

**North Peace Region
Value of Tourism Study
June 2009**

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Funded by
North Peace Economic Development Commission

Supporting Partners

Tourism British Columbia, Research Services

Northern British Columbia Tourism Association

Northern Rockies Alaska Highway Tourism Association

Released:
October 5, 2009
Fort St. John, BC

Executive Summary

The North Peace region's Value of Tourism is now complete. The study used Tourism BC's Value of Tourism model to survey the region's commercial accommodation sector. The questionnaire gathered data from businesses which were asked to provide a snapshot of their 2007 performance data. Tourism BC Research and Planning then quantified the data and applied local indicators to generate an estimate of the visitor volume and direct expenditures on tourism in BC's North Peace region.

Overall results found that a total of 223,300 people visited the North Peace region in the study period. 182,000 visitors stayed in commercial accommodation during the study period, an additional 39,900 people spent time visiting friends and relatives, with an additional 1,400 people passing through the region as day visitors.

Based on the total visitation and factoring in average length of stay and average total spend per visitor per trip, the "Annual Direct Visitor Expenditures" in the North Peace region is \$73,170,000. When applying the same process to the accommodation sector strictly in Fort St. John overall visitation was 176,300 and the "Annual Direct Visitor Expenditures" \$64,020,000. The combined results for the Districts of Taylor, Hudson's Hope and Electoral Areas B & C show that there were 47,000 visitors and "Annual Direct Visitor Expenditures" of \$9,150,000.

'The Value of Tourism model estimates the volume and expenditures of visitors travelling for the purpose of tourism. Therefore, contracted workers who work in the community and stay in commercial accommodations are not included in the definition of tourism that is used by Tourism British Columbia.'

The Value of Tourism expenditure results are significant because they quantify what has long been an unknown for the communities in the North Peace region. The region has benefitted from considerable tourism research over the past seven years that has sought to identify the Alaska Highway "traveller" and ways to improve the Alaska Highway visitor's experience. This new information provides a basis to support the significance of tourism planning, development and marketing for the municipalities of Fort St. John, Taylor and Hudson's Hope, the Electoral Areas B and C of the Peace River Regional District, and destination management organizations such as Northern BC Tourism. The statistics can also be useful to the private sector investor and all levels of government to make future decisions about tourism for their jurisdictions individually, collectively and in the broader scope of the entire Alaska Highway region.

We gratefully acknowledge that this project was fully funded by the North Peace Economic Development Commission. The Northern Rockies Alaska Highway Tourism Association administered the project with support from Northern British Columbia Tourism Association.

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Understanding the Area of Study

Situating BC's North Peace Region

The North Peace region Value of Tourism study specifically surveyed the commercial accommodation providers in the City of Fort St. John, the Districts of Hudson's Hope and Taylor and north along the Alaska Highway, including Wonowon, Pink Mountain and Buckinghorse River Lodge at Mile 173, just below the Peace River Regional District's northern border at the 58th parallel. The map (on next page) shows the entire Peace River Regional District. The community and area descriptions that follow add dimension and character for those who are unfamiliar with the North Peace region.

Bisected by the "Mighty" Peace River, the Peace River Regional District is divided into the North and South Peace regions. The North Peace Economic Development Commission area includes the City of Fort St. John, the District of Taylor, the District of Hudson's Hope and the Peace River Regional District Electoral Areas B and C.

Fort St. John is the largest city in BC's northeast (pop. 17,402)¹ and has "a total North Peace service area of 32, 000 residents and 60,000 in the Peace Region". The city's robust economy is driven by the resource sector base and attracts a young, energetic workforce. The oil and gas sector, forestry and agriculture are the main employers. In this family focused community the quality of life is enhanced by a range of opportunities for shopping, cultural and athletic activities through all four seasons.

The District of Taylor, (pop. 1,384)² lies on a broad plateau 200 feet above the Peace River at KM 56 on the Alaska Highway. Taylor has a strong industrial base including a gas plant and pulp mill. Residents also enjoy a range of recreation infrastructure; a new community hall, a curling rink (becomes a pool in summer), an arena and an 18-hole golf course. The community hosts tourism events including the World Gold Panning Championships, Spirit of the Peace Powwow and Dog-sled Races.

Hudson's Hope, (pop. 1,012)³ 90 km west of Fort St. John and 66 km north of Chetwynd on Highway 29 is situated on the banks of the Peace River in the Rocky Mountain Foothills. The District has a stable economy thanks to BC Hydro's long term presence and the resource sectors, forestry, oil and gas exploration and agriculture. Tourism attractions include the Peace Canyon Dam & Visitor Centre, the W.A.C. Bennett Dam and tours and the Hudson's Hope Museum.

Electoral Area C (pop. 6,350)⁴ is bordered by the Peace River to the south and the Beatton River to the east and encompasses the rural land surrounding Fort St. John and Taylor. Tourism attractions include Charlie Lake and three provincial parks. Electoral Area B (pop. 5,538)⁵ extends from the Alberta border on the east, to the watershed of the Rocky Mountains on the west, and north to the boundary of the Northern Rockies Regional District. It is bounded on the south by the Peace and Beatton Rivers and is the largest area (9 million hectares) in the Regional District. Tourism attractions include the North Peace Fall Fair and the Torwood Lodge Resort on Williston Reservoir.

¹ StatsCan 2006 Census

² StatsCan 2006 Census

³ StatsCan 2006 Census

⁴ StatsCan 2006 Census

⁵ StatsCan 2006 Census

The North Peace Economic Development Commission

The North Peace Economic Development Commission (NPEDC) supported the Northern Rockies Alaska Highway Tourism Association's (NRAHTA) proposal to complete Tourism British Columbia's Value of Tourism project in the North Peace. The NPEDC's funding enabled NRAHTA to hire John Bass, of Intrinsic Tourism Solutions in Fort St. John as the project manager. NRAHTA acknowledges the North Peace Economic Development Commission who generously funded the North Peace Value of Tourism project.

The North Peace Economic Development Commission (NPEDC) acts to attract business opportunities in all sectors of the North Peace River Region's economy. The local economy is rich with natural resources including oil and natural gas, agriculture, forestry and tourism.

Mission Statement

"Encourage economic development projects to diversify and strengthen the economy of the North Peace."

Guiding Principles:

1. Build regional alliances.
2. Provide leadership, information and research.
3. Strive to eliminate the barriers to economic development.

Introduction

Tourism in British Columbia is one of the largest and fastest growing sectors of the provincial economy generating \$13.2 Billion in revenue. The 2010 Winter Olympics in Vancouver will help to keep tourism statistics strong and the BC Government is committed to doubling tourism revenue to over \$19 Billion by 2015.

Northeastern British Columbia has benefitted from a wave of tourism research over the past few years beginning with Tourism BC's 2003 The Northern Rockies - Alaska Highway Visitor Research Project. This research identified that 139,700 vehicles travelled the BC portion of the Alaska Highway north of Fort Nelson between May 15 and September 25, 2003. Of those vehicles, 86% or 120,600 were non-commercial vehicles. The same research estimated the traveler party size was 2.7 persons which put the total number of travelers at an estimated 320,400⁶.

These results are significant because northeastern BC residents generally identify Alaska Highway tourism traffic as RV's or bus tours. Tourism traffic is not as visible as forestry or oil & gas patch traffic; however, at 86%, tourist and local traffic are the dominant source of vehicle traffic on the highway.

⁶ 2003 Northern Rockies Alaska Highway Tourism Visitor Research (2005)

The study also revealed that the tourists travelling the Alaska Highway generally had positive feedback but felt that the overall visitor experience was lacking and that coordination between the communities could improve the experience.

Then NRAHTA partnered with Tourism BC, Northern BC Tourism and Western Diversification Canada to bring the Tourism BC Community Tourism Essentials workshop to ten northeastern BC communities from November 2005 to June 2006. The North Peace region communities of Fort St. John, Taylor and Hudson's Hope all held workshops and the day-long SWOT Exercise identified a series of "Action Steps" for each community. Fort St. John and Hudson's Hope recognized the need to educate both the community and business about the "value of tourism". In each community the workshops were attended by a range of people including tourism operators, business people and local political figures. There was agreement that tourism has been considered invisible, harder to measure and somewhat misunderstood by the local citizens because of the general perception that their communities are not "tourism destinations".

Tourism British Columbia's Value of Tourism Pilot Project

Background:

Having defensible estimates of tourism's contribution to a community is central to developing an informed planning approach, strengthening the support of community stakeholders and local government, and encouraging an appreciation of tourism's economic development potential. In 2005 Tourism British Columbia introduced the Community Tourism Foundations[®] (CTF) Program, which was designed to assist communities in developing their tourism potential. In order to track the performance of communities participating in the CTF Program a model was developed by Research & Planning, Tourism British Columbia. The Value of Tourism model provides a structured, consistent approach to estimate the volume and value of tourism, specifically the objective of the model is:

"To provide a conservative and credible estimate of visitor volume
and direct tourism expenditures within a community."

The core data collection component of the model is an accommodation survey to gather the most recent annual performance data from commercial accommodation operators (including campgrounds and RV parks). This information is then combined with local, regional, provincial and national tourism indicators to provide an estimate of the total number of visitors (overnight, day and visiting friends & relatives) and their expenditures in the community.

The Value of Tourism model can be applied to communities throughout the province. In 2007 the Northern Rockies Regional District (Fort Nelson) in Northern British Columbia successfully completed a pilot project of the Value of Tourism model. The model estimated that over 224,000 travellers visited the Northern Rockies Regional District and spent approximately \$47,580,000 in the region from October 2006 to September 2007.

Methods (The Surveys are included as Appendix #1)

A complete inventory of all commercial accommodations in the community (Fixed-Roof and RV/ Campgrounds) is required to proceed with the Value of Tourism model. Once the inventory is finalized,

all commercial accommodations are approached to participate. Participating accommodation properties are asked to provide monthly information for the most recent year, which includes:

- 1) Number of Rooms/Sites Available;
- 2) Total Occupied Room/Site Nights;
- 3) Average Achieved Daily Room/Site Rate;
- 4) Average Length of Stay; and the
- 5) Average Party Size.

The collected information is additionally split between business and leisure guests for fixed-roof accommodation properties and tenting and RV guests for campground/RV parks. The completed form is either faxed or emailed to Research & Planning, Tourism British Columbia or to the Project Coordinator in the community. All the data collected is kept strictly confidential and individual accommodation information is not published.

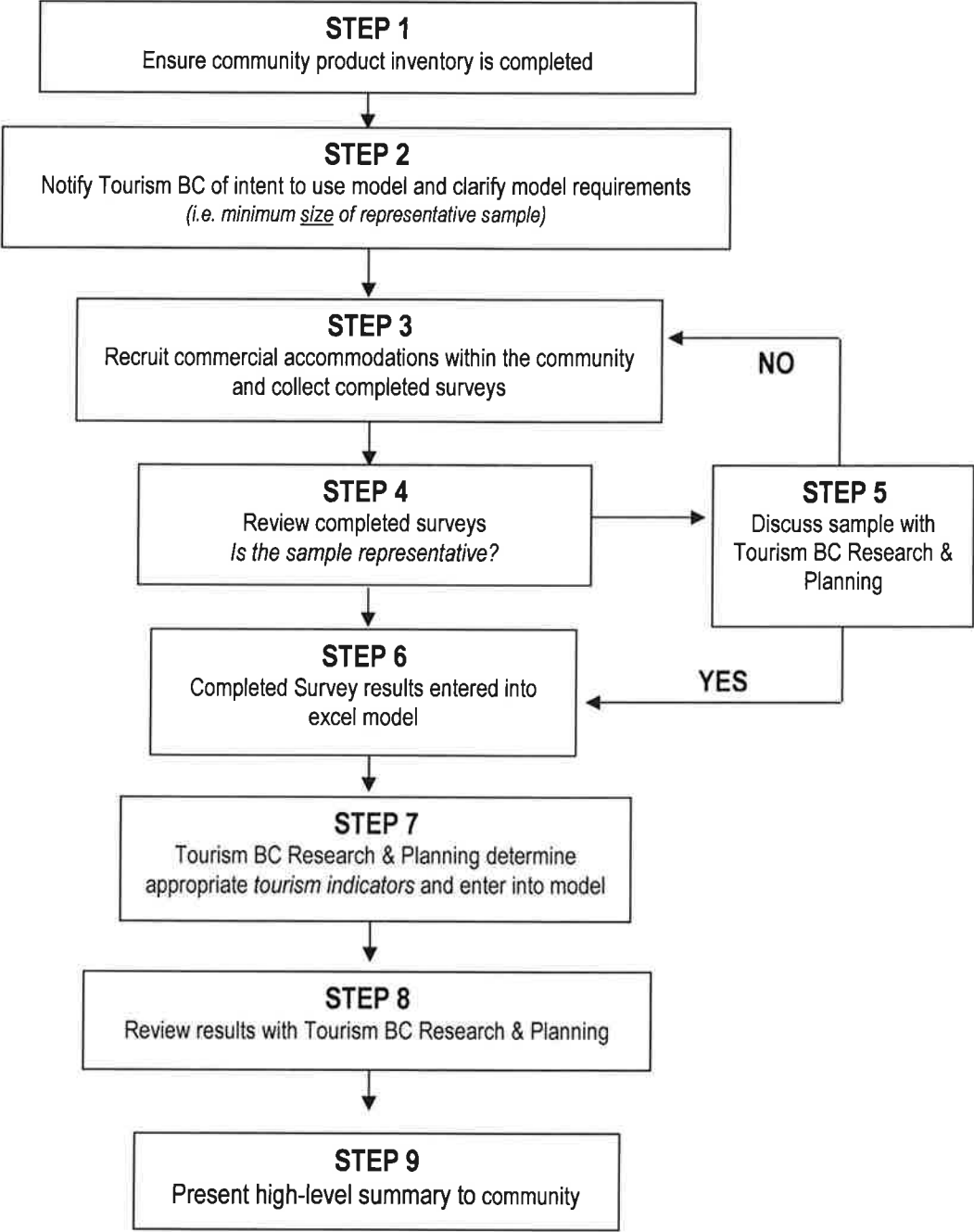
The goals of the accommodation survey process include:

- 1) To collect surveys from at least 50% of the total room/site base;
- 2) To collect surveys from at least 50% of each accommodation type (i.e. hotel, motel, B&B, campground/RV parks); and
- 3) Within each accommodation type, to collect a representative sample (i.e. small/large establishments, and other community specific factors).

Once a representative sample of commercial accommodations is obtained the surveys can be entered into the Value of Tourism model. After data entry, Research & Planning, Tourism British Columbia implements the Value of Tourism model, selecting appropriate regional, provincial and national tourism indicators to be used for estimating the visitor volume and direct tourism expenditures to the community. The Value of Tourism model provides an estimate of direct visitor spending only and does not estimate the economic impact (GDP, employment, etc.) of tourism within a community.

The TBC Value of Tourism survey methodology follows the path outlined on the flowchart below.

Determining the Volume and Value of Tourism



Results

An overall total of 63% of fixed roof accommodations room base and 84% of RV/Campgrounds site base participated in the project. The total visitation was 223,300 people and resulted in Annual Direct Visitor Expenditures of \$73,170,000⁷.

In Fort St. John a total of 59% of fixed roof accommodations room base and 67% of RV/Campgrounds site base participated in the project. The total visitation was 176,300 people and resulted in Annual Direct Visitor Expenditures of \$64,020,000⁸.

In the rest of the North Peace region a total of 86% of fixed roof accommodations room base and 100% of RV/Campgrounds site base participated in the project. The total visitation was 47,000 people and resulted in Annual Direct Visitor Expenditures of \$9,150,000⁹.

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A total of 1,757 rooms and sites are in the inventory used to determine the Value of Tourism in the North Peace. Across the North Peace 2,006 Fixed Roof rooms and RV/ Campsites were identified in the original inventory of properties to be surveyed. Through the data gathering process 249 of those rooms and sites were identified as being occupied by contract workers on a long-term basis. These rooms and sites and the associated revenue are not represented in these calculations.

The two most common reasons for not participating in the survey were; simply choosing not to, and due to change in ownership in 2008 past financial data were unavailable. The numbers will not be broken out any further to ensure confidentiality of data.

Limitations:

- 1) This Value of Tourism model is only relevant for the 12 month period from January to December 2007. The results should not be applied to any other time frame.
- 2) The accuracy of the model depends on how well the tourism characteristics and expenditure data represent actual spending and behavior patterns in the North Peace region during the time of the study.
- 3) The model is dependent upon the data provided by local commercial accommodations and therefore is based on the quality of this data.
- 4) The model results for the North Peace region should not be applied to other areas.
- 5) The Value of Tourism model provides an estimate of direct visitor spending only and does not estimate the economic impact (GDP, employment, etc.) of tourism within a community.
- 6) Results from the Value of Tourism model are to be used with caution, due to the stated limitations of the model.

⁷ "The Estimates of Direct Visitor Expenditures are determined from information collected from commercial accommodation properties within the community and from indicators collected in visitor surveys including those conducted by Tourism British Columbia and Statistics Canada (Travel Survey of Residents of Canada (TSRC) and International Travel Survey (ITS)). Therefore, the data listed by type of visitor is not multiplied together to determine the total direct visitor expenditures by visitor type, but provides information regarding the characteristics of each traveller type."

⁸ Same as #8

⁹ Same as #8

Interpreting the “Estimate of Direct Visitor Expenditures” Tables

This example references the North Peace Region Table on Page 11; the Tables on Pages 13 and 15 should be read in the same manner.

The Visitor numbers that add up to 223,300 are derived from the Tourism BC model “Value of Tourism” survey data and Tourism BC data which calculates “Visiting Friends and Relatives” and Day Visitors.

The Average total spend per visitor trip estimates all direct spending by the visitor during their stay including accommodation, food & beverage, gas, gifts, souvenirs and general purchases.

The Direct Visitor Expenditure data is determined by Tourism BC Research Services based on known studies and knowledge gathered from sources including their own in-house research, BC Stats, StatsCanada, and national and international travel survey data. This additional information is factored by multiplier formulas. The numbers in the right-hand column can be totalled; however, the numbers as presented are only approximate when multiplied across the table.

If a reader takes the number of *Leisure Visitors* at 87,900 and multiplies it by the \$130 per visitor per trip it comes to \$11,427,000 which is a close estimate, but not exactly the \$11,480,000 that is presented. However the Total (\$) Column does add up to \$73,170,000 as presented.

We can support the Annual Direct Visitor Expenditures as accurate based on the 2007 data gathered in the “Value of Tourism” survey process.