flow and inability to procure financing due to insecurity of operating base tenure;

- difficulty finding and keeping experienced, trained staff;

- problems with securing liability insurance;

- insufficient promotion of B.C.'s adventure travel opportunities; and

- problems with road access. (Some said there is too much access, others said too little!)

HOW IMPORTANT IS ADVENTURE TRAVEL TO B.C.?

Further impacts of the industry are shown by the following figures and observations:

- If the adventure travel industry were defined to include and account for expenditures of all adventure travelers, as it should be, and not just the tour package operations, the total economic impact would be shown to be very much higher than the $55.7 million reported herein. With the information presently available it is not possible to form defensible estimates of the total impact. This therefore remains an important task for the future.

- In addition to quantifiable economic impacts there are other impacts that are difficult to quantify. People move to B.C. to enjoy the outdoor lifestyle, providing B.C. with a vigorous work force for high tech and high level service industries which would be more difficult to assemble in less well endowed areas of the country.

- B.C. residents travel and holiday within the province to pursue favourite recreational activities instead of vacationing outside the province, thus providing significant “import substitution” benefits.

The sector of the adventure travel industry examined in this report, that is, the packaged tour sector, is significant because:

- Most adventure travel occurs in rural areas. The industry has significant regional impact and further potential to increase regional output of goods and services.

- The employment opportunities provided by adventure travel in every region of the province are significant in extent.

Direct and total impacts[1] of the $55.7 million in 1986 industry revenues were:

	Direct Impacts	Total Impacts[2]
Gross Domestic Product[3]	$24.2 million	$64.7 million
Wage Income	$14.3 million	$43.4 million
Employment	1,555 jobs	2,690 jobs

1. Including only impacts to B.C. residents
2. Total impact = direct + supplier-related + consumer spending impacts
3. Gross Domestic Product (GDP) = gross labour returns + gross capital returns

The industry generated $9.0 million in personal and corporate income tax to the federal and provincial governments in 1986.

In 1986 adventure travel packages averaged 5-7 days in length and ranged from $75- $390 per day in cost. This is significantly higher than the average $39 per day recorded for all overnight visitors to B.C.

THE ECONOMIC FUTURE . . . .

It is estimated that adventure travel has grown at an average compound rate of 17 percent per annum since 1976. Future growth rates of 15 to 21 percent are predicted for the next five years, or a doubling every 4 to 5 years, assuming current marketing strategies. However, many times these growth rates are achievable with increased and better marketing efforts, if appropriate steps are taken to provide the market with the product it wants.

While the carrying capacity of British Columbia is undoubtedly very large, this may eventually limit the potential for some sectors of the adventure travel industry. Research into the carrying capacity of areas used for adventure travel and should be undertaken in the near future. Limitations due to the natural setting's ability, or inability, to absorb human impacts, and the loss of a quality experience due to overcrowding must be carefully considered in looking at future growth.

ADVENTURE TRAVELERS: WHO ARE WHERE ARE THEY?

Adventure travelers are everywhere! From B.C. residents traveling within the province, to people from afar who are intrigued by what B.C. has to offer, adventure travelers abound. The potential market is virtually untapped.

> Adventure travel is the fastest growing segment of the U.S. travel industry - accounting for 5-10% of the $275 billion Americans spent on tourism in 1985.
>
> Over 35 million North Americans are in the market for adventure trips. In Canada, 35% of the population want vacations involving adventure, outdoor activity and excitement.
>
> Participants in all activities are looking for a quality experience in an uncrowded, undisturbed wilderness and/or scenic setting.
>
> British Columbia's adventure travel products appeal to slightly more men than women - this is particularly true for such activities as mountaineering, heli-skiing and SCUBA diving.

Many of the adventure travel products currently available in British Columbia are suited to "expert adventure travelers", people who are actively involved in their hobby or sport and who are fine tuning their skills or knowledge. They are primarily in the 20-34 year old age group. However, more than one in three participants in nature observation, hiking and heli-hiking activities are over 55. This age group is also an important segment of cross country skiing and trail riding participants.

While the adventure travel sector currently draws a major portion of its current business from British Colombians, it has significant appeal to American and overseas markets. American visitors are an important source of business for nature observation, sailing, heli-skiing and heli-hiking.

Relatively less expensive, less packaged pursuits such as backpacking, kayaking and cross country skiing rely more heavily on British Columbia residents.

Getting the word out . . . .

To date, marketing and publicity efforts have been relatively unorganized, with few cooperative efforts taking place. Tourism B.C. has only recently begun to recognize adventure travel's potential , with the publication of the Adventure Vacation Guide.

> British Columbia adventure travel suppliers spent over $4 million marketing their products in 1986 with 19 percent of the suppliers being responsible for 70% of the spending.

- The majority of businesses in the sector have revenues of less than $100,000 per year and lack the marketing muscle for extensive advertising. 87% of the operators rely primarily on word of mouth recommendations for sales.

- Nearly all adventure travel operators use a brochure to advertise their operation. The majority of brochures are inexpensively produced and lack the detail necessary to make a purchase. Prices, package contents, departure dates and commissionable rates for sales are usually missing.

- Magazine ads and direct mail campaigns are utilized by two out of every three operators.

- Operators rarely work together on cooperative marketing projects and there are few interlinkages with other components of the travel industry such as airlines, wholesalers and hospitality suppliers.

In summary, much of the market is unaware of the British Columbia product. Few tour wholesalers, operators, publishers of adventure-oriented magazines and organizers of nature groups are presently knowledgeable about B.C.'s adventure travel opportunities.

The British Columbia Ministry of Tourism presently provides a number of marketing services applicable to adventure travel operators:

- An Adventure Vacation Guide first produced in association with the Outdoor Recreation Council of B.C. in 1986. There were 35,000 requests for the Guide during its first 8 months of distribution.

- An annual Ski Guide for suppliers of winter activities such as cross country and heli-skiing.

- A Travel Industry Package Guide for suppliers offering commissionable package products. This is distributed to over 5,000 retail travel agents in North America.

- 'Partners In Tourism', a cooperative marketing support program in conjunction with regional tourism associations.

The individual outdoor recreationist has these sources to draw on:

- The Outdoor Recreation Map Series, published by the Outdoor Recreation Council of B.C. and covering 16 areas of the province. These are high quality topographical maps showing trails, campsites, beaches, parks and other outdoor recreation opportunities.

- Chambers of Commerce and tourist information centres which may offer information and publications about recreational opportunities in local areas.

Contacts in local and provincial clubs and organizations. Information may be obtained through activity-specific provincial associations or the Outdoor Recreation Council of B.C.

Local and regional offices of Provincial and National Parks, and Forest Service Districts for information about trails, campsites and road conditions. The Ministry of Environment and Parks has an easily obtainable map series indicating park facilities and locations. The Forest Service produces maps showing recreation sites within individual Districts. These are obtainable only at Forest Service offices.

The Outdoor Recreation Council of B.C. provides a referral service for detailed enquires related to outdoor recreation in B.C.

In short, marketing by the industry is mostly uncoordinated, sporadic and unprofessional. While it may be in keeping with the rustic experience being offered and adequate to the small operator with limited capability to provide service it is not adequate to increase substantially the numbers of adventure travel visitors to British Columbia.

WHERE IS THE COMPETITION?

Alberta, the Yukon, Washington, Alaska and Oregon are British Columbia's main adventure travel competitors in terms of terrain, product mix and location.

Alberta and the Yukon publish Adventure Guides similar to British Columbia's. They provide more product specific information such as dates, price and duration.

Alberta is the only province or state which has developed a marketing strategy specifically for adventure travel. Travel Alberta's research indicates that 91% of adventure travel business is obtained through direct bookings.

Alberta and Alaska have extensively marketed adventure travel to the North American and overseas sectors and are well known as adventure travel destinations.

In comparison with these competitors, British Columbia has equal and, for many sectors, better potential for adventure travel, but lags behind in development of the product and marketing strategy.

DIRECTIONS FOR FUTURE MARKETING . . . .

The adventure travel market is complex. To be effective, marketing must be broken down into segments based upon demographics and motivation.

The market with the most potential for growth is the 35-50 age group, traveling alone or in couples. Also significant is the Seniors market for less strenous adventures.

The primary resident market is in Vancouver and Victoria. 2-3 day packages perceived as exciting, affordable and accessible are of primary interest. Many potential customers are unaware of B.C.'s adventure travel opportunities.

In the North American market, the urban centres of Alberta, California, Ontario and the North Eastern U.S. offer the best potential for future growth.

Participants are increasingly looking for 'softer' travel adventures. Demand is rising for comfortable trips in interesting situations such as heli-hiking from lodges, nature observation in exotic locations, hut-based cross country skiing and luxury raft trips.

A growing number of adventure travelers will be attracted by creative packaging, quality programming and convenient booking and travel arrangements.

RECOMMENDATIONS FOR MARKETING B.C.'S ADVENTURE TRAVEL OPPORTUNITIES . . . .

Consideration should be given to the following recommendations and suggestions made by MacLaren Plansearch.

1. A three year marketing strategy should be prepared by the Ministry of Tourism, Recreation and Culture for the adventure travel industry including:
(a) a program of targeted print media advertising;
(b) support for non-advertising forms of marketing such as familiarization tours for travel writers, direct sales to adventure wholesalers and increased presence at trade shows; and
(c) programs complementary to the 'Ministry's overall marketing strategy for both the resident and North American markets.

2. The Adventure Vacation Guide is a valuable marketing tool. Its use should be encouraged. Its effectiveness, however, could be improved in a number of ways:
(a) it should be published and advertised early enough to obtain sales in the high summer season:
(b) a 'toll free line to request the Guide should be installed and advertised so consumers can receive the Guide quickly;
(c) Ministry, advertising agency and private sector representatives should collaborate more closely to ensure the copy is accurate, relevant and appealing; and
(d) the Guide should contain more product-specific information about packages, contents, prices and departure dates.

3. Increased awareness of the B.C. adventure travel product should be fostered. Some suggestions are:
(a) increase publicity and editorial coverage in urban magazines and suburban newspapers;
(b) promote the Adventure Vacation Guide by such means as outdoor recreation organizations, fitness clubs, equipment stores and tourist information centres;
(c) identify affinity partners such as clothing and equipment manufacturers, airlines and resorts to co-ordinate marketing efforts;
(d) a direct mail campaign to members of recreation oriented associations;
(e) create a specific adventure travel exhibit to aid in promotion at trade and consumer shows; and
(f) prepare and distribute a catalogue of commissionable adventure packages for wholesalers and travel agencies.

4. Facilitate sales of B.C. adventure travel packages. This could be done by:
(a) providing a well informed central reservations service so consumers can make impulse purchases and retail agents can easily book packages;
(b) developing detailed itineraries and tours for 2-3 day packages catering to the resident urban market.

5. Maintain a current Adventure Industry Inventory. The listing of suppliers developed by the Outdoor Recreation Council of B.C. is a first step in this direction. The high turnover and diverse nature of the industry, however, leads to the need for an annual updating of inventory information.

The Outdoor Recreation Council of B.C. further recommends that:

6. The Outdoor Recreation Map Series be completed for the entire province, thus providing travelers with an easily accessible, informative too' for planning outdoor recreation activities and adventure travel vacations.

7. All information officers at Tourism B.C. and local and regional visitor information centres receive a specific orientation to local outdoor recreation opportunities, facilities and businesses.

8. An outdoor recreation resource centre for B.C. be established with referral, library, and specialized information services available to visitors and B.C. residents.

THE FUTURE. . . .

British Columbia's appeal as an outdoor/adventure travel destination is based on the expectation of experiencing a quality, unpolluted, uncrowded natural environment.

In order that the adventure travel industry may grow and contribute a measure of its potential to the economy of the province it is critical that the natural resources on which it is based be conserved. Without these, it cannot survive, let alone grow. This natural resource, "Supernatural B.C.", also forms the basis for most of the marketing strategy for the province, the non-adventure portion as well as the adventure sector.

Decisions . . . .

The recent appointment of the Minister of Tourism, Recreation and Culture to the Environment and Land Use Committee of the Provincial Cabinet is an important step towards recognizing the importance of tourism and recreation in wilderness land and resource decisions. The work of the Environmental Committee of the Provincial Tourism Advisory Committee is also applauded for its role in voicing industry concerns and working to find mechanisms to resolve resource conflicts.

To further increase participation in the land use decision-making process, the Outdoor Recreation Council recommends that:

(a) a provincial land use plan be developed which would equitably incorporate the province's social values and address the needs of all industries, including the adventure travel industry.

(b) an advisory committee to the Environment and Land Use Committee be established, such as that recommended by the Wilderness Advisory Committee in 1986 to address conflicting demands on the land/marine base.

Managing the Resource . . . .

The very recent announcement that the Ministry of Tourism, Recreation and Culture will soon have a separate branch to ensure Ministry participation in the land use decision making process from the tourism, recreation and archeological perspectives is welcome news indeed. The branch will need to work towards appropriate opportunities for both commercial and non-commercial outdoor recreation input in the government development referral process.

It is important that future commitments by provincial government agencies not compromise the general public's access to recreation sites on Crown land. Where restrictions are necessary due to carrying capacity, wilderness values or park requirements, they should be equitable to both outdoor recreationists and commercial operators.

Future Tasks . . . .

This present study has covered only the package tour portion of the adventure' travel industry.

Important tasks for the future are:

1. Extendin! the study to cover all aspects of the industry.
2. Identify< ng and completing the inventories of the outdoor recreation resource and facility.
3. Undertak· ng research into the potential carrying capacity of British Columbia s adventure travel resources.

THE PROJECT

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The Adventure Travel Industry

"Adventure Travel may be defined as a leisure activity that takes place in an unusual, exotic, remote, or wilderness destination and tends to be associated with high levels of involvement and activity by the participants, most of it outdoors. Adventure travelers expect to experience varying degrees of risk, excitement and tranquility and to be personally tested or stretched in some way. They are explorers of both an outer world especially the unspoiled, exotic parts of our planet and an inner world of personal challenge, self perception and self mastery."

MacLaren Plansearch

The adventure travel industry is broadly made up of businesses offering packaged day and multi-day tours, guiding services, rentals and charters, instruction, publications, and retail and manufacturing operations for single or multiple activities in B.C.'s outdoors. In some cases, accommodation is also offered as part of the adventure travel experience.

The activities generally encompassed by 'adventure travel' are: backpacking, hiking, bicycle touring, cross country skiing, four wheel driving, heli-hiking, heli/cat skiing, horse/trail riding, hunting, ice climbing, motorcycle touring, mountaineering, nature observation/photography, orienteering, rock climbing, rock collecting, ski touring, snowmobiling, speleology (caving), boardsailing, boat tours, canoeing, fishing, kayaking/sea kayaking, rafting, river boat tours, sailing, scuba/diving, hang gliding, and parachuting. The list of activities is as diverse as the ways that people wish to experience the outdoors!

The following report primarily looks at the estimated 396 operators who in 1986 offered packaged tours and non-hunting and non-fishing guiding services; it does not examine hunting, fishing, alpine skiing or boat charters (including houseboats). Nor does this report examine businesses offering non-packaged services such as charters, rentals, instruction, or retail and manufacturing businesses.

This report is the first attempt to study a highly visible and easily tracked segment of the industry, the packaged and non-hunting guiding services. It is recommended that additional research projects be undertaken as soon as possible to examine the other services listed above. In particular, the impact of residents and non-residents who travel in order to participate in adventure travel activities which they themselves have planned, supplied and arranged must be examined. These people, difficult to study, but extremely important to the complete picture of the adventure travel industry in B.C., are believed to contribute substantially to the overall economic importance of the industry.

Secondly, the report examines the current and potential markets for B.C.'s adventure travel industry. Recommendations are made to improve the effectiveness of advertising to potential adventure travelers and the efficiency of sales of the adventure travel product.

BACKGROUND:

The Outdoor Recreation Council of B.C. recognized the need to identify and describe the adventure travel industry in B.C. The Council, with a membership of forty-six provincial organizations with interests in outdoor recreation and conservation, has for some time been aware of the growing importance and size of the industry in British Columbia but has also been aware of the lack of information regarding it.

It recognized that while many of its members' participants were users of guiding, tour, charter and other services within the province, and while Tourism B.C. has actively marketed the concept of SuperNatural B.C., little was known about the size and scope of operations, nor about the economic contribution and potential of the industry.

The gap between marketing B.C. as a pristine wilderness and the reality of government policies related to ever-increasing resource extraction seemed unchallenged. It was apparent that more information was needed about the businesses and industries which rely on B.C.'s wilderness and scenic areas.

At the same time, the Council is interested in examining what motivates people to participate in outdoors activities and in particular in finding ways to identify and reach potential participants. Tourism B.C., the tourism industry associations, and the outdoor recreation participants' organizations are vitally interested in profiles of the adventure travelers.

The Council has traditionally been a resource centre for people planning trips into B.C.'s outdoors, be they tourists or residents. The volume of telephone and mail inquiries has increased substantially over the past years, yet there has been little recognition of the need for a systematic approach to handling such requests. The Adventure Vacation Guide has been a step towards making information easily available. This report examines other recommendations.

In 1986, an application was submitted to the Tourism Industry Development Subsidiary Agreement to conduct a research project to begin the process of looking at adventure travel in B.C. Work began in the spring of 1987 and continued through the fall of 1987. These final reports represent a learning process for all involved: in the course of the research, it was discovered that very little similar work has been done elsewhere, and that B.C. is the first province to seriously examine its 'adventure travel industry'.

THE PROJECT OBJECTIVES:

The objectives of the project were to:

1. TO INVENTORY, BY TOURISM REGION, THE EXISTING ADVENTURE TRAVEL OPERATORS, FACILITIES AND OUTDOOR RECREATION OPPORTUNITIES IN BRITISH COLUMBIA, THE STATUS OF THE ACTIVITIES AND THE GROWTH TREND.

2. BASEDON THE INFORMATION PROVIDED IN THE FIRST OBJECTIVE, TO IDENTIFY THE EXISTING MARKET FOR ADVENTURE TRAVEL EXPERIENCES IN BRITISH COLUMBIA AND TO EXAMINE CURRENT AND POTENTIAL MARKETING STRATEGIES OF ADVENTURE TRAVEL OPERATORS.

3. BASED ON THE INFORMATION PROVIDED IN THE FIRST OBJECTIVE, TO REVIEW AND ANALYZE THE CURRENT AND POTENTIAL ECONOMIC BENEFITS OF ADVENTURE TRAVEL AND OUTDOOR RECREATION TO THE TOURISM INDUSTRY, REGIONAL ECONOMIES AND THE PROVIN IAL GOVERNMENT.

4. TO PUBLISH A REPORT THAT WILL COMBINE THE DATA OBTAINED IN THE FIRST THREE OBJECTIVES. THE REPORT WILL BE OF USE TO THE ADVENTURE TRAVEL INDUSTRY BOTH EXISTING AND POTENTIAL AND ALSO AGENCIES INVOLVED IN PLANNING AND FUNDING OF NEW BUSINESSES IN THE ADVENTURE TRAVEL INDUSTRY.

The following activities were examined:

Backpacking, hiking, bicycle touring, cross country skiing, four wheel driving, heli-hiking, heli/cat skiing, horse/trail riding, hunting, ice climbing, motorcycle touring, mountaineering, nature observation/photography, orienteering, rock climbing, rock collecting, ski touring, snowmobiling, speleology (caving), boardsailing, boat tours, canoeing, fishing, kayaking/sea kayaking, rafting, river boat tours, sailing, scuba/diving, hang gliding, and parachuting.

The study does not include hunting, fishing, alpine skiing, or boat or houseboat charters.

The Outdoor Recreation Council of B.C. conducted the first and fourth objectives. The second objective was contracted to MACLAREN PLANSEARCH and the third objective was contracted to THE DPA GROUP. The consulting company reports are included as sections of the final report.

METHODOLOGY:

1) Inventory:

The Council updated a list of adventure travel operations in B.C., originally prepared in 1986, resulting in an inventory of operators. Out-of-province operators with B.C. operations were also included in the updated inventory.

The activities offered by operators were identified by their advertising, promotional brochures and membership lists. The activities used for the research questionnaire are listed below:

LAND BASE :

__ alpine skiing	_ heli/cat skiing	orienteering
__ backpacking	__ horse/trail riding	_rock climbing
__ bicycle touring	__ hunting	_ rock collecting
__ cross country skiing	_ ice climbing	_ ski touring
__ four wheel driving	_ mountaineering	snowmobiling
__ heli-hiking	_ nature/photography observation	_speleology

WATER BASED:

boardsailing	kayaking/sea kayaking	river boat tours
_boat tours (non-sail)	_ nature/photography observation	_sailing tours
_ canoeing		_scuba diving
_ fishing		_ rafting tours

AIR BASED:

_ air tours	_ hang gliding	_ parachuting

OTHER: ______________________________

The total inventory as of May 15, 1987 was 1023 operators. The inventory has since been updated resulting in a significant number of additions. To February 1987, the number of operators, including all the various types of services and all activities stands at 1470. These additions are the result of additional information being provided by the Regional Tourism Associations, new publications, and Tourism B.C.

ii) Questionnaire:

In order to contact individual operators, a questionnaire was compiled by the Council with input from the two consulting firms and the Wilderness Tourism Council. It was sent to 1023 operators, including hunting, and fishing operations in the event that other adventure activities were also offered.

Of the 1023 questionnaires mailed, 174 were returned by the post office as undeliverable (moved, deceased, out of business) and 214 questionnaires were returned completed. Of the 214, 117 were identified as belonging primarily to the excluded categories (hunting, fishing, retail, instruction, etc.) and were removed from the study, leaving a total of 97 responses to work from.

In the interest of insuring confidentiality of the information provided by the operators, the Council designed the questionnaire in two parts. The first part was a one-page information sheet asking for operator information in order to update the inventory. The second part was the questionnaire itself which did not require identification and which could be returned anonymously. The operator survey data from the questionnaire was then used by the two consulting firms to prepare profiles of the industry and the marketing and economic analyses.

Examples of the questionnaire are included in the appendices of the final section of this volume, the Economic Impact Section, and in the second volume, the Market Analysis Section.

iii) Reports

The work of the consultants was received and reviewed by the advisory committee. The final reports are submitted as part of this final report.

Volume One contains the Summary, project information, industry information, the economic analysis prepared by The DPA Group Inc., and the Outdoor Recreation Council of B.C.'s Tourism Policy (May 1985).

Volume Two contains the Summary, and the Marketing Analysis prepared by MacLaren Plansearch.

A Summary has been prepared to highlight the report's findings. It will be made available to the adventure travel operators who responded to the questionnaire, to the Council's members, to government personnel and to elected officials.

THE ADVENTURE TRAVEL INDUSTRY

PROFILE OF THE INDUSTRY:

B.C.'s adventure travel industry is remarkable for its diversity. It is truly provincial in nature, with businesses in virtually every community in British Columbia.

There appears to be an entrepreneurial spirit in the industry, demonstrated by the diversity of activities offered by the operators. Most respondents indicated that they offer several activities, often combined with a retail operation, charter service and/or accommodation. Some are involved either part-time or seasonally and often only as a side-business to other different employment. Many are family run businesses, some of which have been in existence for many years.

Diversity:
The list of activities offered by the adventure travel operators is testimony to the diversity of the industry. Where there are people wishing to participate in an outdoors activity, there are operators wishing to offer them services of one kind or another. Most activities now have packaged tours offered on a regular basis, available throughout the province.

From the responses to the inventory information survey, there appears to be a pattern of activity grouping by operators, accounted for partially by seasonal differences. For example, many fishing lodges also offer cross country skiing opportunities; many operators offer waterbased activities in the summer, while offering ski-touring packages in the winter. And, virtually every operator indicated nature observation and photographic opportunities as activities.

It is clear that very few operators offer only one activity; most either offer different activity packages, or offer several activities during the same package.

Number of operators:

The Outdoor Recreation Council's data base/inventory contains 1470 businesses associated with adventure travel (to February 1988). The total inventory includes operators offering hunting activities, boat charters, fishing operations, educational services, rentals and children's camps.

The number of operators in 1986 offering packaged adventure travel experiences, excluding hunting, fishing, boat charters, and alpine skiing, is estimated by The DPA Group to be approximately 396, culled from businesses which in 1986 were offering adventure travel services, but not necessarily in a 'packaged' form.

While the province's guide outfitters are primarily involved with licensed guiding for hunting purposes, and as such are outside the terms of reference for this study, they were asked to complete the questionnaire in order to reach those who are now offering (or planning to offer) non-hunting activities during their off-season. Some are becoming interested in offering nature observation and photography guiding services. An initiative in early 1988 by the Wildlife Branch of the Ministry of Environment and Parks is directed at encouraging licensed guide-outfitters to expand their business to non-hunting activities.

Distribution:

Adventure Travel activities are spread thoughout the province and indicate some general distribution trends. Adventure travel activities are somewhat site and region specific, according to the resource base required for the activity. Therefore, logically, sea kayaking, sailing and SCUBA diving activities are centered on the coastal regions; horseback riding is concentrated in the Cariboo region; heli-skiing is in the mid to eastern B.C. mountains; and mountaineering and backpacking in the High Country and Rocky Mountain Tourism Regions.

A significant strength of the adventure travel industry is that it contributes to virtually every community in B.C. The jobs created are important and the spin-off benefits of supplying for trips, operating head offices, and maintaining facilities are tangibly and visibly appreciable to the economic well-being of our province's communities outside the Lower Mainland.

The economic benefit of this activity is covered by The DPA Group's report "Economic Impacts of the Adventure Travel Industry in B.C." (Section 3). As one operator stated: "It's hard not to notice us going through the local grocery check-out with 10 loaded shopping carts of food for a trip."

Facilities and Capitalization:

The very diversity of the industry makes the question of facilities and capitalization a complex one. For instance, a rafting company, with its rafts, trailers, safety equipment, camp equipment and vans has a different set of needs to a heli-ski operation with helicopters and lodges, or a sailing operation with large, well-equipped sailboats.

The following questionnaire responses highlight the variety of types of facilities related to the activity offered:

Backpacking:	trails, tent camps, huts/cabins
Bicycle Touring:	bicycles, sagwagon, en route dining/accommodation facilities
Cross Country Skiing	groomed trails, trail making equipment, warming huts, waxing area, dining/food services area, rental ski equipment
Heli-hiking	helicopter service, base accommodation/camp
Heli-skiing	helicopter service, ski equipment/waxing area, accommodation (sauna)
Trail riding	horses, stables, fire-rings, camps, trails
Ski Touring	trails, warming huts/cabins
Snowmobiling	trails, snowmobiles, warming huts/cabins
Canoeing	docks, tent camps/cabins
Kayaking	kayaks, kayak gates, access facilities
Rafting	rafts, camps, vehicles
SCUBA diving	diving gear, boats, docks, accommodation
Boat Tours	boats, docks/marina facilities

INDUSTRY ASSOCIATIONS:

In the past few years a number of adventure travel industry organizations have been formed. Some are well established, others are still in the formative stages.

The Wilderness Tourism Council was founded in 1986 to address issues related to the wilderness resource base. The Co-Chairmen John Mikes and Bob Jamieson have, to date, made several successful presentations to the Environment and Land Use Committee and appropriate Cabinet ministers. The Council represents operators from across the adventure travel industry spectrum.

Associations:

The sectoral associations engage in a variety of activities, from lobbying about regulations, land and access issues, to marketing cooperatively, to self-regulating activities. Securing cooperative insurance plans appears to be a priority with many associations as liability insurance becomes increasingly difficult to obtain.

The following organizations represent their adventure travel activity:

ASSOCIATION OF CANADIAN MOUNTAIN GUIDES OF B.C.
B.C. HELI-SKI OPERATORS ASSOCIATION
B.C. INTERIOR FISH CAMP OPERATORS ASSOCIATION
CANADA WEST SKI ASSOCIATION
Cross Country Division
DIVE B.C.
FISH B.C.
GUEST RANCH ASSOCIATION OF B.C.
GUIDE OUTFITTERS ASSOCIATION OF B.C.
HUT OWNERS' ASSOCIATION
NORDIC SKI GUIDES ASSOCIATION OF CANADA
RIVER OUTFITTERS ASSOCIATION OF B.C.
TRADE ASSOCIATION OF SEA KAYAKING (TASK)
WESTERN CANADA CHARTER BOAT ASSOCIATION
WEST COAST BOARD SAILING ASSOCIATION

For information, see Appendix One.

WHERE DO THEY OPERATE?

> "The environment, wilderness and scenic resources have been a consistent aspect and basis for the tourism industry's development in British Columbia for decades. The natural environment continues to be the key focal point for the marketing of British Columbia as an international tourism destination. Although it is important for tourism to co-exist with the province's traditional resource industries, tourism's need to have a role in the management of the land is critical to the industry's future."
>
> Tourism Industry Association of B.C.
> Position Statement on the Environment

Adventure travel operators offer their services on land and water governed by a variety of jurisdictions. The type of activity offered predetermines, to some extent, the land or water base used, so that for instance, some operators use their own private land, while others make use of National or Provincial Parks, Provincial Forests, and marine areas.

There have been many conflicts between the goals of adventure travel operators and those of resource extraction industries, particularly in areas with high wilderness values. To date little attention has been paid to the needs of adventure travel operators, so that where resource decisions have been made, priority has been placed on logging, mining and other extractive industries. Such activities diminish, if not extinguish, the very base upon which adventure operators depend.

The MacLaren Plansearch report points out that every activity grouping identifies its major selling point as the scenic, natural and/or wilderness qualities. The very cornerstone of the adventure travel industry is the beauty and aesthetic quality offered in B.C., a beauty precludes the scars of roads, clearcuts, mining exploration/development or urban development.

Changes are needed to the decision making process so that the adventure travel industry and the outdoor recreation interest may be included equitably and appropriately in the decision making process. Immediate changes are crucial to the continued growth and success of this important industry.

The Outdoor Recreation Council of B.C. recommends that:

A provincial land use plan be developed which would equitably incorporate the province's social values and address the needs of all industries, including the adventure travel industry.

It is important that future commitments by provincial government agencies not compromise the general public's access to recreation opportunities and sites on Crown Land. Where restrictions are necessary due to carrying capacity, wilderness or park requirements, they should be equitable to both outdoor recreationists and commercial operators.

THE CROWN LAND RESOURCE:

Provincial Parks and and Recreation Areas:

The survey responses indicate that adventure travel operators use B.C.'s Parks System extensively. The magnificent natural landscapes represented in the Parks System and the facilities offered within Parks and Recreation Areas such as trails, campsites, anchorages, etc., are attractive to both the adventure traveller and the adventure travel operator.

The Parks and Outdoor Recreation Division (P.O.R.D.) of the Ministry of Environment and Parks administers the provincial parks and recreation areas of the province. Individuals and private parties traveling to B.C.'s parks system may be required to pay a user fee or booking fee, and in some areas, regulations are in place to monitor and prevent overuse. Generally, however, individual parties are able to plan, visit and use B.C.'s Parks System conveniently.

The P.O.R.D. requires that adventure travel operators obtain a Park Use Permit, usually issued per park, for a nominal fee. These are issued from regional offices and provide a way of monitoring the use of Parks by adventure travel operators.

Provincial Forests:

The vast majority of the crown land of the province is classified as Provincial Forest, which in many areas of the province includes recreational facilities such as trails, campsites, and canoe facilities. These are used by the recreating public free of charge, and access is virtually unrestricted.

Two sectors, the rafting and heli-ski industries have specialized requirements. Some rivers in the province carry designations such that operators must be licensed to operate there. These are issued by the P.O.R.D. A recent government inquiry into the industry has resulted in a guides' training and certification program.

The heli-ski industry must identify and have approved the areas in which it wishes to operate. Applications are referred to different ministries for input, and permits are issued by the Lands Branch, Ministry of Forests and Lands.

Other sectors are unregulated, and no specific referral processes regarding land use are in effect.

A new classification of Provincial Forest, 'Wilderness Area', has recently been developed, and guidelines and policies are now being formulated which may contain guidelines for commercial outdoor recreation activities.

National Parks:

The National Parks, Parks Reserves and proposed Park Reserves are also extensively used by outdoor recreationists and the adventure travel operators. As with the provincial parks system, the national parks system in B.C. has, in the majority of places, a well developed trail and campground system. However, the system's undeveloped wilderness areas are also attractive to many.

Individual visitors and parties to the National Parks system are required to pay an entrance fee, and when entering the backcountry, may be required to register with park officials.

Adventure travel operators are required to pay the park entrance fee, but there is no additional fee or Park Use Permit system as in the Provincial Park System.

Municipal Parks and Lands:

Regulations vary from jurisdiction to jurisdiction, and an analysis of such information has not been prepared for this report.

The questionnaire sent to the operators included specific questions about where each conducted tours and activities. The respondents' answers varied from being very specific to very incomplete. Specific analysis of the answers is not possible, and it is recommended that such information be pursued in further work through personal contact with the operators. The current overview mapping project being undertaken by the Ministry of Tourism, Recreation and Culture and the Regional Tourism Associations is an excellent first step towards identifying specific locations of operations.

Current inventories of trails and recreation facilities are located in the District Forest Service and Parks offices. These need to be available in a publically accessible, central location, and where applicable, updated.

Future facility requirements must also be identified, in order to facilitate the planning and referral processes.

The Outdoor Recreation Council of B.C. recommends that:

> Priority be given to identifying and completing the inventories of outdoor recreation resources and facilities.

THE DECISION MAKING PROCESS:

Traditionally, the Outdoor Recreation/adventure travel industry has not been seen by government as the important stakeholder that it is in the land use decision making process. In the past, little, if any, consideration has been given to the effects of resource extractive and other industries on the values which support the adventure travel industry. Wilderness and scenic values in particular have been degraded or obliterated by extractive activities, and adventure travel operators have been powerless, unable to have their voices heard.

The lack of formal mechanisms for input by outdoor recreationist and adventure travel operators has led to the confrontations of the past, a good example being the 'battle' to save South Moresby. It took twelve years of frustrating efforts by tour operators, local residents and the Haida Nation to garner sufficient public pressure to force politicians to realize the importance of the South Moresby area. Protection of the area is hopefully now realized, but the costs were high and the inadequacies of B.C.'s planning and land allocation system were made painfully apparent.

In recent months several initiatives have been undertaken which reflect recognition of the need for change. Presentations by the Wilderness Tourism Council, the Guide Outfitters Association of B.C. and others have resulted in a growing awareness by the Provincial Cabinet of the importance of the wilderness based tourism industry. As a result, the Minister of Tourism, Recreation and Culture was recently appointed to the Environment and Land Use Committee, and the Provincial Tourism Advisory Committee now has an active Environment Sub-Committee. The Sub-Committee commissioned a review of the land use decision making process vis a vis incorporating tourism concerns, and several important recommendations have now been acted upon.

In looking for ways to establish linkages between the Ministry of Tourism, Recreation and Culture and the various resource ministries, its recommendation to establish a specific Ministry function to participate in the referral and policy development process has recently been realized. A new branch will be created to provide interministry liaison and input into the current referral processes between ministries.

In addition, the Ministry has undertaken to establish an overview map inventory of areas of importance to the adventure travel/wilderness tourism sector. Currently, Regional Tourism Associations across the province are being asked to identify areas used by adventure travel operators. Such information will provide valuable insights into developing a land use strategy for the province.

Recreation Corridor System Plan:
The Adventure Travel Industry has the potential and responsibility to be involved with and support the Recreation Corridor System Program. It offers the opportunity to be involved with the establishment of guidelines for agencies with management responsibilities which recognize both recreational and commercial

activities. It is the sole recreation management program which cuts across jurisdictional boundaries to enable a consistent approach and a cooperative means of redress where problems arise. It needs to be strengthened and legislated so that its effectiveness as a management tool can be recognized.

The Outdoor Recreation Council of B.C. therefore recommends that:

> The Recreation Corridor Program be recognized by all Ministries as an important management tool for ensuring that the needs of the recreational and adventure travel interests are met. Sufficient resources and commitment to the program must be allocated by all parties to ensure its effectiveness.

Canadian Heritage Rivers System:

The Canadian Heritage Rivers System, a national program, was instituted in 1984 to give national recognition to important rivers in Canada and to ensure their future management such that:

- the natural heritage which they represent is conserved and interpreted
- the human heritage which they represent is conserved and interpreted
- the opportunities they possess for recreation and heritage appreciation are realized by residents of and visitors to Canada.

To date the B.C. provincial government has not joined the program, even though several rivers have been recommended for Canadian Heritage River status. To date, the Stikine, Tatshenshini, Backwater and Peace Rivers have been nominated by organizations such as the Outdoor Recreation Council of B.C.

The Outdoor Recreation Council of B.C. therefore recommends that:

> The B.C. Government become a full participant in the Canadian Heritage Rivers System, in order to recognize rivers of national and international significance.

Industry-n

Carrying Capacity:
The appeal of British Columbia as an outdoor, adventure travel destination is based on the expectation of experiencing a quality, unpolluted, uncrowded natural environment.

The carrying capacity of the outdoor resource, while for the most part unreached, is of concern when looking to the future. Already, some rivers and trails are overcrowded. Future growth of the industry will be determined by the limitations of the natural resource's ability to absorb human impacts, and by the limits imposed by perceptions of overcrowding.

Analysis of sectoral needs and the resource capability to meet those needs is required so that appropriate planning can take place.

The Outdoor Recreation Council of B.C. therefore recommends that:

> Research be undertaken into the potential carrying capacity of B.C.'s adventure travel resources.

ADVENTURE TRAVEL INDUSTRY ASSOCIATIONS:

For further information contact . . . .

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ECONOMIC BENEFITS

ECONOMIC IMPACTS OF THE ADVENTURE TRAVEL INDUSTRY IN BRITISH COLUMBIA

GOAL:

BASED ON THE INFORMATION PROVIDED IN THE FIRST OBJECTIVE, TO REVIEW AND ANALYZE THE CURRENT AND POTENTIAL ECONOMIC BENEFITS OF ADVENTURE TRAVEL AND OUTDOOR RECREATION TO THE TOURISM INDUSTRY, REGIONAL ECONOMIES AND THE PROVINCIAL GOVERNMENT.

To accomplish this goal, the Outdoor Recreation Council of British Columbia commissioned The DPA Group, Inc.

Using data provided by the operators' survey, The DPA Grouplooked at the packaged tour sector of the industry and their findings and recommendations are presented in the following section.

The conclusions in the consultant's report do not necessarily reflect those of the Outdoor Recreation Council of B.C., and the overall conclusions contained herein do not necessarily reflect the opinions of those who assisted during the course of this investigation or the federal or provincial governments which funded the study.

The consultants did not look at those portions of the adventure travel business which fall outside of package tours, that is, the self-guided groups and individuals that engage in hiking, canoeing, climbing, kayaking, etc. independently but that nevertheless spend substantial sums on transportation, equipment, clothing, food, supplies, accommodation and camp and park fees. The Council believes that for many sectors, the independent participants far outnumber those on tour packages.

The Outdoor Recreation Council of B.C. therefore recommends that:

1. Further study of the industry is required in order to establish the economic importance of the independent adventure traveler."

ECONOMIC IMPACTS
of the
ADVENTURE TRAVEL INDUSTRY
in BRITISH COLUMBIA

Prepared for

the Outdoor Recreation Council

of British Columbia

by THE DPA GROUP INC.

SUMMARY

Adventure travel encompasses a wide range of activities from heli skiing and white water rafting to whale watching and nature observation in remote settings. The industry has grown rapidly in the number of operators, number of clients served and revenues. However, the industry is not well-defined. Therefore, its size, importance and impacts are not recognized.

The Outdoor Recreation Council of British Columbia initiated a research project first, to inventory adventure travel operations in the province, second, to determine their current and potential marketing strategies, and third, to assess their economic status and impact. The intent of this study is to measure the extent and economic impacts of the industry, i.e., the third task defined above.

Specific objectives of this study are:

- to estimate the economic impacts of the industry on the province (in terms of income and employment);
- to estimate regional economic impacts, and
- to measure past growth of the industry, and to project future growth;

Study Approach and Data Collection

For this study the industry is defined to be the estimated 396 firms operating in B.C. and deriving the majority of their revenues from supplying adventure travel products, services or packages. The economic impacts of the adventure travel industry are the impacts flowing from revenues earned and expenditures made by the 396 firms, companies or operators.

Economic impacts measure the economic activity associated with cash expenditures. An initial expenditure results in income and employment for direct industry participants, i.e., the company owners and employees. Purchases of goods and services from suppliers and contractors, and their subsequent resending, generate indirect impacts. Induced impacts result from the respending of wage income on consumer goods and services. The total impact is the sum of direct, indirect, and induced impacts.

Income refers to Gross Domestic Product (GDP) or value added. Value added is the sum of gross labour returns (wages and salaries) and gross capital returns (depreciation allowances plus interest payments plus pre-tax profits).

The main information source for the study was a mail survey of B.C. adventure travel operators conducted by the Outdoor Recreation Council of British Columbia. Apart from this survey, very little current information exists about the size and economic structure of the overall industry and its major activity components.

Profile of the Industry

Total industry revenues were an estimated $55.7 million in 1986 (Exhibit 1). Thirty-two percent of this total accrued to heli ski operations. Each of the other 10 industry segments had $7 million or less in revenues.

The industry is characterized by a wide distribution of income. Most operations are small, many being “mom and pop” family-run businesses with the owners having other employment during the year.

Therefore, although the average revenue was $141,000 per operation, the median revenue was much less -- closer to $30,000 per operation.

In 1986 the industry served an estimated 112,000 overnight clients and 459,ooo day clients. Total client days were 1.0 million.

EXHIBIT 1: **ECONOMIC PROFILE OF THE B.C. ADVENTURE TRAVEL INDUSTRY** 1986

Operator Class	Number Operators	Economic Activity Measures				
		Employment	Revenue	Investment	Wages	Purchases
		PY[a]	...	$ million	...	
Heli Ski	8	125	17.8	9.7	3.5	9.1
X Ski/Ski Tour	55	185	3.9	3.1	1.4	1.9
Mountaineer/Backpacking	47	260	5.9	2.1	2.3	2.5
Horse/Trail	59	265	6.4	30.1	1.4	2.7
Nature Observation'	25	8 0	2.8	5.8	0.7	1.4
Scuba Diving	30	70	2.3	5.7	0.7	1.4
Rafting	46	140	4.4	4.4	1.3	2.3
Kayak/Canoeing	34	65	1.7	1.3	0.6	0.7
Sailing Tours	38	315	7.0	10.7	2.0	4.9
Boat Tours	21	65	1.9	2.7	0.7	1.1
Other	33	40	1.6	0.8	0.3	1.0
TOTAL	**396**	**1,610**	55.7	76.4	**14.9**	**29.0**

[a] person-year equivalents

Capital investment in the industry was an estimated $76 million in 1986.

The industry generated directly an estimated 1,610 person-years of employment in 1986. Operations are seasonal with August employment levels being double those in January, April or November. An estimated 30-40% of employment represents part-time or casual employment.

Wage income earned by employees of the industry was $15 million in 1986, or $10,000 per year-round employee -- a wage rate less than half the provincial average.

The industry purchased an estimated $29 million of goods and services from suppliers in 1986.

Provincial Impacts of the Adventure Travel Industry

Direct and total impacts of the $55.7 million in industry revenues were:

	Direct	Total *
Value Added	$24.2 million	$64.7 million
Wage Income	$14.3 million	$43.4 million
Employment	1,555 jobs	2,690 jobs

* Direct plus supplier-related plus consumer spending impacts.

As well, the industry generated $9.0 million in personal and corporate income tax to the provincial and federal governments.

The revenues of adventure travel operators compare with the revenues of alpine skiing, sport fishing or hunting operators.

Outdoor Recreation Operators	1986 Revenue
Alpine Skiing*	$63 million
Sport Fishing	$57 million
Hunting	$21 million
Total Adventure Travel	$56 million
Heli Skiing	$18 million
X Ski/Ski Touring	$ 4 million
Other	$34 million

* Alpine skiing excludes **heli** skiing.

The results show that the adventure travel industry generates substantial economic activity in the province, and that the amount of activity rivals that generated by the alpine skiing and sport fishing industries.

EXHIBIT 2: TOTAL ECONOMIC IMPACTS WITHIN B.C. OF THE ADVENTURE TRAVEL INDUSTRY, **1986**

	Purchases from B.C. Suppliers	Total Impacts[a,b]		
		Value Added	Wage Income	Employment PY's[c]
	. . . $ Million . . .			
Heli Ski	7.0	17.0	10.7	410
X Ski/Ski Tour	1.8	5.0	3.5	255
Mountaineer/Backpacking	2.3	7.6	5.3	370
Horse/Trail Riding	2.6	7.6	4.1	355
Nature Observation	1.4	3.5	2.3	140
Scuba Diving	1.4	3.0	2.3	130
Rafting	2.2	5.6	3.8	240
Kayak/Canoeing	0.7	2.3	1.5	100
Sailing Tours	4.8	9.2	7.0	515
Boat Tours	0.7	2.1	1.7	100

Regional Impacts

Because most adventure travel occurs in rural areas, the adventure travel industry has the potential to increase regional output of goods and services, thereby facilitating economic development. Exhibit 3 shows regional impacts estimated for Province of British Columbia tourism regions.

Water-based adventure travel is concentrated on Vancouver Island and in Southwestern B.C. Horse/trail riding is concentrated in the Cariboo region. The mountaineering/back-packing industry operates primarily in the High Country. Heli skiing is concentrated in the High Country and Rocky Mountain regions.

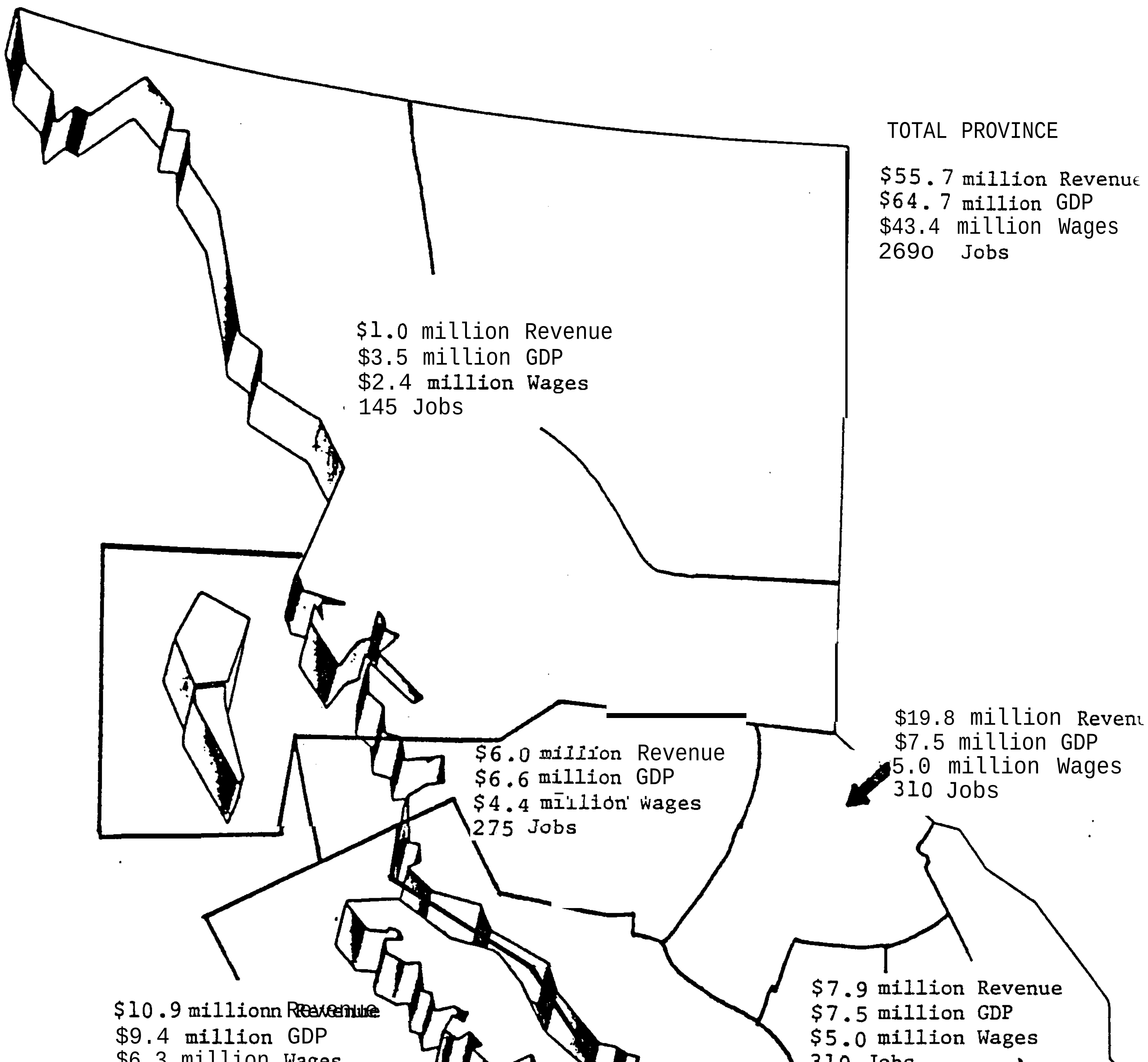
Several adventure travel businesses use Vancouver as a home base although the activity takes place outside the Lower Mainland. Some operators live out-of-province (primarily in Alberta) .

The major regions of activity or revenues are:

High Country	$19.8 million (36% of total)
Vancouver Island	$10.9 million (20% of total)
Southwestern B.C.	$10.1 million (18% of total)

Very little adventure travel activity occurs in the Okanagan/Similkameen or the North by Northwest/Peace River regions of the province.

EXHIBIT 3: REGIONAL IMPACTS OF THE ADVENTURE TRAVEL INDUSTRY, 1986



impacts arising from activity in other, remote regions of the province “leak” or accrue to Southwestern B.C. since the Lower Mainland is the major manufacturing and service centre in the province.

Industry Growth

The number of operators providing adventure travel services and packages has tripled over the past 10 years. Estimated industry revenues for the past 10 years are:

Year	Industry Revenues
1986	$56 million
1985	$42 million
1984	$36 million
.	.
.	.
1976	$11 million

This represents an average compound growth rate of 17% per annum. This growth rate is greater than that of the total economy of the province, and exceeds revenue growth of alpine skiing, sport fishing or guide/outfitter operators.

Operators project a growth rate of 15-20% per year for the immediate future.

Conclusions and Recommendations

The adventure travel industry is important in economic terms to the Province of British Columbia. The industry earned $56 million in revenues in 1986, and is growing at a rate of 15 to 20% per year -- a rate greater than the total economy and

The B.C. adventure travel industry is not well understood or appreciated. The size, importance, and impacts of the industry are not well-known. This study has helped to overcome this anonymity by developing a profile of the industry, and by estimating economic impacts. The results of this study should be of considerable use for planning activities by government, the adventure travel industry and other interested parties.

Several recommendations for future data-gathering and analysis activities flow from the study:

1) A more formal definition of the adventure travel industry, focussing on operators who provide "packages", should be adopted.

2) The list of operations should be updated annually given the high growth rate and turnover in the industry.

3) Periodically, say every 3-5 years, an adventure travel operator survey should be conducted to develop a current profile of the industry and its economic impacts.

4) The major information source for this study was a “supply side” survey of adventure travel operators in the province. A "demand side" survey of present and potential clients of the adventure travel industry should be initiated.

5) The guide/outfitter and sport fishing operator data collected from the Council’s survey should be analyzed to generate current economic profiles of these sectors.

TABLE OF CONTENTS

1.0 INTRODUCTION

The tourism industry is moving increasingly towards market segmentation and tourism "packages". Tourism Canada has invested funds establishing a database (CTAMS)[1] to assist the public sector and industry in enhancing the competitive position of the tourism industry through more focussed marketing strategies, and through product redefinition.

British Columbia is particularly well-positioned in package-oriented outdoor recreation. The province has a large and varied natural resource endowment to support outdoor recreation activity.

Outdoor recreation encompasses skiing, sport fishing, and hunting activities, as well as a group of activities that are termed **"adventure travel".**

No real consensus exists as to what adventure travel is. The term means different things to many people. What is an adventure to one person may be mundane to another. Nevertheless, certain general attributes of the adventure travel experience have been identified:[2]

- the element of risk or excitement;
- intimate experience with the outdoors, the wilderness setting or one's surroundings;
- involvement, participation, or activity requiring some degree of physical exertion;
- group outings under supervision or instruction; and
- a travel experience away from urban environments.

Adventure travel encompasses a wide range of activities from heli skiing and white water rafting to whale watching and nature observation in remote settings.

Adventure travel is a growing industry in the province of British Columbia. The industry has grown rapidly in the number of operators, number of clients served and revenues.

However, the industry is not well-defined. No formal classification exists for the industry in government publications and statistics. The result is that the size, importance and impacts of the industry are not realized. Therefore, the industry is perceived as being much less important to the economy of the province than alpine skiing, fishing or hunting.

The Outdoor Recreation Council of British Columbia (the "Council") initiated a research project first, to inventory adventure travel operations in the province, second, to determine their current and potential marketing strategies, and third, to study their economic status and impact. The intent of this study is to measure the extent and economic impacts of the industry i.e. the third task identified above. The Outdoor Recreation Council will synthesize the results of the three work programs in an industry report.

Specific objectives of this study are:

- to estimate the economic impacts of the industry to the province (in terms of income and employment) ;
- to estimate regional economic impacts; and
- to measure past growth of the industry, and to project future growth.

In Section 2.0, the study approach and data sources are outlined. Section 3.0 presents a profile of the industry. Provincial impacts are addressed in Section 4.o. Regional impacts are estimated in Section 5.0. Industry growth is discussed in Section 6.0. The concluding section outlines conclusions and recommendations. The text is supported by a series of appendices describing a survey of operators and the industry.

FOOTNOTES -- SECTION 1

[1] Statistics Canada, Canadian Travel Studies and Motivation Study, Ottawa, 1985.

[2] For a detailed description of adventure travel see MacLaren Plansearch Ltd., "The Market for Adventure Travel in British Columbia", Report Prepared for the Outdoor Recreation Council of British Columbia, Vancouver, 1988.

2.0 STUDY APPROACH AND DATA COLLECTION

The primary purpose of this study is to estimate the economic impacts of the adventure travel industry in British Columbia. This section outlines the approach or methodology used to estimate impacts.

2.1 **Definition** of the Industry

The Outdoor Recreation Council of B.C. has estimated that 574 firms provided some adventure travel services or packages in 1986.[1]

For this study, the industry is defined to be the estimated 396 firms operating in B.C. and deriving the majority of their revenues from supplying adventure travel products, services or packages. That is, adventure travel is the **"primary"** activity of the firms.

The 396 firms represent a subset of the 574 firms listed in the Council's computerized data bank (see Appendix A). The target population excludes the 178 firms primarily providing hunting, fishing, houseboating, accommodation, retail and related services. These activities lie outside the Terms of Reference for this study.

The classification of firms by principal activity is consistent with classification procedures used by government, including Statistics Canada. The total operations of each firm, in terms of revenues, employment and wages and salaries paid, are allocated to the grouping comprising the firm's principal activity. Each firm, therefore, is uniquely allocated to one activity grouping.

The distribution of the 396 firms across 11 activity groupings is given in Exhibit 2.1.

EXHIBIT 2.1: THE B.C. ADVENTURE TRAVEL INDUSTRY 1986

Activity Category[a]?[b]	Estimated Number of Operators
Heli Ski	8
X Ski/Ski Touring[c]	55
Mountaineer/Backpacking[d]	47
Horse/Trail Riding	59
Nature Observation	25
Scuba Diving	30
Rafting	46
Kayak/Canoeing	34
Sailing Tours	38
Boat Tours	21
Other	33
TOTAL	396

[a] Operators classified by main or primary activity.
[b] See Exhibit B.1 for a disaggregate list of activities.
[c] X Ski refers to cross country skiing.
[d] Includes hiking.

The economic" impacts of the adventure travel industry are the impacts flowing from revenues earned and expenditures made by the 396 firms, companies or operators.[2]

2.2 The Nature of Economic Impacts

Economic impacts measure the economic activity associated with cash expenditures. An initial expenditure results in income and employment for direct industry participants, i.e. the company owners and employees. Purchases of goods and services from suppliers and contractors, and their subsequent resending, generate indirect impacts. Induced impacts result from the resending of wage income on consumer goods and services. The sum of direct, indirect, and induced impacts represents the total economic impact.

Economic impact analysis measures the income and employment associated with a given activity, event or project. This type of analysis is generally used to assess the expansionary effects of expenditures on particular geographic areas or industries.

Income refers to Gross Domestic Product (GDP) or value added. Value added is the sum of gross labour returns (wages arid salaries) and gross capital returns (depreciation allowances plus interest payments plus pre-tax profits) .

The total magnitude of income and employment impacts depends both on the absolute level of expenditures as well as the multiplied effects on the rest of the region. The multiplied effects depend on the economic structure of the region, particularly the import content of goods and services purchased.

Imports, as well as taxes and savings, represent a "leakage" from the regional economy, i.e., money spent on imports is not available for resending within the region. Larger regions have a larger “multiplier effect” since a greater share of input purchases would be made within the region.

If there were no leakages, each $1 of industry revenue would be associated with $1 of direct plus indirect GDP.

Economic impacts are generally considered to be gross impacts in the sense that no corrections are included for the possibility that expenditures ’would have been made in the absence of the activity under study, and for the alternative uses of the capital and labour in the economy.

The labelling of income and employment economic impacts as “benefits” is misleading. An income or employment impact in one industry may be counterbalanced by income or employment losses in other industries, depending on the level of unemployment in the economy and the need for the expenditure giving rise to the impact.[3] For example, an individual buying an adventure travel “package" may have purchased other goods or services in the province if that package had not been available.

Economic impact analysis, nevertheless, is useful in assessing the regional development and employment generation consequences of an autonomous increase in expenditures. It is most useful in a comparative analysis situation where one can investigate the relative ranking of income and employment associated with a set of activities or industries.

For the tourism industry, it would be useful to compare the economic impacts of the adventure travel industry with the economic impacts of the alpine skiing, sport fishing, and hunting industries. (This is done in Section 4.3.)

2.3 Data Sources and Methodology

The main information source for the study was a mail survey of B.C. adventure travel operators conducted in May/June 1987. The Outdoor Recreation Council of British Columbia conducted and sponsored the survey.

The survey questionnaire had three main sections.[4]

- activities and region(s) of operation,
- packages offered, markets served, and marketing activities, and
- economic information (revenues, employment, expenditures) .

The questionnaire was mailed to 849 operators including a substantial number of guiding/outfitting and sport fishing operators.

A total of 214 questionnaire responses were received. Of this total, 97 operators were considered part of the adventure travel industry since adventure travel services represented the bulk of their revenues. The other 117 operators derived only a very small share of their revenues from providing adventure travel services. Most of the excluded companies were hunting or fishing operations.

The operator survey data were used to generate a profile of the industry (Section 3.0) and in the estimation of economic impacts (Section 4.0). The survey and the industry activities are discussed in Appendices A and B.

Apart from this survey, very little current information exists about the size and economic structure of the overall industry and its major activity components. Some limited information exists on the nature of selected industry segments in the late 1970's.[6]

The adventure travel industry is characterized by many part-time, seasonal operations having low revenue and employment levels. Many operators rely on students or family members for labour.

Accordingly, using available data on economic multipliers for Statistics Canada industry aggregates (such as Amusement and Recreation Services) may give misleading results due to the particular nature of the adventure travel industry. Consequently, a more disaggregated approach is followed in this study.

The impact estimation procedure for each of the 11 operator groups is as follows:

- project (or weight) the operator survey data to derive an economic profile of the industry,
- estimate direct industry impacts from the industry profile (revenues, wages and salaries paid, purchases made, employment) and
- estimate indirect (supplier-related impacts) and induced (consumer spending) impacts from operator purchases and wages paid, as applied to Statistics Canada economic multipliers for the province.

This process explicitly incorporates the economic structure of the adventure travel industry from the operator survey results into the analysis.

The relevant interest group is the people of British Columbia. Consequently, value-added, wages and employment accruing to non-residents of the province are excluded.

In addition, direct government revenue associated with the adventure travel industry was estimated. Direct revenue represents personal and corporate income tax.

Exhibit 2.2 displays the stages of the analysis vis a vis the remaining sections of the report.

EXHIBIT 2.2: REPORT OUTLINE

Impact Indicators
- revenue
- value-added (GDP)
- wages
- employment
- government revenue

Section 4
- provincial impacts
- impacts by activity
- comparison to other

Section 5
- regional impacts

Section 6
- past industry growt
- future industry grow

Section 7
- conclusions
- recommendations

FOOTNOTES -- SECTION 2.0

[1] See Section A.3, Appendix A.

[2] Adventure travel-related revenues of the 178 other firms are small (see Footnote #1, Appendix B). Note also that the revenues of the 396 industry firms include some non-adventure, travel-related revenues.

[3] The tool used for measuring economic efficiency benefits is "benefit-cost analysis". In a benefit cost analysis, one would estimate how much of the initial expenditure was not incremental, i.e. how much would have occurred in the absence of the specific activity. Also one would estimate the value of resource, capital and labour inputs in alternate activities in the economy as an (opportunity) cost.

[4] The DPA Group and MacLaren Plansearch assisted in the survey process through designing questionnaire sections related to economic information and marketing information, respectively. Each consultant group was responsible for the editing and analysis of their questionnaire component. The Outdoor Recreation Council initially entered the raw survey data in machine readable form.

[5] See Appendix A for a description of the operator survey. Actually 1023 questionnaires were mailed, but 174 were returned as "undeliverable".

[6] Marshall, Macklin, Monaghan Ltd., Thorne Stevenson & Kellogg Ltd. L. J. D'Amour & Associates, Technical Report of the Province of British Columbia Tourism Development Strategy, Project No. 273001 under Canada-British Columbia Subsidiary Agreement on Travel Industry Development, Vancouver, November 1979.

Ski Consultants Inc. and Resort Planning Group, A Study of the British Columbia Helicopter Skiing Industry. Project No. 273013 under Canada-British Columbia Subsidiary Agreement on Travel Industry Development, Vancouver, January 1980.

Thompson Bertwick Pratt & Partners, Peat Marwick & Partners, Richard T. Wright & Associates, British Columbia River Rafting Study, Project No. 273015 under Canada-British Columbia Subsidiary Agreement on Travel Industry Development, Vancouver, December 1979

Ernst & Whinney, G.D. Hall Associates, Howard paish & Associates Ltd., An Evaluation of the Tourism Potential of the Scuba Diving Industry in British Columbia, Report prepared for Dive B.C., Vancouver, October 1980

3.0 PROFILE OF THE ADVENTURE TRAVEL INDUSTRY

This section presents 1986 profiles for the total B.C. adventure travel industry and for 11 industry segments. First the revenue and client base are discussed. Next, the levels of investment, employment, wages and salaries paid and supply purchases are presented.

The profiles are derived directly from the industry survey results. The figures represent estimates only. The aggregate industry profile is more accurate than each individual sector profile.[1]

3.1 Revenues

Total industry revenues were an estimated $55.7 million in 1986 (Exhibit 3.1). Thirty-two percent of this total ($17.8 million) accrued from heli ski operations. Each of the other 10 industry segments had $7 million or less in revenues.

For the total industry approximately 93% of revenues was derived from outdoor recreation travel packages, services or activities.2 The remaining 7% of revenues were from other services such as retail sales.

The industry has a wide distribution of income. Most operations are small, with many being "mom and pop" family-run businesses with the owners having other employment within the year. These operations cater primarily to B.C. residents.

At the other extreme, some large operations, such as heli skiing, cater primarily to U.S. and off-shore visitors.

The result is that, although the average revenue was $141,000 per operation, the median revenue was much less -- closer to $30,000 per operation (Exhibit 3.2).

EXHIBIT 3.1: REVENUE ANO CLIENT BASE OF THE B.C. ADVENTURE TRAVEL INDUSTRY, 1986

Operator Class	Revenue $ million	Overnight Clients Number	Overnight Clients Client-nights	No. Day Clients	Total Client days[a]
Heli Ski	17.8	9,300	45,200	100	54,600
XSki/Ski Touring	3.9	11,900	38,000	15,400	65,300
Mountaineer/Backpack	5.9	7,900	100,100	5,600	113,600
Horse/Trail Riding	6.4	28,700	103,700	282,300	414,700
Nature Observation	2.8	2,800	17,700	2,200	22,700
Scuba Diving	2.3	17,500	48,900	18,600	85,000
Rafting	4.4	18,100	41,500	51,100	110,700
Kayak/Canoeing	1.7	8,500	30,400	4,100	43,000
Sailing Tours	7.0	5,400	35,200	20,300	60,900
Boat Tours	1.9	800	4,800	53,200	58,800
Other	1.6	1,300	7,900	6,100	15,300
TOTAL	55.7	112,200	473,400	459,000	1,044,600

[a]Number overnight clients plus overnight client nights plus number day clients. i.e., number client-days for an overnight client is client-nights plus one.

EXHIBIT 3.2: DISTRIBUTION OF OPERATORS BY REVENUE CLASS

Revenue Class	Percent of Operators
<$10,000	17%
$10,000 - $ 24,999	20%
$25,000 - $ 49,999	17%
$50,000 - $ 99,999	9%
$100,000 - $249,999	19%
$250,000 - $499,999	11%
$500,000 plus	7%
Al 1	100%

Heli-ski firms are the largest operations. They average over $2 million in revenues for the 8 operators. In contrast, the miscellaneous other group averages less than $50,000 in revenues.

3.2 Client Base

In 1986 the industry served an estimated 112 thousand overnight clients and 459 thousand day clients. Total client days were 1.0 million (Exhibit 3.1). Day clients represented 44% of this client-day total.

Differences exist across industry segments. Almost all heli-skiing clients stay overnight.[3] Most clients of horse/trail riding operations are day-clients.

Large differences exist in the price or cost of adventure travel services. The average price was $53 per client-day in 1986. This average value masks large variations within the industry. The daily cost of heli-ski packages exceeded $300 whereas the average daily cost of horse/trail riding services was $15. Generally, activities which entail relatively large shares of overnight clients have the higher daily costs, since the package price includes accommodation and meals.

3.3 Investment

Capital investment in the industry (on an "original cost" basis) was an estimated $76 million in 1986 - see Exhibit 3.3.[4] The horse/trail riding sector represented $30 million of this total. Much of this sector's investment represents land that is sown to crops or hay but is also used to some extent for trail riding, guest ranches, etc.[5] It is likely that the capital investment dedicated to adventure travel operations is much less than $30 million.

Capital investment for the total industry can be broken down into several components:

Land	10%
Facilities	40%
Equipment	40%
Other	10%

EXHIBIT 3.3: ECONOMIC PROFILE OF THE B.C. AOVENTURE TRAVEL INDUSTRY 1986

Operator Class	Number Operators	Economic Activity Measures				
		Employment PY[a]	Revenue	Investment	Wages	Purchases
			. . .	$ million	. . .	
Heli Ski	8	125	17.8	9.7	3.5	9.1
X Ski/Ski Tour	55	185	3.9	3.1	1.4	1.9
Mountaineer/Backpacking	47	260	5.9	2.1	2.3	2.5
Horse/Trail	59	265	6.4	30.1	1.4	2.7
Nature Observation	25	80	2.8	5.8	0.7	1.4
Scuba Diving	30	70	2.3	5.7	0.7	1.4
Rafting	46	140	4.4	4.4	1.3	2.3
Kayak/Canoeing	34	65	1.7	1.3	0.6	0.7
Sailing Tours	38	315	7.0	10.7	2.0	4.9
Boat Tours	21	65	1.9	2.7	0.7	1.1
Other	33	40	1.6	0.8	0.3	1.0
TOTAL	396	1,610	55.7	76.4	14.9	29.0

[a]person-year equivalents

Again wide variation exists across sectors. Over 90% of heli skiing investment represents facilities. Three quarters of sailing investment represents equipment, i.e. sail boats.

3.4 Employment

The industry directly generated an estimated 1,610 person-years of employment in 1986 (Exhibit 3.4). Operations are seasonal with August employment levels being double those in January, April or November.

Differences exist across industry categories. January represents the peak employment month for heli skiing and cross country skiing/ski touring operations. In contrast, mountaineer/backpacking and rafting operations are concentrated in summer months.

The industry employs a substantial amount of part-time or casual labour. An estimated 30-40% of employment represents part-time employment.

EXHIBIT 3.4: EMPLOYMENT IN THE B.C. ADVENTURE TRAVEL INDUSTRY, 1986

Operator Class	Seasonal Employment Jan	Apr	Aug	Nov	Person-Year Employment[a]
Heli Ski	205	150	100	40	125
XSki/Ski Tour	280	180	105	180	185
Mountaineer/Backpacking	80	85	620	255	260
Horse/Trail	225	250	380	205	265
Nature Observation	50	85	110	70	80
Scuba Diving	65	65	65	75	70
Rafting	30	60	430	35	140
Kayak/Canoeing	50	55	120	35	100
Sailing Tours	260	285	.455	265	315
Boat Tours	30	85	110	40	65
Other	15	25	105	20	40
TOTAL	1,290	1,325	2,600	1,220	1,610

[a]Simple average of the four monthly employment levels

Over all sectors, the average year-round employment level was 4.1 people per operation. This translates into an average revenue per employee of $35 thousand.

3.5 Wages Paid

Wage income earned by employees of the industry represented $15 million in 1986. As total employment was 1,610 person-years, the resulting average annual wage rate of $10,000 is low by provincial standards. The average annual wage in the province exceeded $20,000 in 1986.[6]

Due to its pronounced seasonal nature, the industry hires relatively large numbers of students in summer and part-time workers. This contributes to the low wage rate.[7]

As well, many operations are owner-operated and employ family labour. In some cases, the operator may choose to draw only a nominal wage and leave a surplus in the business.

However, as with the tourism industry at large, undoubtedly the average wage rate in the adventure travel industry is less than in other sectors.

3.6 Supply Purchases

The industry purchased an estimated $29 million of goods and services from suppliers in 1986 (Exhibit 3.3) .

The breakdown by component is approximately[8]:

Food & Accommodation	$6.1 million	21%
Transportation	$8.3 million	29%
Marketing/Promotion/Travel	$3.8 million	13%
Maintenance & Administration	$7.1 million	24%
Other	$3.7 million	13%

The bulk of transportation expenditures represent transportation services to the heli skiing industry.

Supply purchases represent 52% of the $55.7 million in industry revenues in 1986. Wages paid represent 27% of industry revenues. The residual or 21% represent a gross return to capital to cover interest payments on borrowed capital, depreciation or the recovery of capital, taxes and after-tax profit or return to capital (Exhibit 3.3) .

The industry profile of this Section is used to estimate the provincial economic impacts of the adventure travel industry in Section 4.0.

FOOTNOTES -- SECTION 3

[1] Estimates for each sector could be in error by as much as 25 percent. Estimates for the total industry-are judged to be accurate to within 5 percent.

Industry associations requested that the survey responses for individual operators be kept confidential. As a result, the consultants did not know which firms responded to the survey and firms did not respond. The confidentiality provision affected the precision of the analysis.

[2] The 93% figure represents an unweighed average derived from the survey data.

[3] The client-day estimates refer to the total activities of the companies in question. For example, some heli skiing companies offer backpacking and hiking packages in summer months. These client-days would be included in the estimates presented.

[4] Investment refers to the original cost of all investment "associated" with the adventure travel operation.

[5] A high ratio of investment to revenues has been found for guest ranches in B.C. Guest ranches represent one component of the horse/trail riding sector. MacLaren Plansearch Ltd., Guest Ranches in British Columbia: Product and Market Analysis, Prepared for B.C. Ministry of Tourism, Recreation and Culture and Funded by Canada-British Columbia Subsidiary Agreement on Tourism Industry Developments, May 1987.

[6] Average weekly wages in B.C. in 1986 were $444 per week. Statistics Canada, Employment, Earnings and Hours, Cat. No. 72-002, Ottawa, Monthly.

[7] Some workers receive free food and lodging (i.e. "room and board") and accordingly receive a lower wage than if they had to pay directly for their own accommodation and meals.

[8] For a breakdown of purchases by sector, see Exhibit C.3, Appendix C.

4.0 PROVINCIAL IMPACTS

The adventure travel industry generates economic impacts in B.C. in terms of GDP or value added, wages and salaries or labour income, and employment. As well, the industry generates direct government revenues from corporate income tax and personal income tax. These provincial income and employment impacts are estimated in this section.

Impacts arise directly from industry activity, indirectly from purchases made from suppliers to industry, and lastly from the consumer spending of wage income by those directly or indirectly employed in the industry.

4.1 Direct Impacts

Direct impacts represent impacts to the owners and employees of the 396 firms providing adventure travel services in the province. Employees earn wage income. Employers earn a capital surplus represented by the combined return to capital (interest payments, depreciation, taxes and after-tax profit). The sum of wage income plus capital surplus represents value added.

The $55.7 million in industry revenue comprises:

- $14.3 million wages paid to B.C. residents;
- $ 0.6 million wages paid to non-residents;
- $ 9.9 million capital surplus to B.C. owners[1],
- $ 1.9 million capital surplus to non-B.C. owners;
- $25.8 million purchases from B.C. suppliers; and
- $ 3.2 million purchases from outside B.C.

Accordingly, in 1986 the industry directly contributed $24 million in value added, $14 million in wage income, and 1555 person-years of employment to the province (Exhibit 4.1).

The estimates exclude payments to non-residents of the province. That is, wage income and employment of non-residents is excluded, and only a share of the capital surplus of non-resident companies is included. Wage and employment estimates are therefore somewhat lower than the estimates in Exhibit 3.3.[2]

EXHIBIT 4.1: DIRECT ECONOMIC IMPACTS WITHIN B.C. OF THE ADVENTURE TRAVEL INDUSTRY, 1986

	Direct Impacts[a]			
	Revenue	Value Added	Wage Income	Employment
	. . . . $ million			PY's[b]
Heli Ski	17.8	6.5	3.2	115
X Ski/Ski Tour	3.9	1.9	1.3	170
Mountaineer/ Backpack	5.9	3.3	2.2	250
Horse/Trail Riding	6.4	3.6	1.3	245
Nature Observation	2.8	1.4	0.7	80
Scuba Diving	2.3	0.9	0.7	70
Raft ing	4.4	2.1	1.3	140
Kayak/Canoeing	1.7	1.0	0.6	65
Sailing Tours	7.0	2.1	2.0	315
Boat Tours	1.9	0.8	0.7	65
Other	1.6	0.6	0.3	40
TOTAL	55.7	24.2	14.3	1,555

[a] Value added, wage income and employment accruing to B.C. residents
[b] Person-year equivalents

The relative ranking of economic impacts across sectors generally follows the ranking of sector revenues. However, for the heli skiing industry, direct employment per dollar revenue is much lower than for other sectors. The heli skiing industry requires some specialized personnel (e.g. helicopter pilots) that are paid a wage rate substantially above wages for other occupations in the adventure travel industry.

EXHIBIT 4.2: **TOTAL ECONOMIC IMPACTS WITHIN B.C. OF THE ADVENTURE TRAVEL INDUSTRY, 1986**

	Purchases from BC Suppliers	Total Impacts[a,b]		
		Value Added	Wage Income	Employment
		. . . $ million . . .		PY's[c]
Heli Ski	7.0	17.0	10.7	410
X Ski/Ski Tour	1.8	5.0	3.5	255
Mountaineer/Backpacking	2.3	7.6	5.3	370
Horse/Trail	2.6	7.6	4.1	355
Nature Observation	1.4	3.5	2.3	140
Scuba Diving	1.4	3.0	2.3	130
Rafting	2.2	5.6	3.8	240
Kayak/Canoeing	0.7	2.3	1.5	100
Sailing Tours	4.8	9.2	7.0	515
Boat Tours	0.7	2.1	1.7	100
Other	0.9	1.8	1.2	75
TOTAL	25.8	64.7	43.4	2,690

a Value added, wage income and employment accruing to B.C. residents
b Total impact equals direct plus indirect (supplier-related) plus induced (consumer spending) impacts.
c Person-years of employment

4.2 Total Impacts

Total economic impact indicators are presented in Exhibit 4.2. Total impacts of the adventure travel industry in 1986 were $65 million of value added, $43 million of wage income, and 2,690 person-years of employment.

Total impacts include: the direct industry impacts (Exhibit 4.1), the indirect impacts from the $25.8 million in purchases from B.C. suppliers and the induced impacts arising from consumer spending of wage income by direct and indirect employees.[3,4,5]

4.3 Government Revenues

The provincial and federal government receive corporate income taxes and personal income taxes from adventure travel activity.

The adventure travel industry is estimated to generate $9.0 million in direct taxes -- $2.8 million to the provincial government and $6.2 million to the federal government (Exhibit 4.3).[6]

EXHIBIT 4.3: GOVERNMENT INCOME TAX REVENUE

	Personal Income Tax	Corporate Tax	Total
		. . . $ Million . . .	
Provincial	2.2	0.6	2.8
Federal	4.8	1.4	6.2
All	7.0	2.0	9.0

The tax revenue results from total (direct, indirect and induced) income associated with the adventure travel industry.

4.4 Comparison to Other Industries

Other outdoor recreation industries, such as alpine skiing, sport fishing or hunting have a higher public profile than does the adventure travel industry. One can compare the revenues of these other classes of operators with the revenues of adventure travel operators.

Outdoor Recreation Operators	1986 Revenue
Alpine Skiing*	$63 million[7]
Sport Fishing	$57 million[8]
Hunting	$21 million[9]
Total Adventure Travel	$56 million
Heli Skiing	$18 million
X Ski/Ski Touring	$ 4 million
Other	$34 million

* Alpine skiing excludes heli-skiing.

Adventure travel operator revenue of $56 million is approximately the same as alpine skiing operator revenue ($63 million) and sport fishing operator revenue ($57 million) . It is more than twice as large as the $21 million earned by the hunting industry, i.e. guide/ outfitters.

Revenues for all outdoor recreation sectors represent revenues to operators i.e. , from "packages" or services. This is the definition of the "industry". As such, figures exclude expenditures by participants on such items as equipment, travel, or accommodation that does not flow through operators. These ancillary expenditures should be credited to the industries retail trade, transportation, hotels/restaurants, etc.

The results of this study show that the adventure travel industry generates substantial economic activity in the province, and that the amount of activity is comparable to that generated by the alpine skiing and sport fishing industries.

FOOTNOTES -- SECTION 4

[1] For this study, it was estimated that 50% of the capital surplus of non-resident companies represented a gain to the province. The other 50% represented capital surplus accruing to non-resident owners.

[2] That is, the wage and employment figures given in Exhibit 3.3 include all wage payments and employment of member firms in the industry.

[3] Based on B.C. provincial economic accounts data, it was assumed that 68% of direct wage income is respent on consumer goods and services in the province. The rest "leaks" out of the province in terms of taxes, savings or out-of-province purchases.

Economic multipliers were applied to the estimates of provincial spending by direct employees and to the estimates of in-province purchases by industry. The multipliers represented a weighted average of Statistics Canada multipliers for the four sectors -- Food and Accommodation, Transportation and Storage, Printing and Publishing and Other Personal and Miscellaneous Service. The weights were derived from the purchase patterns of the total industry for food, accommodation, transportation, marketing/promotion/travel, maintenance, administration and other. The 1979 jobs per revenue ratios were adjusted to a 1986 basis using the 59 percent increase in average weekly earnings realized in the province over the 7 year period. The resulting (expenditure) multipliers were:

value added or GDP	$1.14 per $1 expenditure in B.C.
wages or labour income	$0.82 per $1 expenditure in B.C.
employment	3.2 jobs per $100,000 expenditure in B.C.

Ministry of Economic Development, British Columbia Economic Accounts 1971-1984, Central Statistics Bureau, Victoria, 1986

Statistics Canada, "1979 Interprovincial Input Output Model Results", Ottawa, 1985.

[4] The indirect and induced GDP impacts were calculated as:

B.C. Purchases Made $35.5 million

$25.8 million B.C. supplier purchases
+$ 9.7 million spending of direct wage income ($14.3 million x .68)

Indirect & Induced Impacts $40.5 million

$35.5 million purchases x 1.14 GDP multiplier

Total GDP Impacts $64.7 million

$24.2 million direct GDP
+ $40.5 million indirect/induced GDP

5 Note that the ratio multipliers of the form (direct + indirect + induced impacts)/ direct impacts implicit in Exhibit 4.2 are somewhat larger than for other industries in the province. The reason is that for the adventure travel industry the ratio of direct value-added to direct industry revenues of .43 is low. (For most other industries it would be greater than .5) . Accordingly, indirect and induced impacts comprise a larger share of the total impact for the adventure travel industry.

6 Ratios of direct taxes to income for the personal and business sectors were calculated from the provincial economic accounts publication. The effective tax rates then were prorated downward by 10-15 percent in an attempt to reflect the likelihood that the tax rates for adventure travel businesses and employees would be somewhat less than provincial averages, i.e. due to the low level of operator revenues and the low average wage rate. Note that the industry is very seasonal -- many operators and employees have income from other sources consequently, total income from all sources -- the basis on which tax rates are applied -- could be substantially higher than adventure travel-related income.

The tax rates used in the analysis were:

Personal Income Taxes	
Provincial	5% of wage income
Federal	11% of wage income
Corporate Income Taxes	
Provincial	3% of capital surplus
Federal	6.5% of capital surplus

Ministry of Economic Development, Ibid.

7 B.C. Ministry of Economic Development, "British Columbia's Mountain Resorts 1986/87 Ski-Season Review", Office of the Coordinator of Ski Development, Victoria, 1987.

8 Canada Fisheries and Oceans estimates that anglers spent $55 million on fishing services and packages in 1985. Adjusting this figure based on movements in the Consumer Price Index results in a 1986 estimate of $57 million.

Canada Fisheries and Oceans, "1985 Survey of Sport Fishing in Canada Highlights", Ottawa, October 1986, Table 10.

9 In 1978 it was estimated that hunting guide/outfitters earned $11.6 million in revenues. Adjusting this figure based on movements in the Consumer Price Index results in a 1986 estimate of $21 million in revenues (the number of guided hunters was approximately the same in 1978 and 1986) .

Canadian Resourcecon Limited and Quadra Economic Consultants, Economic and Resource Management Aspects of the Commercial Use of Fish and Wildlife Resources in British Columbia, Report Prepared for the Province of British Columbia, Ministry of the Environment, Fish and Wildlife Branch, Victoria, June 1979.

5.0 REGIONAL IMPACTS

Adventure travel activities occur away from major urban centres for the most part. Consequently, the adventure travel industry has the potential to increase regional output of goods and services, thereby facilitating economic development. In this section regional impacts of the industry are addressed.

5.1 The Pattern of Activity

The Province of British Columbia has designated nine tourism regions (Exhibit 5.1). The operator survey requested the regions of operation of adventure travel activity according to the tourism region categories. The main region of operation[1] was used to segment the operators geographically (Exhibit 5.2).

Certain types of operations are concentrated in particular regions. Water-based adventure travel is concentrated on Vancouver Island and in Southwestern B.C. Horse/trail riding is concentrated in the Cariboo region. The mountaineering/ backpacking industry operates primarily in High Country. Heli skiing is concentrated in the High Country and Rocky Mountain regions.

Some differences exist between the region of activity and the home region of the operator or company (see Exhibit Cl). Several adventure travel businesses have Vancouver as a home base although the activity takes place outside the Lower Mainland.[2] Six of the 97 operator respondents to the survey lived out-of-province (primarily in Alberta).

EXHIBIT 5.1: TOURISM REGIONS OF B.C.

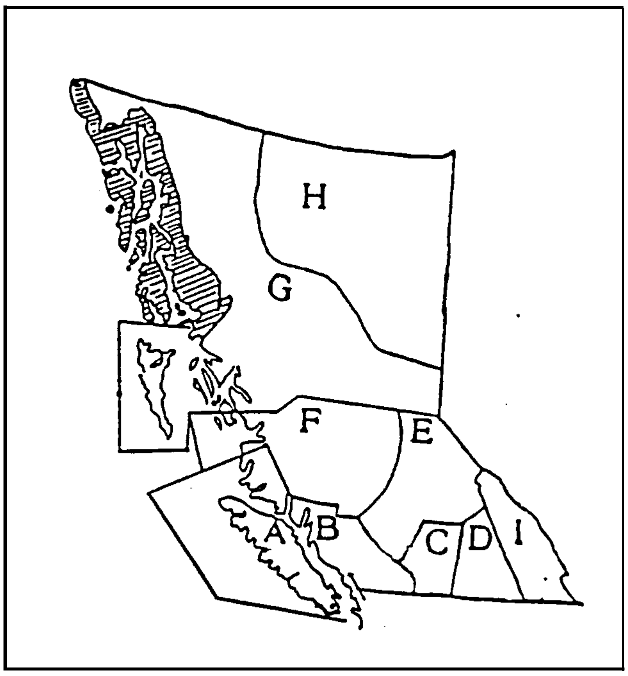


EXHIBIT 5.2: MAIN REGION OF OPERATION OF THE SURVEY SAMPLE OF OPERATORS, 1986

Operator Class	Sample Size	Main Region of Operation								
		A	B	C	D	E	F	G	H	I
Heli Ski	5	--	--	--	--	3	--	--	--	2
X Ski/Ski Tour	13	--	3	--	4	2	3	-	--	1
Mountaineer/Backpacking	11	--	2	1	--	6	--	1	--	1
Horse/Trail	14	1	3	--	--	1	7	--	1	1
Nature Observation	6	--	2	--	1	--	2	1	--	--
Scuba Diving	7	6	1	--	--	--	--	--	--	--
Rafting	11	--	7	--	--	2	1	-	--	1
Kayak/Canoeing	8	5	2	--	--	1	--	--	--	--
Sailing Tours	9	8	1	--	--	--	--	--	--	--
Boat Tours	5	2	3	--	--	--	--	--	--	--
Other	8	1	4	--	2	7	--	--	--	1
All	97	23	28	1	7	15	13	2	1	7

Legend:

A Vancouver Isalnd
B Southwestern B.C.
C Okanagan/Similkameen
D Kootenay/Boundary
E High Country
F Cariboo
G North by Northwest
H Peace River/Alaska
I Rocky Mountain

5.2 Regional Impacts

Regional impacts of the industry are presented in Exhibit 5.3. The figures are estimates derived by prorating the provincial impact measures of Exhibit 4.2.[3] The estimates provide a rough guide as to the total (direct plus supplier-related plus consumer spending) regional impacts of the adventure travel industry.

The major regions of activity or revenues are:

High Country	$19.8 million (36% of total)
Vancouver Island	$10.9 million (20% of total)
Southwestern B.C.	$10.1 million (18% of total)

Very little adventure travel activity occurs in the Okanagan/Similkameen or the North by Northwest/Peace River regions of the province.[4]

EXHIBIT 5.3: REGIONAL ECONOMIC IMPACTS OF THE ADVENTURE TRAVEL INDUSTRY, 1986

Region of Impact[b]	Revenue[c]	Total Impacts[a] Value Added	 Wage Income	 Employment
		... $ million ...		PY's[d]
A. Vancouver Island	10.9	9.4	6.3	390
B. Southwestern B.C.	10.1	30.2	20.3	1,260
C/D/I Okan./Kootenay/Mtn	7.9	7.5	5.0	310
E. High Country	19.8	7.5	5.0	310
F. Cariboo	6.0	6.6	4.4	275
G/H. North by Northwest/Peace	1.0	3.5	2.4	145
TOTAL	55.7	64.7	43.4	2,690

[a] Direct plus indirect plus induced impacts
[b] Regional impacts include impacts from adventure travel activity outside the region
[c] Revenue from adventure travel activity within the region
[d] Person-years of employment

Although Southwestern B.C. represents only $10.1 million or 18% of revenues, the region represents $30.2 million or 47% of the total value-added impacts.

In contrast, the High Country represents $19.8 million or 36% of activity but only $7.5 million or 12% of the value-added impact. The vastly different impacts in High Country and Southwestern B.C. reflect to a large extent the different regional economies, as reflected by import leakages.

In High Country, much of the purchases of goods and services by local businesses and consumers are imported from outside the region, mainly Southwestern B.C. Consequently, the multiplier for regional expenditures is low. The majority of provincial economic impacts from adventure travel operator revenue accrue to other provincial regions, most notably Southwestern B.C.

For Southwestern B.C., a large share of provincial economic impacts arising from adventure travel operations in the region stay in the region. Leakages to other provincial regions are low since Southwestern B.C. is a more self-contained manufacturing and service centre.[5] As well, Southwestern B.C. is a prime beneficiary from adventure travel activity in other, remote regions of the province such as the High Country.

This combination -- a high "retention rate" for impacts from operations in the host region and a high "attraction" rate for impacts leaking from other provincial regions -- result in the large Southwestern B.C. impacts.

Nevertheless, although the regional impacts are small in an absolute sense, they can be significant to the overall economy of the region. The industry can and does provide an economic stimulus to local regions and communities.

FOOTNOTES -- SECTION 5

[1] In the vast majority of cases, a company operated in only one region. In the other instances, the main region was designated as that in which the most common adventure travel package operated.

[2] For this study, the Gulf of Georgia was designated as part of the Vancouver Island region. Several Vancouver-based sailing and boating tour companies, therefore, operated outside their home region.

[3] Essentially the procedure involved:

1) prorate revenues across the 9 regions according to the regional pattern of employment for each of the 11 adventure travel sectors individually

2) aggregate regional revenues over sectors to come to a regional revenue total

3) for each region apply a regional value-added multiplier (derived from some work by Craig Davis) to total regional revenues -- this gives regional value added from adventure travel activity within the region

4) for each region estimate total provincial value-added from the adventure travel activity in that region using the results of Exhibit 4.2.

5) prorate value-added impacts that "leak" out of the region to other provincial regions [i.e. the difference between 4) and 3)] based on the regional pattern of census value added from the Census of Manufacturing.

6) aggregate results from 4) and 5) to estimate total regional value-added

7) prorate total provincial wage impacts (from Exhibit 4.2) across regions according to the pattern of value-added in 5)

8) prorate total provincial employment impacts (from Exhibit 4.2) across region according to the pattern of value added in 5)

Craig Davis, "B.C. Regional Economic Multipliers", Report Prepared for British Columbia Lands, Parks and Housing", September 1985

Statistics Canada, <u>Census of Manufacturing</u>, Cat. No. 31-203, Ottawa, Annual

[4] These regions are important regions for fishing, hunting and guiding/outfitting. These activities, however, lie outside the Terms of References for the study.

[5] As well, some companies' headquarters are in the Lower Mainland and some Lower Mainland residents are employed in the business even though the adventure travel packages or activity occur outside the Lower Mainland region.

6.0 INDUSTRY GROWTH

Adventure travel is a growth industry in the province of British Columbia. The industry has grown rapidly in the number of operators, the number of clients served and revenues. In this section past growth and future growth of the industry are examined.

6.1 Past Industry Growth

The number of industry operators providing adventure travel services and packages has tripled over the past 10 years. The operator survey indicated that only 31 of the 97 operator respondents, or 32%, were in business 10 years ago (Exhibit 6.1).[1]

The survey also provides useful information on operator revenues for 1985, 1984 and 1976, as well as the profile year 1986. Estimated industry revenues for all 11 operator classes were (Exhibit 6.2)[2]:

Year	Industry Revenues
1986	$56 million
1985	$42 million
1984	$36 million
.	.
.	.
1976	$11 million

This represents an average compound growth rate of 17% per annum.

In comparison, provincial Gross Domestic Product (GDP) grew at an average rate of 10% per annum over the same 10 year period.[3] The adventure travel industry is growing faster than the economy of the province at large.

EXHIBIT 6.1: NUMBER OF OPERATIONS IN BUSINESS BY YEAR FOR THE SURVEY SAMPLE OF OPERATORS

Operator Class	No. Operations in Business[a]			
	1986	1985	1984 . . .	1976
Heli Skiing	5	5	5	3
X Ski/Ski Touring	13	12	9	5
Mountaineer/Backpacking	11	8	7	1
Horse/Trail Riding	14	11	11	5
Nature Observation	6	6	5	2
Scuba Diving	7	6	6	4
Rafting	11	10	9	2
Kayak/Canoeing	8	8	7	4
Sailing Tours	9	9	5	2
Boat Tours	5	5	5	2
Other	8	6	4	1
All	97	86	73	31

[a] Includes businesses that have transferred ownership or managers over the 10 years.

EXHIBIT 6.2: ESTIMATED REVENUES FOR THE ADVENTURE TRAVEL INDUSTRY 1976 TO 1986

Operator Class	Annual Revenues ($ million)			
	1986	1985	1984 . . .	1976
Heli Skiing	17.8	11.4	9.8	3.4
X Ski/Ski Touring	3.9	3.3	2.3	1.1
Mountaineer/Backpacking	5.9	4.1	3.3	0.9
Horse/Trail Riding	6.4	4.9	4.1	1.3
Nature Observation	2.8	2.5	2.4	0.6
Scuba Diving	2.3	1.8	1.7	0.6
Rafting	4.4	3.7	3.1	0.7
Kayak/Canoeing	1.7	1.3	1.0	0.4
Sailing Tours	7.0	6.2	5.2	1.4
Boat Tours	1.9	1.9	1.9	0.6
Other	1.6	1.1	0.9	0.2
All	55.7	42.2	35.7	11.2

Note: Estimates by operator class may be unreliable

The adventure travel industry also is growing at a faster rate than alpine skiing or sport fishing. Over the past ten years revenues of alpine skiing operators grew at an average rate of 10-15% per year.[4] Between 1980 and 1985 revenues of sport fishing operators grew at an average rate of 10% per year.[5] The average annual revenue growth rate of 17% for adventure travel operators exceeds these growth rates.

6.2 Future Growth

The industry is expected to continue to grow rapidly. The demand for adventure travel packages in B.C. should continue to be strong as Canadian, U.S. and off-shore visitors seek an adventure, or wilderness experience. Canada, and particularly British Columbia, is well-positioned to satisfy this demand.

The industry operators project growth of:

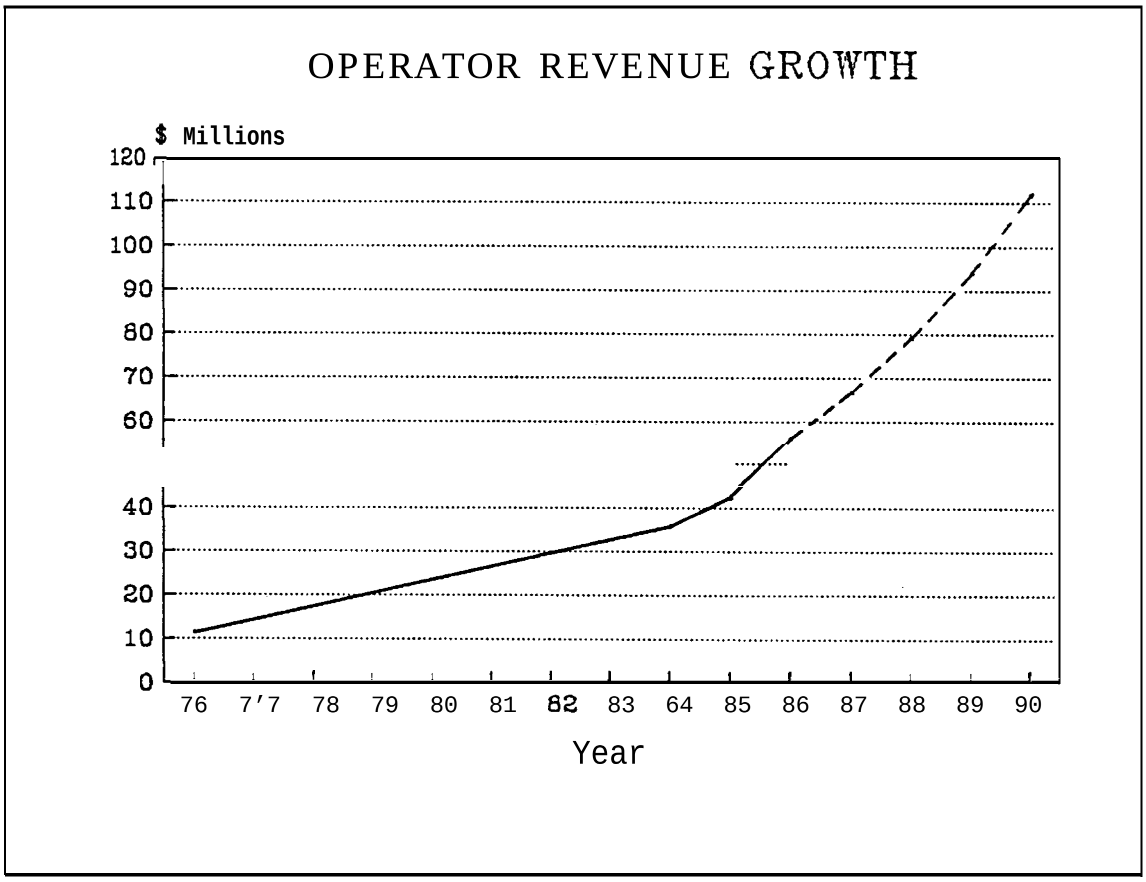
Operator Class	Projected Growth Rate
Heli Skiing	14% per annum
Cross Country Skiing/Ski Touring	27% per annum
Mountaineering/Backpacking	29% per annum
Horse/Trail Riding	21% per annum
Nature Observation	13% per annum
Scuba Diving	9% per annum
Rafting	20% per annum
Kayak/Canoeing	18% per annum
Sailing Tours	21% per annum
Boat Tours	24% per annum
Other	20% per annum
All	19% per annum

The growth rate of 20% for rafting operators has been dampened somewhat from original industry projections.[6]

The projected growth rate of 19% overall compares favorably with the 10-year growth rate of 17% per year experienced between 1976 and 1986 (Exhibit 6.2). Projected growth rates for individual sectors vary from 9% (Scuba diving) to 29% (Mountaineering/Backpacking).

By 1990 adventure travel industry revenues could exceed $100 million annually (Exhibit 6.3).

EXHIBIT 6.3: ADVENTURE TRAVEL OPERATOR REVENUE GROWTH



The preservation of the wilderness resource base is important to the future growth of the industry. Perceptions regarding that resource base and the adventure travel product or experience also are important. To foster industry growth, it will be necessary to market effectively both the quality of the product and the conservation of the underlying resource endowment.[6]

FOOTNOTES -- SECTION 6.()

[1] The counts include those businesses that have changed ownership or managers over the 10 year period.

[2] The revenue figures exclude any revenues of businesses that operated in 1985, 1984, or 1976, but that did not operate in 1986. The figures include businesses that have changed ownership or managers over the 10 year period.

The revenue estimates for individual sectors are subject to substantial error for years 1985, 1984 and 1976.

[3] British Columbia Ministry of Economic Development, British Columbia Economic Accounts, Central Statistics Bureau, Victoria, Annual

[4] B.C. Ministry of Economic Development

[5] Canada Fisheries and Oceans, "Survey of Sport Fishing in Canada Highlights", Ottawa

[6] The industry projected (in May/June of 1987) a growth rate of 41%. However, it is felt that the deaths of several whitewater rafters and the ensuing publicity will dampen growth for the industry in the short term. A growth rate of 20% was felt to be more reasonable.

[7] For a marketing strategy see:

MacLaren Plansearch Ltd., "The Market for Adventure Travel in British Columbia", Report Prepared for the Outdoor Recreation Council of British Columbia, Vancouver, 1988.

7.0 CONCLUSIONS AND RECOMMENDATIONS

The adventure travel industry is important in economic terms to the Province of British Columbia. The industry earned $56 million in revenues in 1986, and is growing at a rate of 15 to 20% per year -- a rate greater than the total economy and greater than other outdoor recreational activities such as alpine skiing, sport fishing or hunting. Presently annual revenues of the industry are approximately equal to those received by alpine skiing and sport fishing operations, and are substantially higher than those of guide/outfitters.

In 1986, it was estimated that the industry generated $65 million of value-added or GDP, $43 million in wage payments and 2690 person years of employment. Much of this economic activity occurred in remote regions of the province, thus providing an economic stimulus to several regional economies.

The B.C. adventure travel industry is not well-understood or appreciated. The size, importance, and impacts of the industry are not well-known. This study has helped to overcome this anonymity by developing a profile of the industry, and by estimating economic impacts. The results of this study should be of considerable use for planning activities by government, the adventure travel industry and other interested parties.

Several recommendations for future data-gathering and analysis activities flow from the study:

1) A more formal definition of the adventure travel industry, focussing on operators who provide “packages”, should be adopted. This would assist the Outdoor Recreation Council in providing a more accurate list of operators in the industry, and would assist the industry in focussing its marketing efforts.

2) The list of operations should be updated annually given the high growth rate and turnover in the industry.

3) Periodically, say every 3-5 years, an adventure travel operator survey should be conducted to develop a current profile of the industry and its economic impacts. The present size and rapid growth of the industry warrant this analysis.

4) The major information source for this study was a "supply side" survey of adventure travel operators in the province. A "demand side" survey of present and potential clients of the adventure travel industry should be initiated.

5) The operator survey collected valuable information on the employment, revenues, investment, and purchases of guide/outfitters and sport fishing operators. These operations lie outside the Terms of Reference for this study and accordingly the data were not analyzed. The guide/outfitter and sport fishing data should be analyzed to generate current economic Profiles of these sectors.

APPENDIX A
THE OPERATOR SURVEY

APPENDIX A
THE OPERATOR SURVEY

A survey of adventure travel companies operating in British Columbia was conducted in May/June 1987. The survey was conducted and sponsored by the Outdoor Recreation Council of British Columbia.[1]

A.1 Initial List of Outdoor Recreation Operators[2]

The Council compiled a list of outdoor recreation operators in B.C. A wide variety of sources for the list were used, ranging from membership lists of industry associations to marketing materials to trade publications. The 1986 list included 1,023 operators.

For each operator a checklist of activities was determined. The criteria used were:

- the operator offered commercial services to local outdoor recreationists and/or tourists seeking to experience the B.C. outdoors. (e.g., charters, package tours, guiding services, rentals, courses, etc.)
- no strictly retail outlets were included
- no strictly accommodation facilities were included
- the operator had listed the activities indicated as offered in advertisements, brochures and/or membership listings.
- all activity listings were substantiated by operator-written or published material (i.e. no guesses were made regarding activities) .

A.2 Survey Operation

In May 1987 the total inventory of 1,023 operators was sent a questionnaire. The questionnaire consisted of two main parts: a (yellow) information/address update sheet, and a confidential survey section. The survey questionnaire had three main sections:

- activities and region(s) of operations
- packages, markets and marketing activities, and
- economic information (revenues, employment, expenditures) .

The survey questionnaire is given at the end of this appendix.

In late May/early June operators were telephoned and reminded to complete the questionnaire.

A.3 Revised List of Adventure Travel Operators

In June 1987 the Council examined the original inventory list to determine the current status of activity groupings. Several companies were found to no longer be in business. The activities/services offered by companies listed were updated from information/address survey sheet returns. A total of 174 survey questionnaires were returned to the Council as “undeliverable” for reasons of moving, address unknown, deceased, etc. These operators were culled from the list.

There is a difference between “outdoor recreation" and “adventure travel”. For the purposes of this study the following activities have been excluded from the initial ORC list:

- guide/outfitters,
- sport fishing,
- alpine skiing,
- houseboats,

- education,
- children's camps
- consultants,
- agents (travel, wholesalers) , and
- air charter.

That is, if an operation offers only (one or more of) these activities then it is not included in the definition of the adventure travel industry for this study. After excluding these non-applicable firms, a total of 574 operators remained in the revised inventory.

For this study, the consultants classified firms by major activity (see next section) . The list of 574 operators included several operators for whom it was obvious that they were primarily outfitters, sport fishing camps, etc. (e.g. "ABC Outfitters Ltd.")

These operators were culled from the list, admittedly using judgement, so as to comprise a core group of firms whose main line of business was the provision of adventure travel services and packages. A total of 396 firms were identified. The other 178 operators provided some adventure travel services, but these services were a secondary line of business to outfitting/hunting or fishing.

A.4 The Survey Sample

A total of 214 usable returns were realized. This represented a 25% response rate of the effective mail-out population of 849 operators (1,023 mail-outs less 174 "undeliverables") .

A wide range in "quality" of responses occurred. Some operators filled out the questionnaire completely and gave very precise economic information from their company financial statements. Other operators filled out nothing except the employment question of the economic section. For example, only 153 of the 214 responses had gross revenue information completed.

The 214 responses were classified as to main or primary activity (Exhibit Al) .

EXHIBIT Al: SURVEY RESPONSES BY PRIMARY ACTIVITY

Primary Activity	No. Firms Responding to **Survey**
Heli Ski	5
Cross Country Skiing	6
Cross Country Ski Tours	7
Mountaineering	4
Backpacking/Hiking	7
Bicycle Touring	4
Horse/Trail Riding	14
Nature Observation	6
Scuba Diving	7
Rafting	11
Kayaking	3
Canoeing	5
Sailing Tours	9
Boat Tours	5
Speleology	2
Ballooning	1
Air Tours	1
Hunting	39
Fishing	63
Camps	9
Houseboats	3
Retail	3
Total	**214**

Only 97 operator respondents primarily supply adventure travel services. The other 117 operators are primarily engaged in hunting, fishing, camps, houseboating or retail trade.

FOOTNOTES TO APPENDIX A

1. The DPA Group and McLaren Plansearch assisted in the survey process through designing questionnaire segments related to economic information and marketing information, respectively.

2. The material in Sections Al, A.2 and A.3 is based largely on background information supplied by the Council.

Outdoor Recreation Council
of British Columbia

AOVENTURE TRAVEL RESEARCH PROJECT

QUESTIONNAIRE

To answer the questions inthe questionnaire. please tick [✓] the answer beat suitedto your business. In the questions which oak for e percentage breakdown please determine the approximate percentage ● nd ensure that the overall total is 100%.

All answers received from you will be confidential. end will be used solely to compile overall ● tetiatlce for the adventure travel industry.

Please return this questionnaire by June lat. 1087.

Your cooperation is greatly ● ppreciated.

WHAT ADVENTURE TRAVEL OPPORTUNITIES m YOU OFFER?

1. Please tick [✓] the adventure travel activities you offer to your clients:
   NOTE: Only complete if you have removed the inventory information sheet on the preceding page.

LAND BASED:

_ ● lpine [lift] ● kiins
_ backpacking
_ bicycle touring
_ cross country skiing
_ four wheel driving
_ heli-hiking
_ heli/cat ● kilng
_ horse/trail riding
_ hunting
_ Ice climbing
_ motorcycle touring
_ mountaineering
_ photography/nature observation
_ orienteering
_ rock climbing
_ rock collecting
_ ski touring
_ ● nowmobiling
_ speleology

WATER BASED:

_ boardsailing
_ boat toura (non-.aill
_ canoeing
_ fishing
_ kayaking/sea kayaking
_ nature/photography observation
_ rafting tours
_ river boat tours
_ sailing tours
_ scuba/diving

AIR BASED:

_ ● ir tours
hang gliding
_ parachuting

OTHER: Retail Business ________________ Other ________________ ________________

YOUR PRIORITIES:

2. Which ere the moat important activities to your business? Please choose from the activities listed in Question One.

	Activity	% of your business
Moat Important	________	____%
Second Moat Important	________	____%
Third Most Important	________	____%
Other	________	____%
		100 % .

1200 Hornby Street, Vancouver, British Columbia V6Z 2E2 Telephone: 687-3333 Telex: 04-51588

YOUR HISTORY?

3. For how many years has your business been in operation?

____

4. For how many years has the present management been operat ng your business?

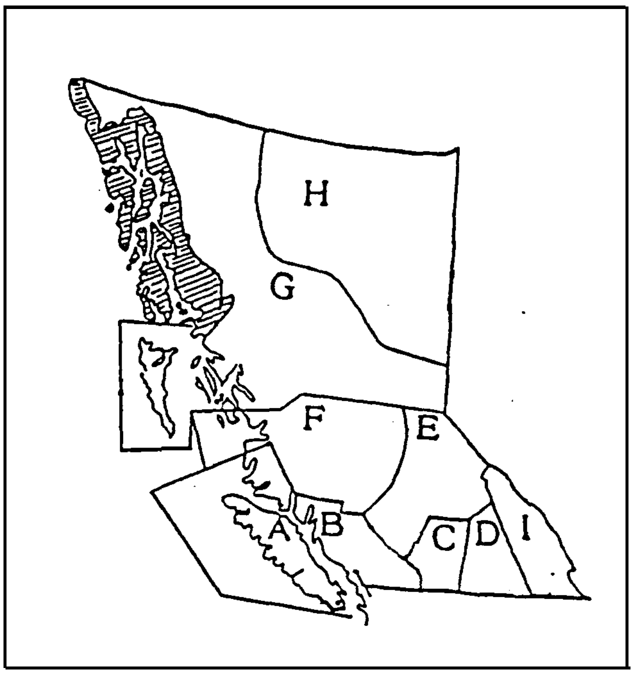
____

WHEN 00 YOU OPERATE?

5. What is your operating season as far as visitors are concerned? Please CIRCLE which months you offer services to your clients:

Jan. Fab. Mar. Apr. May Jun. Jul. Pug. Sept. Oct. Nov. Oec.

WHERE 00 YOUR ADVENTURE TRAVEL PACKAGES/SERVICES TAKE PLACE?



6. Which Tourism Region(s) do you operate in? [Check ● a many ● a apply.]

_ A. Vancouver Island
_ B. Southwestern B.C.
_ C. Okanagan/Simi lkameen
_ O. Kootenay/Boundary
_E. High Country
_ F. Cariboo
__ G. B.C. Yellowhead
_ H. Peace River/Alaska
_ I. Rocky Mountain

7. Which towns/cities do you primarily supply out of?

____
2. _______________
3. _______________

8. In which city or town is your head office? ____________________

0 Is the land/water on which you offer your ● dventure travel ● arvicealpmckmgea:

_ private
_ crown
_ leased
_ other (Please describe)

____

P ease describe the areas or land/water you use by completing the following section. Please include additional ● reas as necessary.

10. Which drainages/mountain ranges do you use?

1. ____________ 3. ____________
2. ____________ 4. ____________

11. Which trails do you use?

1. ____________ 3. ____________
2. ____________ 4. ____________

12. Which rivers do you use?

1. ____________ 3. ____________
2. ____________ 4. ____________

13. Which parka do *you* uaa? (Please include marine parka.)

1. ____________ 3. ____________
2. ____________ 4. ____________

14. Which lakes do you use?

1. ____________ 3. ____________
2. ____________ 4. ____________

15. Which marine areas do you use?

1. ____________ 3. ____________
2. ____________ 4. ____________

16. Which other wilderness ● rid/or forested areas that ● re not parka do you uaa?

1. ____________ 3. ____________
2. ____________ 4. ____________

17. Which other ● raaa. not included in questions 10 - 16, do you use?

1. ____________ 3. ____________
2. ____________ 3. ____________

18. Are you planning to expand to new or different areas?

Yes ________ No ________

If yea. please list:

____________________ ____________

ADVENTURE TRAVEL PACKAGES:
The following section is designed to gather information about different types of packages/services offered by ● dventure travel operators. We ● ppreciate that you may offer many different types of packages. Therefore, we ask that if ● p propriate you provide answers for questions 20 through 26 for your three most ● uccsssrui types of packages for Adventure Travel located in British Columbia.

	PACKAGE 1	PACKAGE 2	PACKAGE 3
20. What are the main activities offered in the package? Please refer to the list on Page One.	____	____	____
21. What is the main tourism region this package occurs In? (See Question 66)	____	____	____
22. Whet does the package include?			
- lend transportation to/from major centre	____	____	____
- air transportation to/from major centre	____	____	____
- accommodation	____	____	____
- meals	____	____	____
- equipment	____	____	____
- charter fees (planes, boats)	____	____	____
- guiding service.	____	____	____
- instruction	____	____	____
23. How long is the package? (# of nights)	____	____	____
24. Whet is the package price/person [Cdn $]	____	____	____
25. Whet is the maximum number of people per package?	____	____	____
26. What do you consider the most attractive selling feature of this package?	____	____	____

27. Do you offer services in ● language other then English? If so, which languages?

____ ____ ____ (Not ● pplicable ____)

28. Which of 'the following facilities are ● veileble to your guests? Mark with en (X) those you own. mark with a tick (✓) those which are owned. or leased by ●ome other agency or organization.

bicycle*/equipment	diving/scuba gear	swimming pool
- riding stables/ring	- dock/marina/boat launch	- boats, incl. kayaks/canoes
- boardsailing equipment	- kayak gates	- Cent tempo
- camps with fire-rtngs/ latrines	- cross country groomed trails	- waxing area/huts
tennis court.	exercise room	- roofed ● ccommodation
- dining facilities	- laundromat	- meeting space
- ● eunelJacuzzilhot tub	- warming huts/ski cabins	- airstrip
		- ski lift

- other (Please identify - ____

MARKETS :

Now we need information regarding your customers. We expect that market profile. may very ● ccordlng to ● ativlty, If you offer more than one ● otlvity ● nd if vou have market information for each, we request that yau answer questions 29 through 34 for your three most important ● atlvltlas within B.C. If you cannot distinguish by ● ctivity. please answer the questions for your total client base.

		ACTIVITY 1 (or TOTAL CLIENT BASE)	ACTIVITY 2	ACTIVITY 3
29.	What activities does the following market profile refer to?	______	______	______
30.	Where do your guests coma from?			
	· local [within 50 km radius]	______ %	______ %	______ %
	other B.C.	______ %	______ %	______ %
	Alberta	______ %	______ %	______ %
	- other Canada	______ %	______ %	______ %
	US. - Pacific Northwest	______ %	______ %	______ %
	US. - California	______ %	______ %	______ %
	US. - Mid - States	______	______ %	______ %
	US. - East Coast	______ %	______ %	______ %
	overseas - Europe ______	______ %	______ %	______ %
	overseas - Asia ______	______ %	______ %	______ %
	- Australia/New Zealand	______ %	______ %	______ %
	- other ______	______ %	______ %	______
	TOTAL:	100 %	100 %	100 %
31.	What is the composition of their travel party?			
	Group type: families	______ %	______ %	______ %
	couples	______	______ %	______ %
	singles	______	______ %	______ %
	groups	______ %	______ %	______ %
	TOTAL:	100 %	100 %	100 %
	Sax: mole	______ %	______ %	______ %
	female	______ %	______ %	______ %
	TOTAL:	100 %	100 %	100 %
32.	What ● re the age groups of your v ● tors?			
	- under 20	______ %	______ %	______ %
	- 20 to 34	______ %	______ %	______ %
	- 3s to 54	______ %	______ %	______
	- 55 to 64	______ %	______ %	______ %
	- over 65	______ %	______ %	______ %
33.	What proportion of your guests ● re repeat customers?	______ X	______ Z	______ %
34.	What proportion of your guests book ● ndlor organize their visit through a travel ● gant or wholesaler?	______ %	______ %	______ %

MARKETING ACTIVITIES:

By learning about how you market (advertise) the packages and services you offer, it is hoped that overall recommendations can be prepared to assist the marketing activities of adventure travel businesses.

35. Approximately how much did you spend on marketing and promotion in 1986? Please include related expenses such as travel.

$ ____________________

36. Which of these do you use? Please check as many as needed.

____ brochures	____ accommodation guide
____ posters	____ travel trade shows
____ magazine ads	____ consumer shows (e.g. sportsman shows)
____ radio ads	____ film shows, slide shows
____ newspaper ads	____ word of mouth
____ television ads	____ complimentary trip for travel writers
____ promotional trips	____ direct mail

Other (please list) ____

____

37. Which do you consider produces the best results? In the above list, please circle the three you consider best.

38. Do you produce marketing materials in any language other than English? Please indicate which language(s):

____________________ ____________________ ____________________

39. Where did you direct your advertising in 1986?

- local (50 km radius)	________ %
- other B.C.	________ %
- Alberta	________ %
- other Canada	________ %
- U.S. - Pacific Northwest	________ %
- U.S. - California	________ %
- U.S. - Mid States	________ %
- U.S. - East Coast	________ %
- overseas - Europe ____________________	________ %
- overseas - Asia ____________________	________ %
- Australia/New Zealand	________ %
- other ____________________	________ %
TOTAL:	100 %

40. Do you maintain a mailing list of past guests?

Yes__________ No__________

41. Do you communicate with past guests on a regular basis?

Yes__________ No__________

42. Are you a member of the regional tourism association? Please see Question 6 for a list of regions. All of which have associations.

Yes__________ No__________

If yes, which one? ______________________________

43. Do you participate in any collective marketing programs?

Yes__________ No__________

If yes, with whom? ______________________________

44. Do you own a computer? Yes__________ No__________

ECONOMIC INFORMATION:

The economic information requested below will be used to determine overall economic benefits generated by the ● dventure travel industry. an industry made up of the many adventure travel operators throughout the province. PLEASE ESTIMATE REASONABLE VALUES IF PRECISE INFORMATION IS NOT AVAILABLE.

EMPLOYMENT IN 1986

45. How many EMPLOYEES in your B.C. operation did you have et the following times in 1986 (please include working owners ● nd partners]?

	Number Full-time Employees	Number Part-time Employees	Total Number of Employees
Jan. 1. 1986	________	________	________
Apr. 1. 1986	________	________	________
Aug. 1. 1986	________	________	________
Nov. 1. 1986	________	________	________

1986 EXPENDITURES:

46. What level of CAPITAL EXPENDITURES associated with providing adventure travel services/packages in B.C. did your company make in 1986:

Category	Total Capital Investment to date [Original cost)	1986 Capital Expenditures	Share Expenditure Made in B.C.
Lana	$________	$________	______% in B.C.
Facility Construction	$________	$________	______% in B.C.
Equipment/Vehicles	$________	$________	______% in B.C.
Other (specify]________	$________	$________	______% in B.C.
TOTALS :	$________	$________	

47. What level Of purchases/expenditures on GOODS ANO SERVICES associated with providing adventure travel services/packages in B.C. did your company make in 1986?

Category	Purchases	Share Purchases Made in B.C.
Wages G Salary Costs (inc. benefits & payments to working owners/pertnero)	s________	______% in B.C.
Foad	s________	______% in B.C.
Accommodation	$________	______% in B.C.
Transportation (incl. fuel & vehicle leases)	$________	______% in B.C.
Marketing/Promotion/Travel	$________	______% in B.C.
Maintenance	$________	______% in B.C.
Administration	$________	______% in B.C.
Other	________	______% in B.C.
TOTAL PURCHASES/EXPENDITURES	$________	

1986 OPERATIONS:

1

48. **What** were **your** 1986 GROSS REVENUES **associated** with providing **adventure** travel ● ervlceafpackmgea **in** B.C.?

$________ 1986 adventure travel services/packages
$________ 986 retail/other
$________ 986 TOTAL

49. **What were** your TOTAL GROSS REVENUES **from** providing ● dventure travel **services/packages** r. B.C. in:

$________ n 1985
$________ in 1984
$________ in 1976

50. **Please** provide the **following** information for ycur 1986 **operations** In B.C. on the number of OVERNIGHT CLIENTS ANO DAY CLIENTS. [1 cl ent staying 3 nights - 3 cl, ant-nights]

	1986 Operations in B.C.
OVERNIGHT CLIENTS	
- number of clients	________
- number client-nights	________
OAY CLIENTS (including hourly clients)	
- number	________

51. **On average**, how meny ● dditicnel days would **each** cut-of-province **client** spend in B.C. **before** ● ndlor ● fter your package?

________ days

THE FUTURE:

52. Do you think your **business** will **grow** In 1986? **Yes**________ No________
If yes, by how much? ________ %

53. What **are** the **major** constraints to ycur **business** growth?

____
____
____

54. What **changes** could ● oaist **in** improving your **business?**

____
____
____

IF YOU HAVE ADDITIONAL COMMENTS ON THE ABOVE QUESTIONS, PLEASE FEEL FREE TO ATTACH A SEPARATE SHEET.

____
____
____
____
____

YOUR CONTRIBUTION OF TIME. ENERGY AND INFORMATION TO THIS RESEARCH PROJECT IS VERY GREATLY APPRECIATE. Thank you.

APPENDIX B
THE ADVENTURE TRAVEL INDUSTRY

THE ADVENTURE TRAVEL INDUSTRY

B.1 Definition of the Industry

The adventure travel industry is defined for the purposes of this study, to comprise those firms primarily in the adventure travel business. That is, the industry includes only those firms having the majority of company revenues derived from providing adventure travel services and packages.[1]

The industry comprises an estimated 396 firms (see Section A.3). The total operations of these companies, in terms of revenues, wages and salaries paid and employment, are allocated to the adventure travel industry. Firms are classified according to principal activity. This procedure is consistent with the industry classification system used by Statistics Canada.

Another 174 firms may provide some adventure travel services, but these services are a secondary source of revenue to the companies.[1] These companies, and their revenues, are excluded from the definition of the industry. The revenues of those 396 firms within the industry, however, include some non-adventure travel revenues, such as retail sales, hunting or fishing.

On balance, the total revenues of the 396 firms should give a good representation of total revenues from adventure travel services in B.C.

A listing of adventure travel activities is presented in Exhibit B.1. The Exhibit includes both those firms within the industry, i.e. those firms gaining the majority of their revenues from adventure travel business, and those other firms for which adventure travel revenues provide only a secondary source of revenues.

EXHIBIT B.1: ACTIVITIES OF ADVENTURE TRAVEL OPERATORS IN B.C.

	Number operators Providing Adventure Travel Activities		
Activity	All Firms	Firms Primarily in Adventure Travel Business[a]	Firms Secondarily in Adventure Travel Business[b]
Adult Camps	2	1	1
Bicycle Touring	21	16	5
Canoeing	85	48	37
Backpacking/Hiking	121	72	49
Kayaking	25	22	3
Mountaineering	27	19	8
Nature/Photography	180	60	120
Rafting	61	48	13
Sailing Charter/Tours	62	58	4
Scuba Diving	75	65	10
Trail Riding	198	104	94
Board Sailing	22	17	5
Climbing	16	12	4
Cross-Country Skiing	103	67	36
Four Wheel Driving	15	15	0
Hang Gliding	1	1	0
Motorcycle	1	1	0
Orienteering	6	1	5
Parachuting	2	1	1
Boat Charter/Tours	53	35	18
Cross-Country Ski Tours	52	42	10
Snowmobiling	35	13	22
Speleology	5	4	1
Heli/Cat Skiing	8	8	0
Other	24	15	9
TOTAL ACTIVITIES	1200	745	455
TOTAL NUMBER FIRMS	574	396	178

a 16 firms offered guide/outfitting (or hunting) services; 84 firms offered sport fishing services.

b 132 firms offered guide/outfitting (or hunting) services; 153 firms offered sport fishing services.

Source: Derived from Outdoor Recreation Council of B.C. inventory lists.

B.2 Number of Firms by Primary Activity

The survey responses regarding the primary activity of each of the firms in the adventure travel industry was used to estimate the number of firms by primary activity category (Exhibit B.2).

For this study, the 25 separate activities of Exhibit B.1 were aggregated into 11 activity groupings. Essentially these corresponded to groupings such that at least 5 survey responses existed for each grouping.[4]

It is these firms to which the economic impact estimates of this study correspond.

EXHIBIT B.2: THE B.C. ADVENTURE TRAVEL INDUSTRY

Activity Category[a]	**Estimated No. of Operators**
Heli Ski	8
XSki/Ski Tour	55
Mountaineer/Backpacking	47
Horse/Trail Riding	59
Nature Observation	25
Scuba Diving	30
Rafting	46
Kayak/Canoeing	34
Sailing Tours	38
Boat Tours	21
Other	33
TOTAL	396

a Operators classified by main or primary activity.

FOOTNOTES - APPENDIX B

1 As noted in Appendix A, 117 of the 214 survey respondents were primarily engaged in hunting, fishing, camps, houseboating or retail trade -- activities which are not adventure travel activities (according to the definition used for this study). Analysis of these 117 returns indicated that less than 10 percent of revenues of these operators was derived from adventure travel services. Moreover, these firms were much smaller, in terms of average annual revenue and employment, than were the other 97 operator respondents. Accordingly, one can conclude that these "secondary" firms earn little adventure travel revenue relative to those firms included in the analysis. (Of course what adventure travel revenue these secondary firms earn is counterbalanced by some small amount of non-adventure travel revenue earned by those firms included in the analysis.)

2 It was assumed that the activity distribution of the 97 adventure travel firms of Exhibit B.1 applied to the total population of 396 firms, i.e., that the sample represented a random sample from the population. One exception was the heli skiing industry for which an independent estimate of 8 firms existed from the ORC list, i.e. all firms providing heli-skiing services were assumed to have heli-skiing as the primary source of income.

3 One can use the survey results to generate a second, independent estimate of the number of firms primarily providing adventure travel services. The survey had an overall response rate of 25% and had 97 of the 214 respondents primarily providing adventure travel services. This suggests a total of 388 firms (97/.25) in the total adventure travel industry population. The 388 population size estimate is close to the 396 industry size estimate derived independently from the ORC list. As a result, one has confidence as to the accuracy of the estimate of 396 firms in the industry.

4 Number of survey responses by operator class are given in Exhibit Al.

APPENDIX C

SURVEY SAMPLE DATA

EXHIBIT CI: HOME REGION OF OPERATOR/COMPANY OF THE SURVEY SAMPLE OF OPERATORS, 1986

Operation Class	Sample Size	Home Region of Operator/Company A	B	C	D	E	F	G	H	1	Alta	U.S.
Heli Ski	5	-		-		1	-		-	2	2	-
X Ski/Ski Tour	13		4	-	3	2	2	-	-	1	1	-
Mountaineer/Backacking	11		2	1	-	5	1	1	-		1	-
Horse/Trail	14	1	3	-	-	1	7	-	1	1	-	-
Nature Observation	6		3	-	1	-	2		-			-
Scuba Diving”	7	4	3	-	-	-	-		-			-
Rafting	11		8	-	-	2	-		-	1		-
Kayak/Canoeing	8	2	6	-	-	-	-		-		-	-
Sailing Tours	9	3	6	-	-	-	-		-		-	-
Boat Tours	5	1	3	-	-	-	-		-			1
Other	8	1	4	-	2	-	-	-	-		1	-
All	97	12	42	1	6	11	12	1	1	5	5	1

Legend:

- A Vancouver Island
- B Southwestern B.C.
- C Okanagan/Similkameen
- D Kootenay/Boundary
- E High Country
- F Cariboo
- G North by Northwest
- H Peace River/Alaska
- I Rocky Mountain

EXHIBIT C.2: EMPLOYMENT BY THE OPERATORS IN THE SURVEY SAMPLE BY MAIN REGION OF OPERATION, 1986

Operator Class	Sample Size	Total Employment By Main Region of Operation[a,b] A	B	C	D	E	F	G	H	I	All
		. . . person years . . .									
Heli Ski	5	-				102	-	-	-	-	-
XSki/Ski Tour	13	26			1	2 2	3	-	-	1	44
Mountaineer/Backpaking	11		4	1	-	17	-	2	-	36	60
Horse/Trail	14	4	12	-	-	1	45	-	1	1	64
Nature Observation	6	-	6	-	4	-	4	5	-	-	19
Scuba Diving	7	11	5	-	-	-	-	-	-	-	16
Rafting	11		14	-	-	6	5	-	-	8	33
Kayak/Canoeing	8	10	3	-	-	2	-	-	-	-	15
Sailing Tours	9	74	1	-	-	-	-	-	-	-	75
Boat Tours	5[4]	7	8	-	-	-	-	-	-	-	15
Other	8	1	7	-	1	-	-	-	-	2	11
All	97	133	60	1	17	130	57	7	1	53	459

[a] Sum of the 4 monthly employment levels divided by 4 i.e. person year equiva ent basis.

[b] Employment does not necessarily correspond to local residents

Legend:

- A Vancouver Island
- B Southwestern B.C.
- C Okanagan/Similkameen
- D Kootenay/Boundary
- E High Country
- F Cariboo
- G North by Northwest
- H Peace River/Alaska
- I Rocky Mountain

EXHIBIT C.3: DISTRIBUTION OF PURCHASES BY EXPENDITURE CATEGORY-SURVEY SAMPLE OF OPERATORS, 1986

Operator Classification	Proportion Purchases by Category							
	Food	Lodging	Transport	Marketing	Main[a]	Admin	Other	Total
Heli Ski	.06	.05	.58	.05	.07	.13	.06	1.00
X Ski/Ski Tour	.20	.06	.31	.15	.09	.11	.08	1.00
Mountaineer/Backpg	.25	.12	.18	.19	.11	.14	.01	1.00
Horse/Trail	.26	.06	.05	.11	.06	.09	.37	1.00
Nature Observation	.27	.03	.14	.17	.07	.11	.21	1.00
Scuba Diving	.30	.03	.16	.07	.38	.05	.01	1.00
Rafting	.20	.03	.21	.32	.06	.11	.07	1.00
Kayak/Canoeing	.26	.05	.21	.13	.12	.14	.09	1.00
Sailing Tours	.06	.07	.07	.10	.19	.25	.26	1.00
Boat Tours	.07	.05	.27	.35	.07	.06	.13	1.00
Other	.22	.21	.16	.22	.04	.06	.09	1.00

[a] Maintenance

EXHIBIT C.4: SHARES OF TOTAL WAGES PAID TO B.C. RESIDENTS AND PURCHASES MADE IN B.C. -- SURVEY SAMPLE OF OPERATORS, 1986

Operator Classification	B.C. Share by Category							
	Wages	Food	Lodging	Transport	Marketing	Main[a]	Admin	Other
Heli Ski	.90	1.00	.75	.90	.20	.65	.50	.50
X Ski/Ski Tour	.95	.88	1.00	1.00	.98	1.00	1.00	.70
Mountaineer/Backpacking	.95	.98	.97	.94	.76	.98	1.00	1.00
Horse/Trail	.97	1.00	1.00	1.00	1.00	.88	1.00	1.00
Nature Observation	.80	1.00	1.00	1.00	.93	1.00	1.00	.97
Scuba Diving	1.00	1.00	.75	.98	.83	1.00	1.00	1.00
Rafting	1.00	.98	.98	.98	.86	1.00	1.00	1.00
Kayak/Canoeing	1.00	1.00	1.00	1.00	.88	1.00	1.00	1.00
Sailing Tours	1.00	1.00	1.00	.98	.86	1.00	1.00	1.00
Boat Tours	1.00	.50	.60	.70	.50	.70	1.00	1.00
Other	.90	.90	.90	.88	.87	.93	.90	.93

[a] Maintenance

TOURISM POLICY - 1985

OUTDOOR RECREATION COUNC

OF B.C.

TOURISM POLICY

January 1985

PURPOSE

This paper is intended to set out the Outdoor Recreation Council of British Columbia's position in relation to tourism and outdoor recreation in British Columbia. This policy will provide a basis for decisions and action by the Council and its members.

TOURISM AND OUTDOOR RECREATION IN BRITISH COLUMBIA

INTRODUCTION

Tourism is now ranked as British Columbia's third largest industry, after forestry and mining. Generating more than $2 billion in 1982, tourism is the fourth largest earner of foreign exchange in British Columbia and directly employs 70,000 people.[1] Tourism is expected to grow at a steady rate over the next several decades.

Tourism in British Columbia is closely linked to its outdoor opportunities. Scenery forms the focus of both recreation and tourism, yet enjoyment of "Super, Natural British Columbia" is more than views seen from a car window. Wilderness and backcountry trips, whether undertaken by individuals or as guided trips with a group, are becoming increasingly popular, as are outdoor recreation activities of all types. The demand for such trips can be expected to increase as opportunities worldwide become more scarce.

The Outdoor Recreation *Council* of British Columbia is concerned with tourism because tourists and recreationists share many of the same resources: such as scenery, water bodies, campsites, trails and the opportunity to pursue all forms of outdoor recreation. Many resident recreationists travel widely in British Columbia to pursue outdoor activities, thus becoming tourists themselves. Outdoor recreation and tourism in this province are closely linked.

POLICY STATEMENTS

The Outdoor Recreation Council of British Columbia is concerned that tourism/recreation values and opportunities in this province are not adequately recognized, protected or managed. As competition for scarce, extractive resources becomes more intense, the value of amenity resources critical to tourism must be emphasized. Without planning, destruction of these irreplaceable resources will result. Six areas in particular demand careful consideration.

[1] B.C. Ministry of Tourism Annual Report 1983

1. TOURISM AND THE LAND BASE

Scenic quality, landscape character, and outdoor opportunities form an integral part of our tourist attractions. Tourism B.C. advertises "Supernatural British Columbia". Visitor surveys reinforce the importance of the landscapes. The Travel Industry Development Subsidiary Agreement study in 1979[2] found that "sightseeing" was ranked as the primary activity for 63% of visitors to British Columbia, and 48% listed "scenery" as the most favorable aspect of their visit.

Decisions which affect the environment and scenery of British Columbia therefore have ramifications on the tourist industry. Minor local impacts resulting from inappropriate land use may collectively have a significant effect on the tourism industry, and on British Columbia's reputation as a spectacular province with an exceptional range of outdoor opportunities. For example, one of the instruments for the protection of the land resource must be a provincial parks system which is not compromised by industrial development within the park boundaries. Promotion of "Super, Natural British Columbia" must be supported by strong and consistent promulgation of the need to protect the land resource that supports the tourist industry.

(i) The tourism industry in British Columbia is dependant upon the landscape and outdoor opportunities. Land use and land management decisions should reflect the need to protect and/or enhance these resources.

(ii) Tourism policy should include a commitment to protect recreation resources such as provincial parks, wilderness, and water corridors.

(iii) Tourism policy related to land management should encourage the entire land base of the province, and not be limited to promotion or managment of the few land parcels set aside for recreation.

2. SOCIO-ECONOMIC IMPACTS OF THE TOURISM INDUSTRY

The tourism industry has many impacts on residents. Economic benefits accrue from monies spent to jobs created, both directly and through the "multiplier effect". Socio-cultural changes may occur, such as changes on the community profile and way of life, or effects of a seasonal influx of visitors resulting in modification of recreation opportunities for residents.

It is usually recognized that land management decisions - such as timber harvesting in a valley - will have an effect on local communities, and regional tourism opportunities. However, this recognition is often Incomplete. Inadequacies occur because the prediction of socio-economic impacts is complex, requiring a more detailed data base than is usually available.

[2] TIDSA, "Visitors '79, British Columbia Visitors Travel Survey", Government of Canada and Province of British Columbia, 1979.

More frequently, the time factor is overlooked. Benefits from tourism are long term, because well managed tourism does not consume the land resource that supports it. Resource extraction industries, however, often provide finite benefits for the community as the resource becomes depleted. Decisions made in a political timespan frequently ignore this factor.

(1) The socio-economic effects of tourism are subject to inadequate evaluation. These, and the long term costs and benefits of tourism, should be given due recognition.

(ii) Priority should be given to residents in the planning and development of outdoor recreation opportunities.

(iii) Tourism management policies should be developed to minimize environmental and social impacts.

3. THE ROLE OF THE MINISTRY OF" TOURISM

The mandate of the provincial Ministry of Tourism, under the 1980 Ministryof Tourism Act, is:

(a) To promote and encourage the tourist in British Columbia.
(b) To provide tourists with information services.
(c) To encourage the development of the motion picture industry in the province.

The focus of the provincial Ministry of Tourism is presently to encourage and attract out-of-province visitors. However, most studies clearly show that the majority of tourism is generated by residents traveling within the provinces. The Ministry is in a position to improve the awareness of tourism values within other, land based, ministries and to emphasize the need to maintain high scenic quality landscapes and a wide range of outdoor opportunities throughout the province.

The Ministry could also take steps to encourage the development of outdoor facilities. For example, assistance to the private and non-profit sector could result in the development of backcountry cabins or hut-to-hut ski opportunities, which would in turn enhance the tourism Industry.

Use of backcountry areas by the motion picture industry is encouraged. However, the Council is concerned that this use has the potential to degrade recreationists' experiences and enjoyment of an area. Sensitivity to this concern and use of such areas during low recreational use periods could reduce potential conflicts.

Ministry promotion depicting outdoor activities do not always include use of safety equipment or accepted safety practises. The need for this should be stressed.

(i) The Ministry of Tourism should cooperate with other government agencies to ensure scenic landscape values are preserved to meet high expectations of potential visitors, and assist in the development of outdoor opportunities for visitors.

(Ii) The Ministry of Tourism should adjust current policies to recognize B.C. residents as an important part Of the provincial tourism industry.

(iii)Ministry encouragement of the motion picture industry should be continued, with increased sensitivity to and awareness of potential Impacts on resident recreationists.

(iv) Promotional material developed by the Ministry should reflect appropriate safety considerations.

4. COMPREHENSIVE INFORMATION ON RECREATION OPPORTUNITIES

There is a need for accurate and well-distributed information on available outdoor opportunities. The Outdoor Recreation Council of British Columbia receives a large number of enquiries each year from people seeking information that is not readily available through traditional sources such as tourist information centres. In other provinces such as Alberta, visitors are aware of outdoor opportunities through brochures and guides compiled by the provincial tourism ministry.

The Guide Outfitters Association of British Columbia, through the federal Department of Regional and Economic Expansion and provincial TIDSA funding, have produced a comprehensive directory of "Guided Wilderness Tours in British Columbia". There is a need for similar material on other outdoor opportunities. This could be achieved through assistance to the private and non-profit sector for the development of information "packages".

The Ministry of Tourism should encourage the development of comprehensive sources of information on outdoor opportunities by the private and non-profit sector. Tourist information distributed by the Ministry should reference sources of information developed by both the public and private sectors.

5. CONCERN FOR OVERMARKETING

It should be recognized that there is a need to manage the *tourism* resource, particularly where large numbers of visitors are involved. Encouraging visitation is directly beneficial to this province's economy. However, it is conceivable that over-marketing in the absence of a land and tourism management strategy would allow tourism to degrade that resource which is sought and in turn reduce the attractiveness of recources utilized by British Columbians and visitors.

Promotion of British Columbia's outdoor opportunities should be coupled with land and visitor management consistent with the carrying capacity of the resource.

6. THE DELIVERY OF TOURISM OPPORTUNITIES

The delivery of private sector services, for example through hoteliers, restauranteurs, and retailers, forms a key link in the tourism industry. These groups are also responsible for decisions with impacts on the scenic resource. For example, rows of billboards detract greatly from the attractiveness of the landscape.

(i) The private sector, through organizations such as the Tourism Industry Association of British Columbia, should be made aware of their responsibility to preserve high scenic values.

(ii) Tourism policy should define and coordinate public and private sector roles in provision of tourism and outdoor recreation services.

TOURISM POLICY ACTION PLAN

The Outdoor Recreation Council of British Columbia believes that tourism 'in British Columbia is closely linked to the landscape, and it is therefore necessary to pursue sound land management that recognizes and protects the values of this resource. The Council also recognizes the linkages between tourism and outdoor recreation, and therefore advocates an integrated approach to tourism and recreation planning in the province.

The goals are to be pursued in the following manner:

1. The Council should improve awareness of the importance of the landscape to tourism with the provincial government and the private sector. The Ministry of Tourism should be encouraged to play an active role in ensuring inter-agency cooperation in the protection of landscape values and tourism/outdoor recreation opportunities.

2. The Council should emphasize to decision-makers the importance of a thorough evaluation of economic and socio-cultural impacts where tourism opportunities are to be affected. Recognition must be given to the enduring benefits of tourism, as well as the socio-economic impacts of the industry itself.

3. The provincial government should be made aware of the dangers inherent in overmarketing. Promotion of tourism, provision of tourism delivery systems and land management for outdoor recreation purposes should be considered as an integrated administrative function.

4. The Ministry of Tourism should encourage the development of comprehensive information on outdoor opportunities in British Columbia, for distribution both within and beyond the province. The Council and its members are also in a position to approach the Ministry of Tourism with proposals to produce information packages on particular activities.

5. The Outdoor Recreation Council should invite the Ministry of Tourism, Ministry of Forests, and Ministry of Lands, Parks, and Housing to join the Council in informal discussions on tourism and land management policies.

6. The Outdoor Recreation Council should continue to monitor tourism and land management policies which affect outdoor recreation and tourism. Required research should be identified and funded where appropriate.