

**COAST INFORMATION TEAM**

**TOURISM ECONOMIC GAIN SPATIAL ANALYSIS**

**Response to comments provided by CIT internal and external peer reviews**

**by**

**D Hall (Economic Planning Group)**

**February 12/04**

**Comments by Pacific Analytics Inc. (Oct. 7/03)**

**COMMENT**

**RESPONSE**

Existing Tourism Characteristics

Description of the existing tourism conditions was not a deliverable. All analysis was incremental to what currently exists. Different sets of data were used as needed and available.

**Central Coast Data:**

1. 13 accommodation properties.

\$100,000 per property is correct

No indication of lodging size/quality

Not a deliverable. Analysis for the EGSA was incremental to existing situation. No requirement to provide historic trends as per RFP nor intended as per proposal.

2. Use of Vancouver Island/Coast region

This was used as a proxy as specific details for the Central Coast were not available. Explanation in text to be clarified.

3. Few dozen lodges

This is a general comment about the overall lodge capacity under the topic of development issues. It is not intended as an inventory statement.

**North Coast Data:**

1. Type of accommodation

Information on current quality/status not part of the project objectives. TOS area reported is larger than the LRMP study area but was the best approximation available. It is acknowledged that getting current, reliable comparable data is difficult.

2. About 40 roofed accommodation

Figures from various sources including TOS and Room Revenue statistics.

## **COMMENT**

## **RESPONSE**

### **QCI Data:**

1. Sources and trends

A mix of facility inventory sources was used. Information on types of accommodation was not a requirement.

Different data

Analysis intended as anecdotal description of the tourism profile. Information from different sources did not jibe. Since we were not producing an inventory we did not pursue the discrepancy.

No employment data

Employment estimates are incremental based on possible new developments, not current estimates.

2. 50 accommodations

Comment is intended to reflect the approximate number. "Remaining" refers to those that are not motels, inns or B&Bs.

Projections

Projections are based on the number of planning units that rated high, not on historic demand. This analysis technique was requested by RPA.

### **Concern regarding existing tourism data**

1. Inconsistent data

The task was not to produce an inventory or historic evolution. Focus was entirely on future incremental growth potential. Future tourism outlook and assumptions are described in Chapter 5.

2. Room revenue data

Room revenue data is a problem and can be difficult to use. This source is still the best available and is current.

3. Room Revenue figures

This is correct. American plan rates incur tax only on the estimated accommodation portion.  
OBMG and other multiple lodge company info. is reported corporately, not by establishment which makes tracking the effects in the regions difficult.

### **Economic Gain Projections**

1. Concerns regarding projections

Our opinions differ.

## COMMENT

## RESPONSE

2. Various discussions on future trends

Our projections illustrate possible futures based on the assumption described. They are intended to be conservative and reasonable.

Fishing

Fishing lodges have been the key accommodation/adventure category. Depending on the health of fish stocks fishing lodges are expected to remain a key element of the accommodation mix. However, product offerings are likely to expand, as has been occurring recently.

Land based

It is my belief that land-based developments will increase in number.

Cruise ships

Information on Prince Rupert cruise ship dockings and spending estimates are sourced. Authors of the source document are knowledgeable cruise industry analysts.

3. Projection rationale

Assumptions for projections are stated in the analysis. They are posed as scenarios and the conditions and characteristics are listed. Levels of uncertainty have been provided. Whether these scenario totals are realized is dependent on many factors other than feature significance and market demand, as stated in the Economic Gain Descriptors.

No attempt was made to deal with comfortable carrying capacities except to relate the difficulty of dealing with this concept numerically.

4. Lodge revenue base

Reviewer appears to agree it is OK to use the numbers provided.

### **Terms of Reference Requirements**

1. Three scenarios

Terms of reference stipulate “two or more” (Table 3, p.7)

2. Employment

Estimates of local vs. non local

## COMMENT

## RESPONSE

### 3. Government Revenues and Profit

employment provided in Sections 6.5, 7.5 and 8.5

Government revenue not specified as a deliverable in the Terms of Reference. Profit for seasonal lodges likely to vary from losses to modest based on anecdotal evidence regarding current operations. Profit for the small lifestyle operators that would likely predominate in the commercial adventure and cultural products would likely be modest and is difficult to assess and report accurately.

### **Other Minor Concerns:**

#### 1. Incorrect addition

Will correct.

#### 2. Incorrect references

Will correct.

#### 3. Lodges as products

Lodges are a component of the tourism accommodation sector. For the purposes of our analysis, lodges have been addressed as a development opportunity producing an economic gain. Adventure and culture commercial activities have been addressed similarly. They are both referred to as products. There can be an overlap in the delivery of the tourist experience but our analysis assumes they are separate and additive. We have made no attempt to deal with the concept of carrying capacity as assumptions can vary wildly.

### **Recommendations:**

#### 1. Profile of existing facilities

The objective of this project was to produce estimates of incremental increases, not to produce an inventory or profile of existing facilities. Although a current inventory would have been helpful, it was not a deliverable and was not provided.

#### 2. Additional implications of scenarios

Additional analysis was not requested in the RFP nor specified in our proposal.

#### 3. Third scenario

Two scenarios specified in the RFP (July 3/02).

**COMMENT**

Government Revenues

Profit

**RESPONSE**

Government revenues not specified as a deliverable in RFP.

Profit was specified and as indicated above, is very difficult to research due to the proprietary nature of existing facility information. Profits for the tourism sector generally are likely to be modest.

## Comments of Peer Review by A. Gill (undated)

### Comment

### Response

#### Tourism Profile

P 14:WTO estimates for 1999

The research for this project was conducted in Fall 2002 and 1999 figures were the most current available. With the passage of time they are now dated. However, they were intended to be illustrative of the global significance and are of no consequence to the findings of this report.

P 15: Cruise reference  
2.2.2; Unique

Will do.  
Reference is meant to illustrate the quantity and quality of features. In this sense BC is notable or unique.

P 16: Relevance of facilities listed

Facilities listed are intended to illustrate the diversity and caliber of the BC tourism product.

P 17: Variety of terms

Descriptors are intended to focus on the range of outdoor or nature-based activities that generally fall into the soft adventure category.

P 18: Currency exchange implications

The impact of currency exchange rates on tourism visitation are not necessary linear. Market demand is dependent on many factors other than exchange rates.

P 20: Cruise industry

Prince Rupert is making dramatic progress in attracting cruise ships. However, this success is very recent (2004) and as of the date of the profile, very little cruise ship activity was occurring.

#### Tourism Assessment Approach

P 23:Tourism Satellite Account

Will do.

P 26: Explanation of rating scales

The system described was an attempt to translate some very subjective information into a numerical scale. It is highly subjective but is based on the range of attributes listed. It will not withstand rigorous scrutiny but was deemed to be a

	reasonable technique to make the relative comparisons.
Relative Ratings	They are a sum as described. Not weighing the attributes was intentional since creating a weighting process would add another layer of assumptions and the resulting information improvement was deemed to be marginal.
Vetting of information	Tourism Value maps were used as one of a number of information sources, but they were used as a final comparison. Some adjustments were made in our assessments based on these maps.
Consultations	A panel of reviewers was not proposed nor incorporated.
P 31: Summary – Add cautionary note	Will do.
<b>Tourism Development Scenarios</b>	
P 32: Carrying Capacity	Will add comment.
P 41: Validation by expert opinion	Not done. Ratings were entirely done by study team members.
Cultural tourism	Physical resource refers to relatively large and diverse FN presence in the area.
P 42: Cruise ship	Ratings reflect the significance of the visual experience. The thesis referenced was dated Dec 2003 and our analysis was done in the Fall of 2002.
P 43: First Nations resources	Yes, ratings were an attempt to include the range of FN attributes.
<b>Future Tourism Outlook</b>	
P 54: Demographic data	Rephrasing will be done for clarity.
P 56: Add cruise	Will do.
P 58 Add fish farms and treaty issues	Will add these to text commentary.
<b>Concluding Remarks</b>	
Subjective judgments	Our ratings were developed by the study

Use of information	<p>team as noted above. Agree that expert/stakeholder input could improve validity. However, we did not propose this step as it would have affected our ability to deliver the report on schedule.</p> <p>A variety of information sources were used as noted in Appendix D. and footnotes. A fair amount of analyst judgment was also used (and referenced), reducing the linear connection between any one source and the conclusions.</p>
Limitations of data availability	Will do.
Qualification of results	Concur. I think we have included a number of assumptions and caveats throughout, but will review further.