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***Executive Summary - Economic Study Of
The Proposed East Arm Of Great Slave Lake
National Park***

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EXECUTIVE SUMMARY

ECONOMIC STUDY OF
THE PROPOSED EAST
ARM OF GREAT SLAVE
LAKE NATIONAL PARK.

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Socio-Economic Branch,
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ATTACHMENTS

Attachment 1: The Study Area

percentage of the study area's labour force. Mining is also an important economic activity in the area while harvesting fish, fur and game continue to be the mainstay of the smaller communities in the study area. Transfer payments and government subsidies play a significant role in the economy of the study area, particularly in the smaller study area communities. Tourism is a well-established industry in the area and is continuing to grow and develop under the auspices of a variety of public and private sector initiatives.

The study area has a full complement of services and amenities. All communities in the study area with the exception of Reliance are accessed easily by either air or road; have a full complement of municipal services; have excellent communications systems; and at least a basic level of personal and business services.

2. Tourism Demand and Visitation

Visitation to the study area in general and to the east arm of Great Slave Lake would change both in terms of mix and volume of visitors. Table S1 presents comparative estimates of visitor volume forecasts for the study area and the east arm of Great Slave Lake area under conditions where no national park is established and under conditions where the proposed East Arm of Great Slave Lake National Park scenario is assumed to be in place.

2.1 Tourism Situation Without the Proposed Park

Visitation to and in the study area is impacted by a number of market considerations, however due to the nature of the infrastructure in the study area, it is estimated that almost 50% of all visitors to the N.W.T. do and will continue to come to the study area. In 1986, it is estimated that 63,434 non-study area resident person trips lasting an average of 10 days, will result in \$41.8 million (\$1986) being spent in the study area, while resident (17,957 person trips) expenditures are estimated in \$6.7 million. Assuming that the proposed national park is not established (ie. the "no park" development scenario), it is expected that by 1995, 78,579 non-resident person trips will be made to the study area and 20,577 resident trips will be made in the study area.

Under this same "no park development scenario", the east arm of Great Slave Lake will receive four main types of study area visitors: the sport fishing lodge visitor; the visitor arriving by chartered boat; the visitor arriving by chartered air visitor; and the visitor arriving by pleasure craft. In 1986, the number of person trips by these visitors are estimated at 1,144 while in 1995 this number will have risen to 1,231. Despite present declining trends in visitation to the area, this modest forecast increase is deemed reasonable in light of well developed tourism

products in the study area, improved organization and increased efforts in marketing and the positive response to the N.W.T. generated by Expo '86.

Under the "no park" development scenario, the sport fishing lodge market will dominate this east arm market, making up almost 75% of this market. This segment is however a no-growth market due to current licensing restrictions regarding sport fishing in the east arm of Great Slave Lake. It is believed that approximately 15-25% of the current visitors to the east arm use the lands proposed for the national park. This trend would be expected to continue under current conditions.

2.2 Tourism Situation with the Proposed Park in Place

Assuming the development of the proposed park on the east arm of Great Slave Lake, it is expected that overall visitation to the study area will not be altered substantially. The four key types of visitors will not change but a new type of visitor market segment -- the adventure **traveller** -- will be attracted to the east arm and to the study area as a result of park's establishment. Adventure travelers are those participating in an outdoors trip occurring in a natural area. Major activities engaged by these travelers are camping, hiking, canoeing and naturalist-related interests. Adventure travelers would typically travel in groups of up to 12 people and stay an average of 10 days in the study area.

Incremental visitation to the study area and to the east arm area as a result of the proposed national park will therefore be from adventure travelers. It is estimated that these visitors will contribute 139 person trips to the area in 1986 and 347 person trips in 1995. The net growth in visitation (attributable to the proposed park) to the east arm and to the study area will be as a result of these adventure travelers. Total non-resident visitation to the study area would therefore have reached 63,552 person trips in 1986, while study area residents would have contributed 17,978 person trips to study area tourism during that same year. By 1995, non-resident and resident travel in the study area could be expected to reach 78,874 and 20,579 person trips respectively. Given the presence of the proposed national park, total east arm of Great Slave Lake visitor volumes would reach 1,283 and 1,578 person trips in 1986 and 1995 respectively.

Under the park development scenario, and assuming that no change occurs in the estimated proportion of visitors to the east arm who presently use lands proposed to be included in the park, it is estimated that 25% of the existing east arm lodge market, and 15% of the other three existing markets will visit the proposed park. The total person trips to the east arm of Great Slave Lake

TABLE S 2
 TOTAL DIRECT, INDIRECT AND INDUCED IMPACTS OF
 SPENDING IN **THE N.W.T.** INCLUDING THE STUDY AREA
 ATTRIBUTABLE TO THE PROPOSED EAST ARM OF GREAT
 SLAVE LAKE NATIONAL PARK

	Labour		
	Income	GDP	Employment
	(\$000 1986)		Person-Years
Direct Impacts			
=====			
Parks Payrol 1 "	3077	3077	84
Parks Other Expendi tures	1554	2218	67
Vi si tor Expendi tures	251	320	15
Total	4082	5615	166
Indirect and Induced Impacts			

Parks Payrol 1	517	615	28
Parks Other Expendi tures	801	739	29
Vi si tor Expendi tures	129	128	4
Total	1447	1482	61
Total Impacts	6329	7097	227

Notes to table: 1. **Multipliers** used to calculate Parks direct and indirect impacts are weighted in accordance to industry sector activity **multipliers** Presented in 'Economic Performance of Four Northern National Parks'.

2 Total presented are **aggregate totals** for the ten year forecast period.

employment and \$3.594 million in **labour** income in the N.W.T. of these totals, 47 persons years and \$1.643 million in **labour** income will accrue to the study area economy. Over the same ten year period, total NWT GDP impact will amount to an estimated \$3.692 million. About half of this GDP impact (\$1.68 million) will occur in the study area. In the final year of the forecast period year 10, the corresponding N.W.T impacts will be about 16 person years of employment (including about 12 person years in the study area), \$525,000. in **labour** income (including \$281,000. in the study area), and \$600,000. in GDP (including \$330,000. in the study area).

3.3 Impacts From Parks' Capital Expenditures

Capital investment by Parks will also generate a total of 96 person years and \$2.35 million of direct indirect and induced employment and **labour** income impacts respectively in the N.W.T. over the first ten years of park development. The study area economy will receive an important part of **these** impacts, in the form of 75 person years of employment and \$1,829 million in **labour** income. Total GDP impact on the N.W.T. from Parks' capital investment over ten years is estimated at \$2.957 million, with **about** 78% (\$2.297 million) of this impact occurring in the study area. During year 10 of the forecast period, the corresponding NWT impacts will total less than 1 person year of employment in the N.W.T. including the study area, \$6,000. in **labour** income in the N.W.T. all of which will be spent in the study area, and \$7,000. in GDP all of which will be spent in the study area.

3.4 Total Impacts

Total direct, indirect and induced employment and **labour** impact on the study area economy from visitor expenditures attributable to the park and from Parks' operation and maintenance as well as capital expenditures over ten years is estimated at 141 person years of employment (62% of total N.W.T. impact) and \$3.852 million in **labour** income (61% of total N.W.T. impact). Total GDP **impact** on the study area economy from these same expenditures will reach \$4.433 million (62% of total N.W.T. GNP impact) over the ten year forecast period. During year 10 of the forecast, study area economic impacts will reach 11.39 person years of employment (83% of total N.W.T. impact) and \$335,116. in **labour** income (58% of total N.W.T. impact), and \$393,716. in GDP (59% of N.W.T. impact).

8. Summary of Recommendations for Future Economic and **Socio-Cultural** Strategies

a) Employment and Training

1. Given the history of preferential hiring in the north, it is recommended that regional hiring preferences as based on qualification be instituted for all staffing action related to the proposed East Arm of Great Slave Lake National Park. Regional preference should be accorded to the 84.25 person years of employment which are **expected to** be created over the ten year forecast period as a result of Environment Canada Parks' operations and maintenance spending.
2. Further, given that hiring preferences are stated in terms of employing qualified **regional** populations and training to qualify regional populations, it is recommended that hiring preference policies developed for the proposed **park** be extremely specific and include:
 - acceptable definitions (ie. to all interest groups) of "local", "regional" and "qualified" residents;
 - flexibility in entry or basic qualifications requirements (ie. experience in lieu of formal education); and
 - a strategy for implementing preferred hiring policies.
3. It is recommended that an implementation strategy for preferred hiring policies detail recruitment procedures, training programs, trainee career paths and, support resources/mechanisms available to support hiring/training initiatives.
4. **It** is recommended that in order to successfully implement training programs that resources to fund such initiatives be in place prior to promoting training programs.
5. It is recommended that resources used to support **training** initiatives be identified from new monies. That is, funds commonly used to support community-based training initiatives should not be used for this purpose (ie. park training initiatives should not compete for funds used for local training efforts).
6. It is recommended that training programs specify the duration of training, job opportunities following training, relocation requirements and benefits associated with training programs.
7. It is recommended that in order to eliminate the loss of human resources from study area communities, to ensure a high level of study area participation and to mitigate any negative **socio-cultural** impacts to study area communities,

in the community to offer services to park visitors accessing the park from that community. Similarly and given local interest, assessment assistance might also be provided to examine the feasibility of expanding accommodation services at Snowdrift and providing community-based package tours in shoulder seasons.

c) Maximizing Economic Benefits for the Study Area

11. It is recommended that a re-assessment of the proposed Environment Canada Parks' expenditure of research and planning expenditures be undertaken and that consideration be accorded to ensuring expenditure of these funds primarily in the study area and secondly, in the NWT.
12. Given that there are few examples in Canada where two national parks are managed jointly by one management regime and that the proposed management regime for the East Arm of Great Slave Lake National Park is located outside the study area, it is recommended that consideration be accorded to: a) establishing a separate management regime for the proposed park in the study area within the ten year forecast period or b) establishing a sub-office within the study area within the ten year forecast period.

d) Socio-Cultural Issues and Recommendations

- * Protection of Harvesting Activities and Provision of Local Input into Park Decision Making

Given a potential for displacement of non-native harvester(s); a local concern regarding resource use and management; and in the event of visitor and traditional use conflicts:

13. It is recommended that in the event of the establishment of the proposed park, use policies must clearly specify the economic aspects of harvesting rights for non-native residents, non-native General Hunting Licence (GHL) holders and claims beneficiaries if this issue is not addressed in the land claims settlement.
14. It is recommended that a management board involving residents from directly impacted communities be established to enable mitigation of negative economic impacts and maximization of economic benefits to directly impacted community residents. Further, in light of a history in the north of local advisory councils which have had little real input, it is recommended that this management board be developed from the model recommended for the Northern Yukon National Park

