Southern Gulf Islands

COMMUNITY TOURISM STUDY

PART 1: TOURISM PROFILE

Prepared for the Capital Regional District

epi
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EXECUTIVE SUMMARY

The Southern Gulf Islands Community Tourism Study is a broad-based study of tourism on the islands of Salt Spring, North Pender, South Pender, Galiano, Saturna and Mayne. This study is a joint effort by the Salt Spring Island Electoral Area and the Southern Gulf Islands Electoral Area of the Capital Regional District (CRD). It is intended to help these local governments, residents, and other stakeholders better understand the area's visitor industry and how it both benefits and impacts the area economically, environmentally and socially. This Tourism Profile is one of two major components of the Community Tourism Study. It provides:

- ✓ A summary review and inventory of current visitor-related infrastructure;
- ✓ A summary review of local visitor market trends; and,
- ✓ A preliminary analysis of the general benefits and costs of tourism in the area.

Research conducted as part of this document determined that there are both considerable benefits and associated impacts associated with visitor traffic in the Southern Gulf Islands[1]. As one of the study area's principal industries and local economic drivers, the economic benefits were relatively straight forward to quantify and assess. The impacts, however, were more difficult to assess given the relative lack of quantitative data and past research in the area[2]. In sum, the following key benefits and impacts were noted:

BENEFITS:

- **The visitor industry is one of the area's key local economic drivers**. An estimated 665,000 people visited the study area in 2007. Whether visitors stay for one or two nights, the summer, or regularly on weekends throughout the year, individually and collectively these they generate and support the most number of jobs on the islands next to government and public service. Their considerable spending supports a large number of direct- and indirect visitor jobs.
- **Visitors are major amenity generators**. Individually and collectively, the study area's visitor groups drive and enable diversification of business types, attract new investors and permanent residents to the region, support cultural and recreational amenities, and create the need for ferry transport and other essential services enjoyed by visitors and residents alike.
- **Visitors create jobs.** The most recent statistical analyses available show that 22% of working age adults are employed in 'direct' tourism jobs. An estimated 1,200+ direct jobs are supported by visitors to the study area. Conservatively, at least 300 additional jobs are indirectly generated or induced by the visitor industry (e.g., construction, retail and food services, etc.).
- **Visitors create resident income.** Visitor-related employment generated an estimated $18 million in pre-tax income in 2001 (the last year statistical analyses are available).
- **Visitors support community social, cultural and environmental networks:** A large number of island visitors are referred to as "weekenders" by residents. These temporary, non-permanent residents typically own property and regularly visit the islands and are sometimes considered by many residents as 'non-visitors'. While difficult to quantity, anecdotal and qualitative information provided by this project's Steering Committee suggests that many members of this

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[1] At the request of the project's Steering Committee, the term 'visitor' is used for 'tourist' throughout this study. Visitors include recreational property owners who are temporary residents (i.e., "weekenders") and seasonal residents.

[2] Here it should be noted that important 2006 Census socio-economic stats will be released in May 2008 and could not be included in this study. In addition, new research on ground water and aquifer vulnerability that will be released later in 2008 year was also not included.

sub-group of visitors are active in the community and supporting a variety of causes and community initiatives as volunteers, donors and organizers.

IMPACTS:

- **Visitors generate considerable vehicle trips and associated crowding.** The estimated 665,000 visitors in 2007 generated approximately 275,000 vehicle trips to the islands (or about 1 vehicle for every 2.4 visitors). With trips concentrated in the summer high season, roads are busier and parking more difficult in and around ferry terminals and commercial centres like Ganges Village on Salt Spring and the Driftwood Centre on North Pender Island.
- **Visitor traffic causes ferry delays during peak periods.** Over 90% of visitors get to the Gulf Islands by BC Ferries. During the peak periods in the summer months, increased visitor traffic is responsible for ferry delays and overcrowding. During July and August 2007, a total of 4,821 vehicles were left waiting at Gulf Islands terminals for later ferries.
- **Visitors are associated with increased water consumption.** Across the study area, summer water consumption levels range from 145-215% of the fall/winter monthly averages. The biggest contributors are an increase in summer visitors and seasonal outdoor uses like gardening, irrigation and outdoor cleaning. Several small community water systems experience shortages and or problems now, where they did not in the past. In Ganges, waste water flows are reported to be, on average, 18% higher in summer over winter at the Ganges treatment facility. The additional flows through the plant represent an additional consumption of about 80 cubic metres of water a day during the peak summer months versus an “average” day in March
- **Visitors are associated with water quality and quantity impacts:** Visitors are driving development on the islands which is having an impact on both ground and surface water quality and quantity. Local Water Improvement Districts and other suppliers and water agencies have reported numerous issues, including lowering water tables in some areas, salt water intrusion in some shallow and near-shore wells, and surface water contamination on major supply lakes resulting from nutrient loading (which is associated with visitor use). While supply issues are exacerbated by serious global issues like climate change which is impacting precipitation and evaporation rates in the study area, increased, visitor-driven development and the negative impacts it can have on watersheds and aquifers and watersheds is of serious concern.
- **Visitor demand helps drive the real estate market**. As with the larger region, housing costs in the study area have increased dramatically over the years – over 91% on average between 2002 and 2007. With non-resident ownership averaging over 50% in the Southern Gulf Islands Electoral Area and 30% on Salt Spring Island, recreational and retirement purchasers are helping push the market and make housing more and more unaffordable for residents.
- **Visitor demand helps limit affordable short-term rentals for people employed in visitor services.** The demand for residential recreational property has limited the development of rental housing on all of the islands. Some non-resident owners also offer their homes as ‘short-term rental accommodation’ for visitors. This practice is not only illegal on all islands except on South Pender, but employees and temporary residents seeking more affordable rental accommodation are unable to afford these more expensive rentals. This limits the availability of seasonal employees and lower wage tourism employees to find suitable housing which, in turn, can adversely affect the tourism labour market, business revenues and tourist experiences.
- **Visitor-related jobs are often low wage jobs.** The incomes and wages associated with tourism-related jobs are not high. They also often tend to be part time and/or seasonal.
- **Infrastructure impacts:** Visitor-related infrastructure impacts are very difficult to quantify. However, it is reasonable to assume that the volume of visitors to the islands and their use of island infrastructure (e.g., roads, water and sewer, docks and marinas, etc.) results in certain impacts and/or necessitates more frequent maintenance and repairs. Additional technical research is required to enumerate and quantify visitor-related infrastructure impacts.

1. INTRODUCTION

1.1 PROJECT CONTEXT AND BACKGROUND

The Community Tourism Study is a broad-based study of tourism on the Southern Gulf Islands (Salt Spring, North Pender, South Pender, Galiano, Saturna and Mayne Islands). The study is a joint effort by the Salt Spring Island Electoral Area and the Southern Gulf Islands Electoral Area of the Capital Regional District (CRD). It is intended to help residents, local governments and other stakeholders better understand the area's tourism industry and how it both benefits and impacts the Southern Gulf Islands economically, environmentally and socially. The study is intended to help identify areas where tourism could be better managed and explore how agencies and organizations could help distribute its benefits to all islands residents while minimizing its real and potential impacts.

This profile is one of two major components of the Community Tourism Study. It provides:

- A summary review and inventory of current tourism-related infrastructure;
- A summary review of local market trends in tourism, including visitor characteristics and expectations;
- A general assessment of key factors affecting tourism activity and the tourism experience in the study area;
- A preliminary analysis of the general economic, social and environmental benefits and costs of tourism in the Southern Gulf Islands.

The other component of the Community Tourism Study will be a compendium of program and policy opportunities for island governments and agencies to consider implementing to better manage tourism in the study area while protecting its unique, rural communities and the natural environment.

Unlike more traditional tourism studies, this study takes a decidedly community-tourism focus. As a practice, community tourism is defined as both an integrated approach and collaborative tool for the socio-economic empowerment of communities through the assessment, development and marketing of natural and cultural community resources. Community tourism seeks to add value to the experience of local and foreign visitors while simultaneously improving the quality of life for local communities.

1.2 TOURISM - VISITOR INDICATORS

At the first Steering Committee meeting, the project consultants reviewed the outputs of an Islands Trust Tourism Forum that was held in March 2006. The event attracted over 150 people to identify issues related to tourism on the Southern Gulf Islands and to discuss potential approaches to better manage and coordinate tourism in the area.

Working with the Steering Committee the project consultants reviewed the Tourism Forum notes to pull out the principal tourism issues. From these, tourism objectives were developed and divided into overarching goals and supporting objectives that would help meet them. These are presented on the next page.

Table 1: Gulf Islands Tourism Goals and Objectives

GOAL 1: Foster unique, rural island communities
▪ Encourage and support farming and small-scale, value-added forestry ▪ Facilitate and support home-based business ▪ Maintain affordability of housing and community for residents ▪ Maintain and support compact village/service centres ▪ Protect and maintain island culture & heritage ▪ Support First Nations participation in island economies ▪ Encourage resident-based economy and home ownership
GOAL 2: Protect the environment and enhance natural areas
▪ Conserve, protect and enhance natural areas ▪ Support and encourage protection of private property through conservation covenants ▪ Ensure healthy environment and ecosystems ▪ Support low-impact, green visitor activities ▪ Minimize high impact commercial tourism activities ▪ Protect wildlife habitat ▪ Prevent the proliferation of commercial signage ▪ Minimize noise, light, air, and water pollution ▪ Improve or maintain water quality (fresh and salt) ▪ Increase awareness of island sustainability issues for visitors ▪ Improve water treatment and waste management regimes ▪ Reduce automobile dependence for visitors
GOAL 3: Improve effectiveness of tourism management
▪ Improve visitor information and facilities ▪ Improve and expand local level tourism policies ▪ Support long-term strategic visitor planning ▪ Improve coordination among tourism stakeholders ▪ Improve collection, monitoring and evaluation of tourism/visitor activity information and data ▪ Link regional visitor marketing to community development objectives
GOAL 4: Distribute tourism benefits and costs broadly
▪ Minimize visitor-related economic leakages ▪ Support development of appropriate commercial accommodations s ▪ Nurture local and regional visitor supply chains and economic linkages ▪ Reduce seasonality of tourism
GOAL 5: Support economic diversity and year-round employment opportunities
▪ Promote and support arts economy ▪ Support local agriculture and value-added forestry ▪ Reduce tourism seasonality ▪ Retain resident youth with jobs ▪ Promote employment opportunities on islands ▪ Support affordable short-term rental housing for tourism industry employees

For each of the supporting objectives, the Steering Committee came up with potential measures or indicators that could be used to monitor and evaluate the supporting objectives. The purpose of this was to help narrow and refine the scope of project and to give direction to the consultants about the kinds of information they should seek to carry out the tourism benefit-cost analysis that is captured in this document. The goals and objectives will be used during the next stage of the project to help evaluate potential tourism options and opportunities.

Given the relatively modest project budget and the lack of some key information (i.e., data gaps), the consultants further refined the list of measures/indicators and organized them into the five theme areas outlined below. A brief description of each indicator is provided that explains its link to tourism in the study area.

Table 2: Gulf Islands Tourism Measures and Indicators

Theme Area	Indicator/Measure		Rationale
1. Socio-Economic	**1-1**	**Estimated visitor income/earnings**	Personal income generated by visitor-related activities is helpful in determining the overall impact of tourism on a local economy.
	1-2	**Employment rates, type and incomes**	Visitor-related jobs are often seasonal and/or part-time jobs that pay less than other types of employment. Comparing full-time and part-time employment rates and average incomes can indicate how visitor-dependent a local economy is.
	1-3	**Self-employment rates/percentages**	Self-employed individuals in the study area are often in employed in visitor-related businesses (e.g., arts and crafts, guiding, B&B operation, etc.).
	1-5	**Cultural employment**	Artisans and craftspeople are often dependent on visitors for the majority of their sales. Higher than average employment in the cultural sector is often associated with more visitor-dependent local economies.
2. Land Use & Planning	**2-1**	**Protected areas**	Visitors, particularly in the study area, are attracted to it by its natural amenities and features. The percentage and type of protected areas is a useful measure in determining both the attractiveness of the area to visitors and how well its quality of life is protected for residents.
	2-2	**Agricultural Land Reserve**	There has been a resurgence of small-scale farming in the Southern Gulf Islands. Farming and agriculture are related to tourism, as peak production season coincides with visitor season and visitors are often major consumers of farm goods.
3. Housing	**3-1**	**Average housing costs**	Housing costs in high tourism areas are an indicator of tourism fundamentals and community well-being. Affordable housing, or rather *the lack* of affordable housing, makes it difficult for lower income earners (like those working in the tourism industry) to live in the area and make the cost of living higher for other residents.
	3-2	**Average rental rates and vacancy rates**	As typically lower paid, seasonal workers, people employed in visitor industry require affordable, longer-term rental housing. A shortage of affordable rental housing can make operating visitor businesses that rely on seasonal workers difficult.
	3-3	**Resident property ownership ratio**	The number of non-resident property owners indicates the visitor-recreational nature of communities. While many seasonal and weekend visitors are considered ‘temporary residents’, these individuals are not permanent residents and are considered ‘visitors’ by this study.

Table 2: Gulf Islands Tourism Measures and Indicators (cont.)

Theme Area	Indicator/Measure		Rationale
4. Environment	**4-1**	**Water consumption**	The study area is a water poor area where conservation is a priority. Visitors can exacerbate water shortages, particularly during peak summer months when demand is highest and availability the lowest.
	4-2	**Aquifer vulnerability**	Aquifer vulnerability is a measure of water supply security.
	4-3	**Water quality**	High quality surface water and groundwater is critical for both residents and visitors.
	4-4	**Recycling**	Both visitors and residents generate solid waste and recycling. A comparison of recycling rates between residents and visitors can be used to help assess the sustainability of the tourism industry.
	4-5	**Percentage of visitors without cars**	More sustainable tourism uses more sustainable forms of transportation, such as bicycling or walking.
5. Tourism	**5-1**	**Estimated visitor numbers**	Knowing the number of visitors, when they visit and their typical length of stay is critical in understanding a local visitor market**.**
	5-2	**Amount and distribution of tourism expenditures**	Understanding how much and when visitors spend helps to quantify tourism's value to the local economy.
	5-3	**Hotel tax revenues**	Hotel taxes are paid by visitors staying in commercial accommodations, including B&Bs with more than four rooms. Knowing how much is collected helps determine the size of the visitor economy and is useful for communities interested in charging the additional 2% that can be used to support local promotion and marketing.
	5-4	**Number of "eco" tourism operations**	The number of eco-tourism operations indicates the current market size for 'eco-tourists' and the general level of environmental awareness in the local industry.
	5-5	**Number non-peak and regional tourism events**	More sustainable visitor-dependent economies help spread visitor numbers of the year by offering events during shoulder and low seasons. They also sometimes spread visitors throughout the region to minimize concentrating them in one area.
	5-6	**Commercial accommodation**	Successful and more sustainable visitor destinations provide a number and range of accommodation types.

1.3 SUMMARY HIGHLIGHTS BY INDICATOR

The following tables summarize key project findings by indicator. A description of each indicator is provided along with a summary table and/or short write-up for each indicator. They are organized by the same four theme areas (i.e., Socio-Economic; Land Use and Planning; Housing, Environment and Tourism). Additional data and information is provided in the main body of the report.

THEME AREA: SOCIO-ECONOMIC

INDICATOR

1-1 Estimated tourism income and earnings: *Personal income generated by tourist related activities is helpful in determining the overall impact of tourism on a local economy.*

Direct visitor-related employment and earnings is difficult to accurately estimate, particularly as tourism is not classified as a separate industry by Statistics Canada and many of the services visitors use (e.g., retail, food and transportation services) are also used by residents. Attributing employment and employment income therefore requires more complex methods that use a ratio to estimate visitor-related employment and employment earnings. According to research carried out for BC Stats, the direct tourism ratio for the study area is 3.72. This means that for every job in the accommodation services in the area another 2.72 jobs directly "owe their existence to tourist spending – these will be in restaurants, retail establishments, transportation services, etc." Using this ratio, the table summarizes the estimated visitor-related income and earnings.

VISITOR-RELATED INCOME AND EARNINGS	Salt Spring	S. Gulf Islands	Total
% Working adults employed in 'direct' visitor activities	22%	22%	**22%**
Number of working adults employed in 'direct' visitor activities	810	335	**1,145**
After tax income generated	$11.5 mil.	$5.2 mil.	**$16.7 mil**

Sources: Gary Horne, 2004 & 2006, BC Stats, 2006 and Lions Gate Consulting, 2006

As illustrated, the importance and scale of the visitor-related is very significant. Tourism is the second largest employer in the study area and one of the study area's major local economic drivers.

THEME AREA: SOCIO-ECONOMIC (CONT.)

INDICATOR

1-2 Employment rates, type and incomes: *Visitor-related jobs are often seasonal and/or part-time jobs that pay less than other types of employment. Comparing full-time and part-time employment rates and average incomes can indicate how visitor-dependent a local economy is.*

As illustrated, participation rates and full-time employment percentages are below the provincial average. In 2000, the last year statistics are available, the average employment income was the 7th lowest of the province's 86 Local Health Areas, the smallest statistical unit for which BC Stats develops statistical summaries (Note: the Gulf Islands Local Health Area corresponds to the study area). The average employment income reflects the part-time/seasonal and small-scale/self-employed-nature of employment in the study area.

EMPLOYMENT RATES, TYPE AND INCOME

		S. Gulf Islands	Salt Spring	B.C.
Participation Rate (2006)	Males	56.7	66.1	70.7
	Females	53.6	56.6	60.7
	Total	55.1	60.9	65.2
Average Income Full-year / Full-time (2001)	Males	$ 36,757		$ 50,191
	Females	$ 31,978		$ 35,895
	Average	$34,368		$43,043
Ratio of Female to Male Income		87.0		71.5
% Full Year, Full Time Workers		32.9		47.4
Average Income Full and Part-Time Workers (2000)		$ 22,926		$ 31,544

Source: Gulf Islands Local Health Area Profile, BC Stats, 2003, Census 2006

The comparatively low average, full-year, full-time incomes and the comparatively lower percentage full-year, full-time workers likely reflects the large number of relatively low-wage, seasonal visitor-related employment in the study area. Salt Spring's participation rates are likely higher given the islands more diversified local economy.

1-3 Self-employment rates: Self-employed individuals in the study area are often in employed in visitor-related businesses (e.g., arts and crafts, guiding, B&B operation, etc.).

The number of self-employed people in the study area is over double the provincial average. Typically, more visitor-dependent rural economies in B.C. have higher populations of self-employed people working in small-scale tourist industries and related industries, such as arts and crafts.

SELF-EMPLOYMENT RATES

	S. Gulf Islands	B.C.
% Self Employed	38.7	14.1

Source: Gulf Islands Local Health Area Profile, BC Stats, 2003

The large percentage of self-employed people supports the statistically high number of people estimated to be employed in visitor-related jobs (see Indicator 1.1) and further supports the finding that the study area is highly visitor-dependent economy.

Theme area: Socio-economic (cont.)

INDICATOR

1-4 Cultural employment: Artisans and craftspeople are often dependent on tourists for the majority of their sales. Higher than average employment in the cultural sector is often associated with more tourism dependent local economies.

Higher than average employment in the cultural sector is often associated with more visitor-dependent local economies. This finding is supported by the most recent employment statistics (2001) illustrated in the table below that show cultural sector employment is significantly higher than the provincial average.

Cultural Employment	S. Gulf Islands (% of working adults)	B.C. (% of working adults)
Arts and culture - management	4.3	1.2
Arts and culture – technical trades/high skilled occupations	4.5	1.9

Source: Gulf Islands Local Health Area Profile, BC Stats, 2003

The Gulf Islands and Salt Spring are well known for their cultural vibrancy and cultural activities are a significant part of the study area's attraction to visitors and a make up a large component of visitor expectations.

Theme area: Land Use and Planning

INDICATOR

2-1 Protected areas: *Visitors, particularly in the study area, are attracted to it by its natural amenities and features. The percentage and type of protected areas is a useful measure in determining both the attractiveness of the area to visitors and how well its quality of life is protected for residents.*

The table illustrates the total amount of protected areas in the study area. Protected areas include community parks, regional parks, provincial parks, provincial eco-reserves and the Gulf Islands National Park Reserve. It also includes other protected areas under the administration of Islands Trust Fund which include lands protected by covenants held jointly with the Islands Trust and local conservancy organizations (e.g., The Land Conservancy), but not land protected by covenants held by Local Trust Committee.

Protected Areas	Total Protected Area (hectares)	% of Total Land Area Protected (hectares)
Mayne	86	4%
Galiano	1148	20%
North Pender	493	18%
Salt Spring	2501	14%
Saturna	1422	42%
South Pender	301	33%
TOTAL	**5,951**	**AVERAGE** **21%**

Source: Parks Canada, 2007 and Islands Trust, 2007

As illustrated, with the exception of Mayne Island which is under-protected as a whole, the percentage of protected areas on the other islands is higher than the provincial target of 12%. The recent development of the Gulf Islands National Park Preserve greatly increased the amount and percentage of protected areas in the Gulf Islands, particularly on Saturna, North Pender and South Pender. There are no National Park Reserve areas on Galiano or Salt Spring. Significant portions of land on Salt Spring (389 ha.), Galiano (641 ha.) and North Pender (116 ha.) are protected through by covenants held jointly with the Islands Trust and local conservancy organizations.

THEME AREA: LAND USE AND PLANNING (CONT.)

INDICATOR

2-3 Amount of ALR: *There has been a resurgence of small-scale farming in the Southern Gulf Islands. Farming and agriculture are related to tourism, as peak production season coincides with visitor season and visitors are often major consumers of farm goods.*

The table below illustrates the amount of land currently protected in the Agricultural Land Reserve (ALR), the backbone of island agriculture. While the percentage of land within the ALR has remained unchanged, the Islands Trust was not able to provide statistics on the amount of actively farmed land in for all of the islands in the study area. It is known that only 55% of the ALR is actively farmed and approximately 31% of active farmland on the island is outside of ALR boundaries.

Agricultural Land Reserve	Total Land Area in the ALR (hectares)	% of Land in the ALR
Mayne	328	14.1%
Galiano	381	6.6%
North & South Pender	513	14.2%
Salt Spring	2,922	16.0%
Saturna	409	12.0%
TOTAL	**4,553**	**AVERAGE** **12.58%**

Source: Islands Trust, 2007

While the most recent Island Trust statistics (Sustainability Indicators, 2001) show that the number of farms decreased marginally from 1996 to 2001. The recent emergence of new Gulf Island wineries and organic specialty producers is closely tied to the visitor industry. Culinary tourism, as outlined in section 4.1, is increasing in the study area.

THEME AREA: HOUSING

INDICATOR

3-1 Average housing costs: *Housing costs in high tourism areas are an indicator of community well-being. Affordable housing, or rather the lack of affordable housing, makes it difficult for lower income earners (like those working in the tourism industry) to live in the area and make the cost of living higher for other residents.*

As with the larger region, housing costs in the study area have increased dramatically. Housing has become so expensive on Salt Spring that realtors now consider it statistically to be a part of the Vancouver or Victoria real estate market.

Housing Costs - Average Selling Prices 2002 vs. 2007

	Average Selling Price 2002	Average Selling Price 2007	% Increase Selling Price 2002 - 2007	Number of Sales 2007
Salt Spring	$ 344,002	$629,925	83%	197
North & South Pender	$ 220,126	$447,346	103%	80
Galiano	$ 194,444	$403,714	107%	8
Mayne	$ 227,500	$403,250	77%	21
Saturna	$ 344,002	$629,925	83%	6

Source: Dockside Realty, Victoria Real Estate Board, 2007

Current housing prices, especially on Salt Spring Island, are making the possibility of homeownership for lower income visitor industry difficult. They are also impacting the broader community and potentially limiting new working-age residents from moving to the islands, particularly those like Salt Spring whose local economy is more diversified and offer a greater range of jobs.

THEME AREA: HOUSING (CONT.)

INDICATOR

3-2 Average rental rates and vacancy rates: *As typically lower paid, seasonal workers, people employed in visitor industry require affordable, longer-term rental housing. A shortage of affordable rental housing can make operating visitor businesses that rely on seasonal workers difficult.*

According to the 2006 Census, 18% of permanent residents on Salt Spring, and 15% of permanent residents on the remaining Southern Gulf Islands rent their long term accommodations. Currently, the rental housing stock is a very with island realtors reporting a vacancy rate below 1%. The average cost of rental housing varies by island with an "average" 2 to 3 bedroom house costing $1,000 to $1,500. As illustrated, the percentage of renters in the study area is below the provincial average.

Rental percentages	S. Gulf Islands	B.C.
% Households renting (occupied non-farm, non-reserve)	20.8	33.7
% Paying 30% or more of income on housing		
Tenants	45.3	44.1
Owners	20.4	20.7
Total	**25.6**	**28.6**

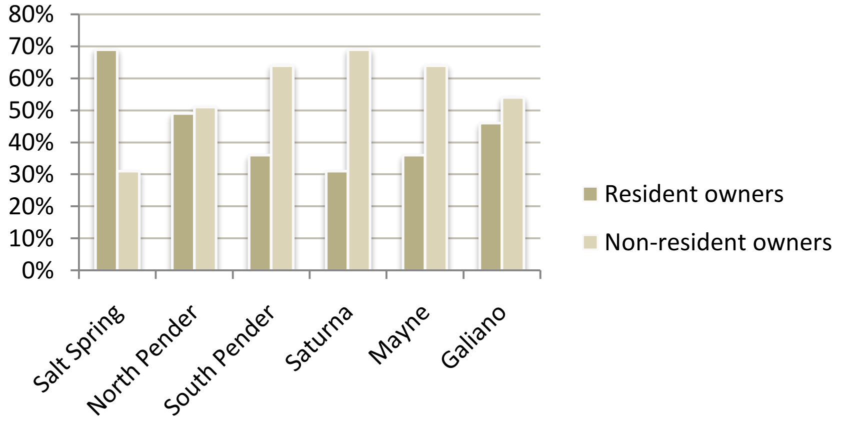
Source: Gulf Islands Local Health Area Profile, BC Stats, 2003

In sum, the tight rental market poses problems for both employers and employees. On Pender Island, the island's large resort (Poet's Cove) has purportedly rented most of the available rental accommodation for use as staff housing.

3-3 Resident property ownership ratio: *The number of non-resident property owners indicates the visitor-recreational nature of communities. While many seasonal and weekend visitors are considered 'temporary residents', these individuals are not permanent residents and are considered 'visitors' by this study.*

The ratio of resident-non-resident owners varies significantly by island. Salt Spring has the highest percentage of resident owners (70%), while the remaining islands all ratios below 50%. The majority of non-resident buyers (approx. 40%) are from other parts of BC, primarily the Lower Mainland and Vancouver Island. The next largest segment come from Alberta, specifically Calgary and Edmonton. Approximately 5% are estimated to be U.S. or other international buyers.

Resident property ownership



Source: LandCor/BC Assessment, 2008

THEME AREA: ENVIRONMENT

INDICATOR

4-1 Water consumption: *The study area is a water poor area where conservation is a priority. Visitors can exacerbate water shortages, particularly during peak summer months when demand is highest and availability the lowest.*

Across the study area, summer water consumption levels range from 145% to 215% of the fall/winter monthly averages. The biggest contributors to increased summer demand are an increase in summer residents and visitors and seasonal outdoor uses like gardening, irrigation and outdoor cleaning. Estimates of outdoor use ranges between 8% and 35% of total summer water use. While visitors certainly exacerbate water shortages, the table below shows higher consumption rates associated with residents.

Average annual household water consumption

Location/Description of Household	Est. Annual Household Water Consumption (litres)
Avg. household - CRD and North Salt Spring Water District (mostly full-time occupants)	273,000 L
'Water-rich' residential households on healthy well or piped water (mostly full-time occupants)	180,000 L
'Water-poor' residential households on poor wells and/or rainwater (mostly full-time occupants)	132,000 L
Rainwater-dependent full-time households with water saving features (indoor water use only)	116,000 L
Average household (water connection) in 'water-rich, small Water Districts - Salt Spring & Galiano (mix of full and part-time residents)	149,000 L
Average household (water connection) in 'water-poor', small, conservation-oriented Water Districts - Mayne & Pender Islands (mix of full and part-time residents)	71,000 L

Source: Madrone Environmental, 2005 – Mayne Rainwater Study

Studies on Salt Spring Island have reported numerous consumption-related issues, including lowering water tables in some areas and salt water intrusion in other areas. Recent work carried out for Salt Springs Official Community Plan (OCP) Revision have also indicated potential water supply-demand issues that they are hoping to partially address through the project. Waste water flows are reported to be, on average, 18% higher in summer over winter at the Ganges treatment facility. The additional flows through the plant represent an additional consumption of about 80 cubic metres of water a day during the peak summer months versus an "average" day in March.[3]

4-2 Aquifer vulnerability: *Aquifer vulnerability is a measure of water supply security.*

None of the 11 groundwater observation wells maintained in the study area by the Ministry of Water, Land and Air Protection showed a rising trend over the between 1996 and 2000 (the latest year for which statistics are available), while one on Mayne showed a declining trends. The remainder showed discernable trend either up or down.

More recent aquifer susceptibility mapping conducted by the Canadian Parks and Wilderness Society showed that Mayne, North Pender and Salt Spring islands had the largest area of regions of moderately-high and high aquifer vulnerability susceptibility. Galiano and Saturna islands have the least areas of aquifer susceptibility to groundwater contamination.

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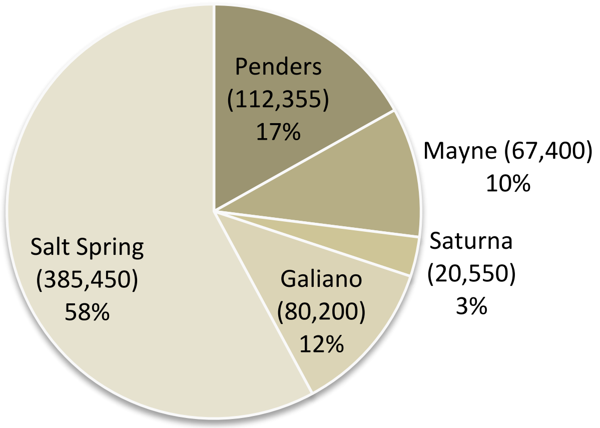
[3] Personal contact: Gary Hendren, CRD Environmental Services

THEME AREA: ENVIRONMENT (CONT.)

INDICATOR	
4-3 Water quality: *High quality surface and ground water is critical for both residents and visitors.*	*Surface water and ground water quality is monitored by the CRD, the province and local water improvement districts. All of Salt Springs' major surface water supply lakes (St. Mary Lake, Weston Lake, Cusheon Lake and Lake Maxwell) have experience nutrient loading and algal blooms. Both St. Mary Lake and Weston reported phosphorus levels and stormwater flows above provincial criteria. While total phosphorus values in St. Mary Lake's water column have decreased since 1980, phosphorus values are still exceeding the criteria for recreation and aquatic life.*
4-4 Recycling: *Visitors and residents generate solid waste and recycling. A comparison of recycling rates between residents and visitors can be used to help assess the sustainability of the tourism industry.*	*According to a recent study carried out for Salt Spring Island Electoral Area, tourist generated recyclables brought to the Salt Spring Island Recycling depot account for 10% of material/year. Residents there generate an estimated 115 kilogram recyclables annually. The majority of materials are mixed waste paper, including newspaper. The centre did not report a significant increase in volumes during the summer tourist season.* *A telephone survey of recycling centres in the Southern Gulf Islands Electoral Area indicated that recycling volumes fluctuate significantly between high and low tourist seasons. Many depots reported extending their hours during high season and several reported facing staffing challenges during this time. The more significant peaks experienced in the Southern Gulf Islands Electoral Area is likely due to higher proportion of non-resident owners who visit the islands principally during the summer months, or stay for longer periods during the summer months and generate more recyclables in the process.*
4-5 % of visitors without cars: *More sustainable visitor destinations use more sustainable forms of transportation, such as bicycling or walking.*	*The private automobile is the overwhelmingly dominant form of transportation for tourists. Research indicates that approximately 15% of visitors to the island travel without vehicles. This includes foot passengers on BC Ferries and visitors who reach the islands by sea plane or private boat. In 2007, an estimated 275,000 visitor vehicles were driven in the study area, 165,000 of which were driven on Salt Spring.* *While the majority of visitors travel with their vehicles, BC Ferry data does show that a large percentage of visitors walk on. From Tsawwassen, walk-ons accounted for 29% of total passenger trips (visitor and non-visitor) in fiscal 2007, with numbers peaking in August at over 12,000. Given the lack of on-island pedestrian facilities, extremely limited on-island public transportation options and travel distances between destinations on the islands, it is assumed (and observed at most island terminals) that many walk-on passengers are met by vehicles at their destination terminal.* *A proportionately small number of people travel by bicycle on BC Ferries. While the number of bicycle trips grew by 2% from fiscal 2006 to fiscal 2007 to 17,105, bicycles account for only 1.5% of total BC Ferries Gulf Island traffic. August and July are the busiest months for bike traffic.* *Air and marine visitors can be included in non-car visitors. An estimated 25,000 visitors reached the islands this way in 2007.*

THEME AREA: TOURISM

INDICATOR	
5-1 Estimated visitor numbers: *Knowing the number of visitors, when they visit and their typical length of stay is critical in understanding a local tourist market.*	*The Southern Gulf Islands is a major visitor destination. In 2007, the area received almost 670,000 visits, with Salt Spring Island accounting for about 385,000 of the visits. The overwhelming majority of visitors reach the islands by BC Ferries. Air and private marine visitors generated an estimated about 5% of visitor numbers[4]. The table below shows the breakdown of visitors by island.* **Number of Visitors by Island (2007)**  *Sources: BC Ferries, 2007; Harbour Air/Salt Spring Air/Sea Air, 2007*

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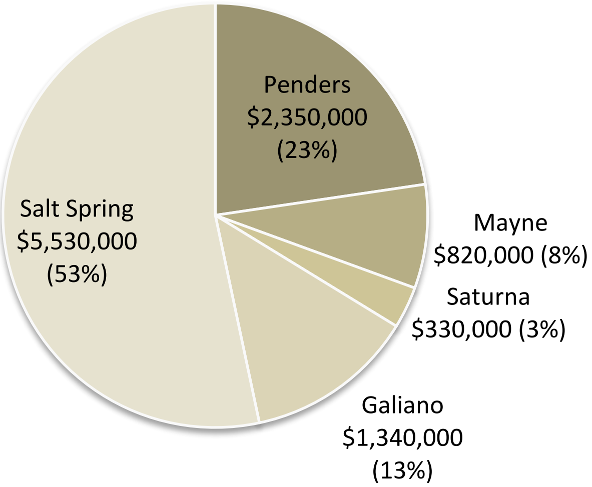
[4] Airlines would not provide actual passenger numbers, so flight information and estimated passengers-per-flights were used. Marine traffic numbers were based on available moorage and best estimates of potential marina occupancies.

THEME AREA: TOURISM (CONT.)

INDICATOR	
5-2 Amount of tourist expenditures: *Understanding how much and when visitors spend helps to quantify tourism's value to the local economy.*	*Estimates determined through analysis of BC Stats and Malaspina University data suggest that annual visitor expenditures are in excess of $40 million. Approximately $10 million of this can be accounted for through commercial accommodations, 53% of which can be attributed to Salt Spring Island. Roughly 2/3 of all tourist expenditures occur during the months of May to September. The table below illustrates room rental expenditures by island.* **Estimated Annual Room Revenues by Island (2007, $)**  *Source: BC Stats, CRD, BC Tourism, 2008*
5-3 Hotel tax revenues: *Knowing how much Hotel taxes are collected helps determine the size of the visitor economy.*	*In British Columbia, a Provincial Hotel Room Tax (HRT) of 8% is applied to all short-term accommodations with more than four rooms and on stays of less than one month. Based on BC Stats Room Revenue Data for 2006, it is estimated that the Southern Gulf Islands and Salt Spring Island generated total annual HRT revenues of over $830,000* (Source: BC Stats, CRD, BC Tourism, 2008) *Currently, 37 municipalities and districts in BC charge an additional 2% tax on accommodations. The revenue generated through the Additional Hotel Room Tax (AHRT) is used to support local visitor services and marketing. In the Capital Regional District, Victoria, Saanich, and Oak Bay all charge the AHRT.* *For the study area, it is estimated the AHRT could generate approximately $200,000 annually to support local visitor services and marketing. Over half of the AHRT would be raised by commercial accommodations on Salt Spring Island.*

THEME AREA: TOURISM (CONT.)

INDICATOR	
5-4 Number of "eco" tourism operations: *The number of eco-tourism operations indicate the current market size for 'eco-tourists' and the general level of environmental awareness in the local industry.*	*There are a reasonable number of tourist operations which brand themselves as 'ecotourism' businesses. A rough estimate, based on internet research, reveals upwards of 50 tourism operators who offer tours in the Southern Gulf Islands. Of these only 22 were located on the islands, while the rest were based out of locations such as Sidney, Victoria or the U.S.* **Gulf Island Eco-tourism operators** Mayne Island: 5 North & South Pender Islands: 3 Galiano Island: 5 Saturna Island: 1 Salt Spring Island: 8 *While there are likely additional operators that are not included in the table, the numbers such as they are they indicate a comparatively healthy eco-tourism market and further indicate the importance of eco-tourism activities to the local visitor experience.*
5-5 Number non-peak and regional tourism events: *More sustainable visitor-dependent economies help spread visitor numbers through the year by offering events during shoulder and low seasons.*	*There are almost 50 community events that take place on the islands every year. While the overwhelming majority are very small-scale, resident-focused events, several (e.g., Galiano Wine Festival, Saturna Lamb Barbeque, Salt Spring Apple Festival, etc.) are larger events that draw significant numbers of tourists to them. None of the larger events are inter-island or regional events and almost all occur during the peak summer season. There are no major events or promotions during the low season.* *The Southern Gulf Islands and Salt Spring Electoral Areas could consider developing either a signature regional event in the low or winter season or move existing events into the shoulder seasons.*

Gulf Island Eco-tourism operators

	Number
Mayne Island	5
North & South Pender Islands	3
Galiano Island	5
Saturna Island	1
Salt Spring Island	8

THEME AREA: TOURISM (CONT.)

INDICATOR

5-6 Commercial accommodation numbers by type: *Successful and more sustainable visitor destinations provide a number and range of accommodation types.*

As illustrated by the tables below, there is a relatively wide range of commercial accommodations available in the study area. So-called short-term accommodations are included only for South Pender, the only island where they are legally permitted. While many short-term accommodations continue to operate on the islands where they are not permitted, recent by-law enforcement has greatly reduced their numbers. They are still a major form of accommodation in the study area. Salt Spring accommodations are broken out on a separate table as different and additional classifications (e.g., marinas) were used.

Commercial accommodation by type – Southern Gulf Islands Electoral Area

	Type of Accommodation	# of units	# of operations	Peak occupancy (# of people)	Total Peak Occupancy
Mayne	Indoor Commercial	37	4	79	219
	Public Campgrounds	29	3	93	
	Bed & Breakfasts	9	9	47	
North Pender	Indoor Commercial	63	6	182	356
	Public Campgrounds	45	1	90	
	Bed & Breakfasts	16	16	84	
South Pender	Short Term Rentals	12	12	63	160
	Indoor Commercial	46	1	92	
	Public Campgrounds	0	0	0	
	Bed & Breakfasts	1	1	5	
Galiano	Indoor Commercial	41	1	115	330
	Public Campgrounds	41	1	131	
	Bed & Breakfasts	16	16	84	
Saturna	Indoor Commercial	14	2	44	91
	Public Campgrounds	0	0	0	
	Bed & Breakfasts	9	9	47	
	TOTALS	**379**	**82**	**1156**	**1156**

Source: Islands Trust, Southern Gulf Islands Accommodation Inventory, 2005

Commercial accommodation by type – Salt Spring Island

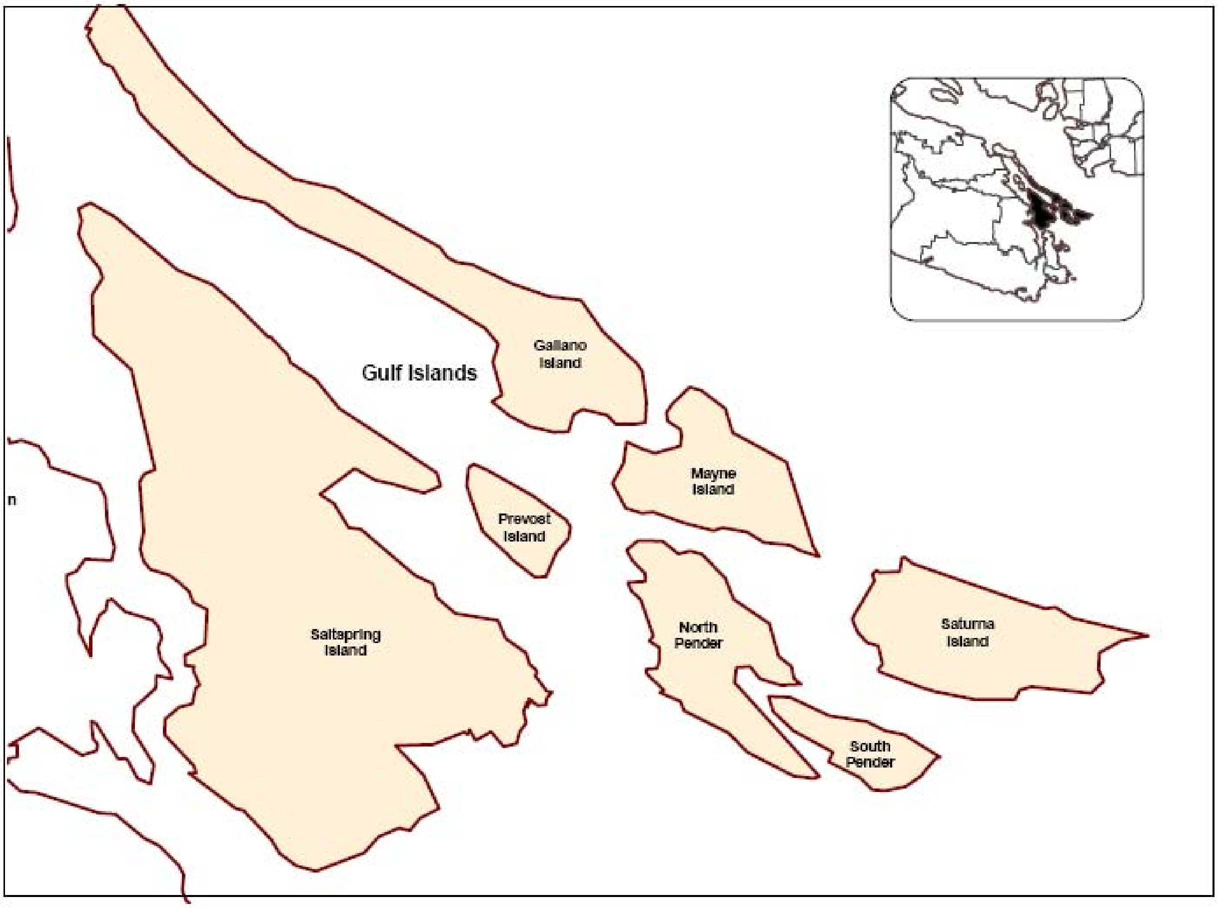
Type	Number of units	Peak occupancy (# of people)
Indoor Commercial (hotels & motels)	143	414
Public Campgrounds	188	564
Bed & Breakfasts	81	424
Cabins, Guest Houses and Tourist Hostels	223	924
Marinas	321	1,088
TOTALS	**956**	**3,414**

Source: Islands Trust, Salt Spring Accommodation Inventory, 2004

2. STUDY AREA OVERVIEW

2.1 LOCATION

The Southern Gulf Islands are an island archipelago located in the protected waters of Georgia Strait between Vancouver Island and the Lower Mainland of B.C. The six major islands that make up the study area include Galiano, Salt Spring, Mayne, Saturna, and North and South Pender Islands. Minor communities are found on each of the islands. Together, the islands occupy approximately 355 square kilometres. The map blow illustrates the planning area.



2.2 POPULATION AND DEMOGRAPHICS

As of 2006, the Southern Gulf Islands study area was home to approximately 14,600 year-round residents. This is an increase of 12% since 1996. With an aging population, particularly in comparison to other parts of BC, the natural growth rate is expected to slow. It is likely that within the context of an aging BC and Canadian population and increasing amenity migration[5], that the growth rate could be augmented through retirement- and amenity-related in-migration. BC Stats has projected a population of 16,600 in the study area for 2012.

Table 3: Population Growth 2001 - 2006

	Galiano	Mayne	N. Pender	Saturna	S. Pender	Salt Spring	TOTAL
Population (2001)	1,071	880	1,776	319	159	9,279	13,484
Population (2006)	1,258	1,112	1,996	359	236	9,640	14,601
% change ('01 to '06)	15%	21%	11%	11%	33%	4%	16%
Avg. annual % increase	2%	3%	2%	2%	5%	1%	3%

Source: Islands Trust, 2007; Census 2006

The table below compares the 2006 population broken down by age cohorts and a projected age breakdown for 2016 for the Southern Gulf Islands. Provincial averages are presented for comparison.

Table 4: Age Structure

	Southern Gulf Islands Population % Distribution		B.C. Population % Distribution	
	2006	2016	2006	2016
0-17 years	14.6	13.6	19.9	17.0
18-24 years	8.7	5.5	9.8	8.3
25-64 years	53.2	53.1	56.4	57.5
65+ years	23.6	27.7	14.0	17.2
Total	100.0	100.0	100.0	100.0

Source: Islands Trust, 2007; Census 2006

As Table 3 illustrates, a statistically significant portion of the Southern Gulf Islands' population is 65 and older. Currently, the proportion of seniors is 9.6% above the provincial average and is expected to grow to 10.5% above the provincial average by 2016. The aging population and conversely smaller pool of working age adults and young people may have implications for the area's tourism industry and necessitate the continued and/or growing use of temporary and seasonal workers to support the industry as the potential non-working age population continues to grow to almost 30% by 2016.

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[5] Amenity migration is the concept that people are attracted to an area by its amenities (i.e., recreational amenities, quality of life, access and quality of services, proximity to urban service centres, etc.). The concept has been well documented in mountain resort communities (e.g., Whistler), but can also be applied to rural residential areas with high recreational values located near major urban centres (e.g., Southern Gulf Islands, Sunshine Coast, etc.).

2.3 ECONOMIC OVERVIEW

While 2006 Census figures are not yet available[6], a review of 2001 census information, BC Stats 2006 *Local Health Area Statistical Profile* and relevant economic studies carried out in the study area, all clearly and illustrate the importance of the visitor industry to the local economy.

Collectively, the studies and statistics clearly illustrate the major importance the almost 700,000 annual visitors have for the area's economy and, conversely, the area's relative dependence on the visitor-industry. This finding is supported by statistics that show: 1) the majority of working adults work part time or seasonally; 2) service industries are the dominant employment sector, and; 3) average incomes are in line with those associated with seasonal, tourism-related industries.

The tables for indicators 1.1 to 1.4 on pages seven to nine of this report provides a summary of labour force highlights from the 2001 Census, the last year for which such statistics are available. It is important to note specific visitor-related employment estimates are not available, as tourism is not classified as a separate industry by Statistics Canada.

Some of the findings of particular note include:

- The percentage of full year, full time workers (32.9%) is well below the provincial average (47.4%) and likely indicates the large number of seasonal, visitor-related jobs in the study area.
- The percentage of self-employed individuals (38.7%) was 2.5 times higher than the provincial average (14.1%). Typically, more visitor-dependent rural economies in B.C. have higher populations of self-employed people working in small-scale tourist industries and related industries, such as arts and crafts. The large percentage of self-employed people further supports the finding that the study area is highly visitor-dependent economy.
- Average employment incomes are comparatively lower in the study area than in the rest of BC. The average employment income was $22,926, the 7th lowest of the province's 86 Local Health Areas. This finding likely reflects the part-time/seasonal and small-scale/self-employed-nature of employment in the study area.
- An estimated 22% of working adults, or 1,200+ people, were employed in direct tourism activities (based on 2001 Census information). Collectively, these people generated a before-tax income of $18 million[7].
- An additional 290+ jobs are indirectly generated or induced by the visitor industry.

BC Stats carries out regular local area economic dependencies and multipliers studies for 63 different areas across the province[8]. They have also carried out more detailed studies for the study area itself

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[6] The 2006 Census release of socio-economic statistics is expected in March 2008.

[7] The actual amount of direct tourism employment in the study area is difficult to accurately estimate, as many of the services tourists use (e.g., retail, food and transportation services) are also used by resident islanders. Attributing employment and employment income to visitor industries is done through indirect methods. This is typically done by taking accommodation services which is considered 100% due to visitors, then using expenditure data from the BC Input-Output Model (BCIOM) database to determine the visitor spending that goes into other sectors of the local economy and the employment that is generated by it.

[8] BC Stats has prepared three studies three recent studies: 1) 2001 Economic Dependencies and Impact Ratios for 63 Local Areas (2000); Local Area Economic Dependencies and Multipliers for Salt Spring Island (2004); Local Area Economic Dependencies and Multipliers for Islands Trust Areas (2006).

(Salt Spring Electoral Area and Southern Gulf Islands Electoral Area). Collectively, these studies provide two useful ratios or multipliers, an *Indirect Employment Ratio* and an *Indirect and Induced Employment Ratio* that provide an estimate in the change in total employment that will result from a unit change in direct tourism industry employment.

The Indirect Employment Ratio is concerned with any additional employment that is generated in a community because of other spending associated with the direct employment. It can be used to estimate job impacts relating only to purchases by the industry, but not spending of incomes by wage-earners in that industry. For the Gulf Islands Local Health Area an Indirect Employment Ratio of 1.08 was determined. This means that for every 100 jobs that are directly associated with tourism there are eight other jobs on that support visitor-related activities without normally being considered as "tourism" jobs. These jobs might include business services hired by tourist operators or wholesale or retail trade outlets that sell goods to tourist operators. Retail trade to tourists themselves would be considered in this work to be "direct" tourism.

The second ratio, the so-called Indirect and Induced Employment Ratio, is based on the same formula as the Indirect Ratio. However, in addition to the indirect employment they assign some portion of the non-basic employment in the community to the income source generating the direct employment. For the Gulf Islands, an Indirect and Induced Employment Ratio of 1.13 was determined.

A third ratio, the Direct Tourism Ratio, has also been developed for the study area as a way of estimating the total local employment generated by that spending from an estimate of the accommodation employment. All of these jobs would still be considered "direct" tourism jobs, although it is important to note that indirect tourism jobs result from any local spending by the tourist industry itself, and induced (or non-basic) jobs arise from the local spending of incomes earned by both direct and indirect tourism workers.

A 2001 study determined the study area's Direct Tourism Ratio to be 3.72. At the time, this ranked the area near the bottom end (43rd) of the 63 areas in BC for with a ratio was determined. This was likely reflective of the relatively low volume of commercial accommodation available in comparison to the correspondingly large number of private recreational properties where a large proportion of visitors to the study area are believed to stay. A more recent 2006 study for the Southern Gulf Islands recalculated the Direct Tourism Ratio at 5.60 which would put the Gulf Islands near the top of the 2001 list. The increase may be due in part to the recent development of larger commercial accommodation developments (e.g. Pirates Cove) and the expansion of existing commercial accommodations (e.g. Galiano Inn).

Table 5: Area Tourism Multipliers

	Gulf Islands Local Health Area
Direct Tourism (2001)	1.08
Indirect and Induced (2001)	1.13
Direct Tourism Ratio (Southern Gulf Islands Electoral Area 2006)	5.60

Sources: Horne 2001, 2004, 2006

2.4 LEGAL AND REGULATORY OVERVIEW

There are number of agencies, organizations and governments with an interest in tourism and its impacts and benefits to the Southern Gulf Islands. This section briefly identifies key agencies and their relation to tourism.

Table 6: Tourism relevant planning authorities

Agency - Authority	Role and relation to tourism
Islands Trust	The Islands Trust is a unique federation of local island governments established by the Islands Trust Act in 1974 to "preserve and protect the Trust Area and its unique amenities and environment." The Islands Trust is the principal land use planning agency in study area and regulates land use through Official Community Plans (OCPs) and zoning.
Capital Regional District (CRD)	The CRD is the regional district responsible for servicing the panning area with solid waste/recycling, water, sewage and regional park services and planning. The study area includes two Electoral Areas, Salt Spring Island and Southern Gulf Islands.
BC Ferries	Principal transportation provider between the Gulf Islands, Vancouver Island and the Lower Mainland. BC Ferries impacts area tourism through scheduling, service, pricing and marketing.
Province – Ministry of Transportation	Regulates road building on the islands (major roads) and is the subdivision approving authority.
Province – BC Parks	Responsible for the management of nine provincial parks located on Salt Spring (3), Galiano (4), Mayne (1) and Wallace Island (1 – marine access only)
Province – Ministry of Tourism	Produces tourism promotional materials, carries out marketing and conducts research in the plan area.
Canada – Parks Canada	Parks Canada operates and manages the Gulf Islands National Park Reserve. Created in 2003, the complex includes thirty-five square kilometres of land and inter-tidal areas on fifteen islands, numerous islets and reefs, and approximately twenty-six square kilometres of marine areas.

3. SUPPORTING INFRASTRUCTURE AND SERVICES

This section provides an overview of the services and infrastructure that both support the Southern Gulf Islands tourism industry and that tourists themselves use and rely upon while visiting the islands.

3.1 WATER

Water, or rather the shortage of water, is one the Southern Gulf Island's biggest issues. While there is not an acute shortage of water in the Southern Gulf Islands per se, there *is* a shortage of water in the summer when rain is scarce and demand is at its highest. Indeed, increased water demand from population growth, seasonal shortages and limited supplies have made conservation a part of islands life.

More recent studies and research has also found saltwater intrusion in some coastal well locations and declining surface water and groundwater quality at other locations during the summer months. There is also a small, but observable trend in declining precipitation rates and an increase in drought frequencies and occurrences[9].

WATER SUPPLY

Currently, the islands rely on both ground and surface water for domestic and agricultural use. Increasingly, rain water is being collected by residents not only for outdoor uses (e.g., gardening and irrigation, etc.), but also for certain indoor uses (toilets, laundry, etc.).

CRD Environmental Services operates five water systems in the Southern Gulf Island Electoral Area and four water systems in the Salt Spring Island Electoral Area. They are responsible for water supply, treatment and delivery in those service areas. In addition to CRD water services, there are a number of Water Improvement Districts and private systems that are not operated or supported by the CRD.

Water conservation, including the use of alternative sources of water like rainwater, is a part of island life, as this sign on Mayne Island indicates.

Water Improvement Districts are small water systems operated on an individual basis by primarily volunteer run organizations. The systems are tested regularly by the Vancouver Island Health Authority and operate under bylaws established by the province. Private water systems are owner operated wells.

Ground Water: There are 11 groundwater observation wells maintained in the study area by the Ministry of Water, Land and Air Protection. While none of the wells show a rising trend over the between 1996 and 2001, all but one (a

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[9] Rainwater Availability and Household Water Consumption for Mayne Island, Madrone Environmental, October 2006.

declining well on Mayne Island) show no discernable trend either up or down. Contrary to the this trend, however, the CRD reports that well drillers have noted that drilling is an average 20 to 30 feet deeper for potable water than twenty years ago[10].

More recently, the Canadian Parks and Wilderness Society completed a *Gulf Islands Community Ecosystem Atlas* in 2005. Part of their work included aquifer susceptibility mapping. In general, the mapping project determined that regions of moderately-high and high susceptibility. In the study area, Mayne, North Pender and Salt Spring islands had the highest percentage of such lands. Galiano and Saturna islands showed the least amount of susceptibility to groundwater contamination. A more detailed mapping project, the Vancouver Island Water Resource Vulnerability Mapping project, will provide a greater depth of analysis on the susceptibility of water quality to hazards associated with human use and land use. Due to be completed later in 2008, this study will result in susceptibility maps for the Southern Gulf Islands that will categorize existing aquifers due to intrinsic factors associated with underlying geology, hydrology and potential contaminants. The study will identify and compile an inventory of potential hazards and sources of contamination in the area.

Surface Water: Surface water sources are also closely monitored in those locations where it is used, primarily on Mayne and Salt Spring. There are five major drinking water lakes in the study area: Magic Lake on North Pender and St Mary, Weston, Cusheon and Maxwell Lakes on Salt Spring. St. Mary Lake, Cusheon Lake and Weston Lake on Salt Spring, have all reported phosphorus levels and stormwater flows above provincial criteria in 2006. Onsite sewage treatment systems are a likely source. In 2005**,** St. Mary Lake experienced a major algal bloom. Test results found algal toxins in numbers that exceeded Health Canada's lifetime-exposure limits by as much as 13 times. It is important to note that no toxins were found in the treated drinking water in an April 2005 test. While total phosphorus values in St. Mary Lake's water column have decreased since 1980, phosphorus values are still exceeding the criteria for recreation and aquatic life.

WATER CONSUMPTION

In late 2006, a rainwater use and availability study was conducted for the Islands Trust[11]. While the study focused on Mayne Island, it provided valuable data on residential water consumption for all of the study area islands. The study also included a survey of households, Water Districts on a number of islands and the CRD. The table on the next page illustrates annual household water consumption (2004-1005) for different types of households.

One finding of particular note is that lower annual household water use was found in the study area's smaller Water Districts where many of the homes are occupied by part-time or seasonal residents (i.e., "tourist" residences). Based on the estimates of made by water District representatives, it is assumed that 1/3 of these smaller Water District households are 1/3 are weekend/seasonal residents (50%occupancy) and 1/3 are summer season residents (35% occupancy). The remainder is full-time residents.

Water consumption in these low use areas may increase should, as many observers predict, the owners become full-time residents as they retire in the near future. Many Water Districts expressed the view that an increased proportion of full-time households will create little or no increase in average summer water consumption, as new homes and those being renovated to accommodate full time use are typically including water efficient fixtures and appliances.

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[10] CRD website

[11] Rainwater Availability and Household Water Consumption for Mayne Island, Madrone Environmental, October 2006.

Table 7: Average annual household water consumption

Location/Description of Household	Annual Household Water Consumption
Average household in CRD and North Salt Spring Water District (mostly full-time occupants)	273,000 L
'Water-rich' Gulf Island residential households, i.e., on healthy well or piped water (mostly full-time occupants)	180,000 L
'Water-poor' residential households, i.e. on poor wells and/or rainwater (mostly full-time occupants)	132,000 L
Rainwater-dependent full-time households with water saving features (indoor water use only)	116,000 L
Average household (water connection) in 'water-rich, small Water Districts on Salt Spring Island and Galiano (mix of full and part-time residents)	149,000 L
Average household (water connection) in 'water-poor', small, conservation-oriented Water Districts on Mayne and Pender Islands (mix of full and part-time residents)	71,000 L

Source: Madrone Environmental, 2005

The study and other research (notably the Salt Spring Island Community Profile & Data Inventory, November 2006) note that summer water use for the between May and September is significantly higher than fall/winter use. Across the study area, summer use levels range from 145 -215% of the fall/winter monthly averages (October to April). Peak summer month use occurs in July and August (the height of tourist season) and, in some cases, is triple the fall/winter average.

The biggest contributors to increased summer demand are an increase in summer residents and visitors (i.e., water consumers) and seasonal non-potable, or outdoor, uses like gardening, irrigation and outdoor cleaning. The Mayne study found that island Water Districts estimate that outdoor/non-potable use accounts for between 8% and 35% of total summer water use.

The study estimated summer season household demand for non-potable water (i.e., water that is used outdoors for gardening, irrigation, etc.) at 19,000 litres. This represents 20% to 35% of total summer water consumption and 18% of total estimated average annual household water demand. The study further estimated that residential household demand of non-potable water will increase by 20-25% over the next 30 years.

Many Water Districts (notably Salt Spring's North Island Water District) also feel that specific tourist-related water consumption is also a factor. While recent quantitative data is not available, island Water Districts interviewed as part of the Mayne study felt that B&Bs are responsible for increased water consumption during peak season. In 1994, as part of Tourism Growth Management Study, Salt Spring's North Island Water District compared annual water consumption at B&Bs versus "average" residences. Their research showed that B&B's on average used 14% more water[12]. There are approximately 55 B&Bs on the Southern Gulf Islands and another 81 on Salt Spring Island.

One measure of increased visitor-related water consumption can be derived from flows at the Ganges Waste Water Treatment Plant. The plant services Ganges and surrounding communities, including a

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[12] Wark, Robyn. Tourism Growth Management: Issues and Opportunities on Salt Spring Island. Centre for Tourism Policy and Research, SFU, December 1994.

large number of commercial (often visitor-related) businesses in the village. During the summer, waste water flows are reported to be, on average, 18% higher than during the winter months. The additional flows through the plant represents, on average, an additional consumption of about 80 cubic metres of water a day during the peak summer months versus an "average" day in March.[13]

The Mayne study concluded that increased numbers of people in part time residences will increase average household water use in the future. This increase, study authors contend, will result from an increased number of larger seasonal homes that are used by more people for longer periods of time, as well as an increased number of vacation rental properties. Overall, the study estimated that annual water consumption on Mayne Island in part-time occupied homes will increase by 20%, which will increase average household water use on the Island, by 13%.

The study author were of the opinion that only strong government regulations and accompanying incentives and/or disincentives (i.e. pricing, penalties, etc.) will be the only factor that will prevent this potentially unsustainable level of increased outdoor water use.

More recent studies carried out by the North Salt Spring Water District, the largest water district in the study area, for Salt Spring Island's Official Community Plan revision project determined that there is currently no supply-demand "problem" now. However, the report did acknowledge that demand is likely to build up over the years and that it will be important to study the various alternatives that could reduce the impact of a long severe drought on St Mary Lake. To improve baseline information, the study also recommended installing flow measuring systems at the outlets from Maxwell and St Mary lakes as soon as possible, to help provide a firm base for future planning.

Low flush toilets are not mandatory in the CRD for new construction and renovation.

WASTE AND STORM WATER

The Ministry of Environment regulates sewage flows greater than 5,000 imperial gallons per day (about 16 houses), and the Ministry of Health for lower flows. The majority of liquid waste is handled by septic fields in the study area. There are, however three sewer systems in the study area; two on Salt Spring (one in Ganges and a smaller facility in Maliview) and one on North Pender (Magic Lake Estates). The Salt Spring systems send their semi-solid waste to a liquid waste disposal facility off Burgoyne Bay Road on Salt Spring Island for further treatment and disposal. The CRD-operated facility also receives septage from and other Southern Gulf Islands. Waste sludge from the Magic Lake Estates Sewer on North Pender is trucked to a facility in Langford, or if ferry schedules permit, to the Burgoyne facility. The table summarizes the liquid waste systems discharging to the marine environment in the study area for 2005.

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[13] An average summer day flow in July is 555 cubic meters versus an average winter day flow of March 470 cubic meters. Personal contact: Gary Hendren, CRD Water Services

Table 8: Sewage outfalls serving the study area

Service Area and System Name	Average annual flow 2005 (m3/day)	Treatment	Discharges to
Salt Spring Island			
Ganges Harbor	520	Disinfected secondary*	Near Captains Pass
Maliview	45	primary	Trincomali Channel
North Pender Island			
Schooner Way	160	Disinfected secondary	Swanson Channel
Cannon Crescent	25	Un-disinfected secondary	Swanson Channel

Source: Environmental Services, CRD for regional district's facilities, Parks Canada
* Note: Ganges uses a membrane bioreactor technology which produces high quality effluent equivalent to tertiary treatment

In 2006, the outfall from the Ganges plant had 100% permit compliance and the plant had no odour complaints. Summer flows are about 18% higher than winter flows in Ganges. Saturdays tend to be the busiest days during summer and flows averaged almost 600 cubic metres in 2006 and 2007 versus an average Saturday volume of 450 cubic metres during March 2006/2007[14].

In 2006, storm water flows into St. Mary Lake and Lake Weston on Salt Spring Island were above provincial storm water criteria (i.e., pollutant content).

3.2 SOLID WASTE AND RECYCLING

Garbage collection in the Southern Gulf Islands is provided by private waste collection companies who transport landfill waste off-island to the CRD-operated Hartland landfill on Vancouver Island. Many residences, particularly seasonal or part time residences, handle their solid waste independently.

Recycling in the Southern Gulf Islands is on a drop-off basis at local depots located on each of the islands. The depots are operated by the community associations under contract with the CRD. Items accepted for recycling vary from island to island. According to representatives from local recycling centres, recycling volumes fluctuate significantly in line with high and low tourist seasons. Many depots adjust their hours during high times and several face capacity challenges during this time. Interesting, this isn't the case on Salt Spring Island, where volumes fluctuate only small amounts from month to month and there is no significant correlation with the summer tourist season.

According to a recent study carried out for Salt Spring Island Electoral Area, non-resident material (i.e., tourist generated) brought to the Salt Spring Island Recycling depot accounts for 10% of material/year. Residents generate an estimated 115 kilogram recyclables annually. The majority of materials are mixed waste paper, including newspaper.

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[14] Personal contact: Gary Hendren, CRD Water Services

3.3 HEALTH AND EMERGENCY SERVICES

Health centres with varying degrees of services operate on all the islands. Salt Spring is also served by a 50-bed hospital which serves the other islands.

Fire protection on the Southern Gulf islands is generally provided by a local improvement districts or independent societies and committees. Most fire halls are primarily run by volunteers who are responsible for fire protection and the coordination of emergency programs for residents. Fire protection services are operated as a CRD service on some islands, are under contract with the CRD, or given financial contributions by the CRD. The BC Ambulance Service maintains ambulance stations on each of the islands.

Salt Spring emergency call records show a summer 'spike' and a smaller 'spike' during winter holidays when more visitors on the island.

On Salt Spring Island, emergency call records clearly show a seasonal spikes in calls during the July and August summer holiday season. There are also smaller, but significant increases in December and January which correspond to winter holiday breaks. Complaints and first responder (medical emergencies) calls predominate. The spikes in emergency calls correspond with periods of increased visitor activity and would indicate that part-time and recreational visitors place an additional strain on emergency services.

3.4 TRANSPORTATION

This sub-section examines both on-island transportation linkages and systems and transportation linkages to the islands.

BC FERRIES

The overwhelming majority of visitors (95%) get to the Southern Gulf Islands using BC Ferries. BC Ferries serves all of the Southern Gulf Islands except South Pender which is accessed by road via North Pender. Departure terminals include Tsawwassen on the Lower Mainland, Swartz Bay on Vancouver Island and a small terminal Crofton on Vancouver Island which serves Salt Spring Island only. Gulf Island terminals include Lyall Harbour (Saturna Island), Otter Bay (North Pender Island), Sturdies Bay (Galiano Island), Village Bay (Mayne Island) and Vesuvius, Long Harbour and Fulford Harbour on Salt Spring.

Ferry travel patterns and volumes have remained relatively consistent over the years with only a slight dip of about 1% between 2006 and 2007 fiscal years. Travel to the islands is busiest during the summer months with the increase in traffic beginning in May. Volumes drop considerably during the winter months with small increases during the winter holidays.

In fiscal 2007, 1.067 million people travelled from Tsawwassen, Swartz Bay and Crofton to the Southern Gulf Islands. Approximately 60%, or almost 640,000 passengers, were considered visitors. Salt Spring Island was the largest visitor destination in 2007, accounting for almost 370,000 visitors (58% of all visitors to the study area).

During fiscal 2006, 16,846 bicycle trips were made from the Lower Mainland and Vancouver Island to the Gulf Islands. Approximately half of these trips originated in Tsawwassen. In fiscal 2007, the number of bicycle trips grew by 2% to 17,105. Again, half of these trips originated in Tsawwassen. August and July are the busiest months for bike traffic, while, not surprisingly October through March are the slowest months.

Walk-on pedestrian traffic is comparatively high. While figures for Swartz Bay – Gulf Islands (Route 5) were not available, walk-on pedestrian traffic from Tsawwassen accounted for 29% of total passenger trips. Walk-on traffic peaks in August (over 12,000 from Tsawwassen to the Gulf Islands) and is at its lowest in February (2,500 from Tsawwassen to the Gulf Islands).

As the principal means of getting to the Gulf Islands, BC Ferries has experienced delays and over-bookings (i.e., sailing waits), particularly during the summer visitor months when demand is greatest. Overall, the greatest number of overloads occurs during July and August and is concentrated on holiday weekend and weekend sailings during those months. Sailings from Village Bay (Mayne Island) to Otter Bay (Pender Island), the transfer terminal for people going to Swartz Bay from the Southern Gulf Islands, and Fulford Harbour (Salt Spring Island) to Swartz Bay have, on average, the highest number of overloads at just over 16 vehicles per sailing (based on an average of total overloads divided by total sailings).

During July and August 2007 a total of 4,821 vehicles were left waiting broken down as follows:

- Personal vehicles under-height: 4,438 in 527 instances
- Personal vehicles over-height: 187 in 475 instances
- Commercial vehicles: 91 in 127 instances
- Semi: 35 in 31 instances
- Buses: 2 in 2 instances

The most recent data available on the residency of ferry passengers is from 2006. It shows that bulk of passengers is from the Lower Mainland and Vancouver Island. Interestingly, the numbers of Vancouver Island/Lower Mainland origin passengers remained fairly constant through the shoulder, peak and off-season and may indicate the year round tourist appeal of the Gulf Islands to local travelers. While Vancouver Island/Lower Mainland residents are travelling principally to recreate, visit and to lesser degree, work, it quite likely that passengers from other parts of BC, Canada, the U.S. and abroad are travelling almost exclusively to recreate. As expected, the numbers non-Vancouver Island/Lower Mainland travelers peak during the high season.

BC Ferries is the main mode of transportation to and from the Gulf Islands with 640,000 visitors using the system in 2007.

Table 9: 2006 Ferry Passenger Origins

	Shoulder Season (June)	Peak Season (August)	Off-peak Season (November)
Vancouver Island	33%	30%	37%
Gulf Islands	8%	6%	13%
Lower Mainland	41%	42%	41%
Other B.C.	3%	5%	3%
Canada	5%	7%	3%
US	5%	5%	1%
International	5%	4%	1%

Source: BC Ferries, 2007

An internal report prepared by BC Ferries in 2005 determined that, on average, 75% of travel to the Southern Gulf Island during peak summer months are visitors, ranging from a low of 66% of passengers leaving Crofton to a high of 86% of Tsawwassen passengers.

Overall, it is worth noting that while BC Ferries traffic is decreased on the Gulf Islands routes about 1% (the so-called minor routes), it increased during the same period 1% on the so-called major routes (Tsawwassen to Swartz Bay and Horseshoe Bay to Departure Bay). Some observers feel that the decline is due not only to declining number of overnight visitors from the US (a 2% decline 2007 to 2006, Tourism BC), but also to increasing ferry fares. The rate of fare increases on the minor routes has been double that on the major routes and many resident islanders have been unhappy with this inequity.

PORTS AND MARINE TRANSPORTATION

In addition to BC Ferries, there is considerable recreational traffic in the study area that is supported by shore-side infrastructure and services, including commercial fuel sales, marine supplies and moorage. The table below lists commercial marinas in the study area that provide temporary moorage and a variety of services to visiting boaters and permanent moorage to resident boats. Private facilities (e.g. yacht clubs) and public wharfs are not included in the table.

Table 10: Commercial Marinas in the Study Area

Name of Facility	Location
Poets Cove Resort	South Pender Island
Port Browning Marina	North Pender Island
Otter Bay Marina	North Pender Island
Fulford Harbor Marina	Salt Spring Island
Montague Harbor Marina	Galiano Island

Source: Lions Gate Consulting, 2006

Historically, Transport Canada maintained a number of federal docks in the Gulf Islands. These facilities ranged from significant local or regional operations to small facilities with little or no commercial traffic. Under the National Marine Policy, these ports are being transferred to local government and community control. The table on the next page illustrates federal ports that are being turned over to (or have already been turned over to) regional and local control.

Table 11: Regional and Local Ports in the Study Area

Facility	Location
Port Washington	North Pender Island
Hope Bay	North Pender Island
Browning Harbour	North Pender Island
Miners Bay	Mayne Island
Montague Harbor	Galiano Island
Sturdies Bay	Galiano Island
Fulford Harbour	Salt Spring Island

Source: Transport Canada, 2006, Islands Trust, 2008

There is also a water taxi service that serves the islands and is used to transport high school students from the outer islands to the high school on Salt Spring.

Based on available moorage and marina occupancy estimates for Salt Spring Island, it is conservatively estimated that 6,000 visitors access the Gulf Islands on private recreational boats. Their associated impacts are difficult to ascertain and would require another level of research and study beyond the scope of this report. A visitor survey conducted for the Gulf Islands National Park Reserve did note higher boater traffic and return visits by boaters than was expected.

AIR ACCESS

While the majority of visitors reach the Gulf Islands using BC Ferries, a small number travel to the islands by air. Three sea plane airlines, Harbour Air, Sea Air and Salt Spring Air, all provide daily scheduled flights from the Gulf Islands to the Lower Mainland. Collectively, these airlines provide over 16,000 flights to and from the Gulf Islands. Based on interviews with the airlines, it is estimated that approximately 20,000 visitors reach the Gulf Islands via air. This does not include charter flights which are available from Vancouver, Victoria, Nanaimo, Seattle and other major cities in the region.

In terms of direct impacts associated with air travel to the islands, some residents have made noise complaints and crowding has been reported in Ganges Harbour, the Gulf Island's busiest commercial and recreational harbour during the summer months.

ON-ISLAND TRANSPORTATION

Once on the islands, transportation options are quite limited and the majority of visitors rely on private vehicles to move around the individual islands. Research for this study determined that there is approximately one vehicle for every two visitors to the islands. This translates to an estimated 275,000 visitor cars in 2007, 165,000 of which were on Salt Spring. While the large number of visitor vehicles would likely impact the limited road network and generate additional road maintenance needs, no information on the subject was available.

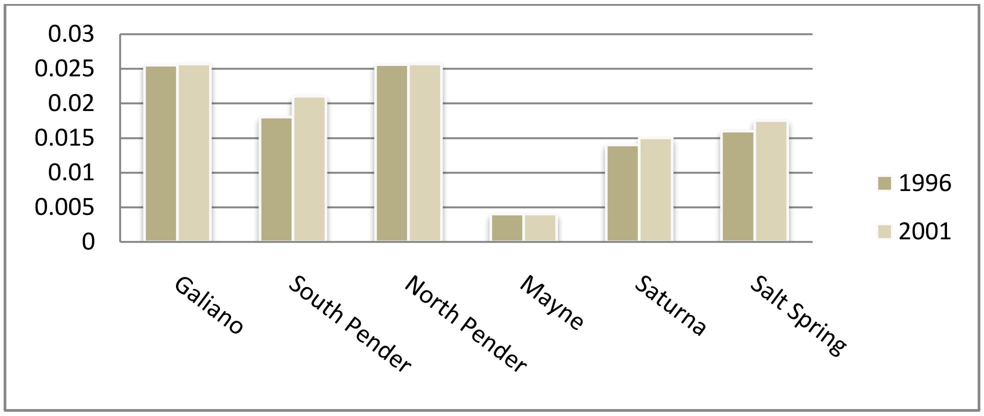
A parking study was conducted for the Salt Spring Chamber of Commerce for the village of Ganges in 2006. It determined that parking, or rather the shortage of parking, is more of a perceptual problem than a real problem and that the current service levels are good to adequate. There are some concerns that the development of new public facilities in Ganges (e.g., a new library) could exacerbate the parking problem (real and perceived).[15]

Even the significant numbers of walk-on passengers tend to arrange vehicle pick-up on island to get to their destination. During the summer months, a significant number of tourists tour the islands by bicycle (approximately 15,000 over the summer of 2007). Still, in comparison to the number of vehicles on island the number of cyclists is very low and none of the islands have dedicated bicycle facilities (i.e., routes, bike lanes, etc.). Cyclists share the sometimes narrow and twisty island roads with vehicles. There are walking/pedestrian trails on the islands, but like bicycle facilities, pedestrian facilities are limited on the islands.

Both Salt Spring and Galiano Islands offer car, boat and moped rentals. Salt Spring, Galiano, Mayne and the Penders all have a taxi services. Bike rentals are available on Galiano, Salt Spring and Mayne.

As illustrated by the table, the study area is still served by a limited and rural road network that has not been developed or extended much over the years. The narrow, rolling island roadways are a unique and valued part of the island way of life and many individuals and agencies/OCPs have expressed a strong desire to maintain the roadwork as a rural system.

Table 12: Road density per hectare 1996 to 2001



Source: CRD Demographic Atlas, 2004

As of January 2007, a new public transit service was launched on Salt Spring Island. In partnership with BC Transit, Salt Spring Island Transit operates four routes with two 20-passenger minibuses. The service provides peak AM and PM service on the following routes:

- Ganges (serving the hospital and seniors areas, high school and the recreation centre)
- Fulford Harbour – Ganges
- Vesuvius –Ganges
- Long Harbour – Ganges

The lift-equipped buses detour off regular routes to pick up and drop off passengers where and when possible. The costs of the service are shared between the CRD and BC Transit. It is intended that passenger fares will cover 15%-20% of operating costs. To date, ridership has been above expectations.

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[15] A new library was recently constructed in Ganges with only 33 stalls. The number of stalls did not meet OCP parking requirements. Personal communication, Andrea Gale, Salt Spring Island Chamber of Commerce, Kevin Bell, Mouat's Hardware.

3.5 HOUSING

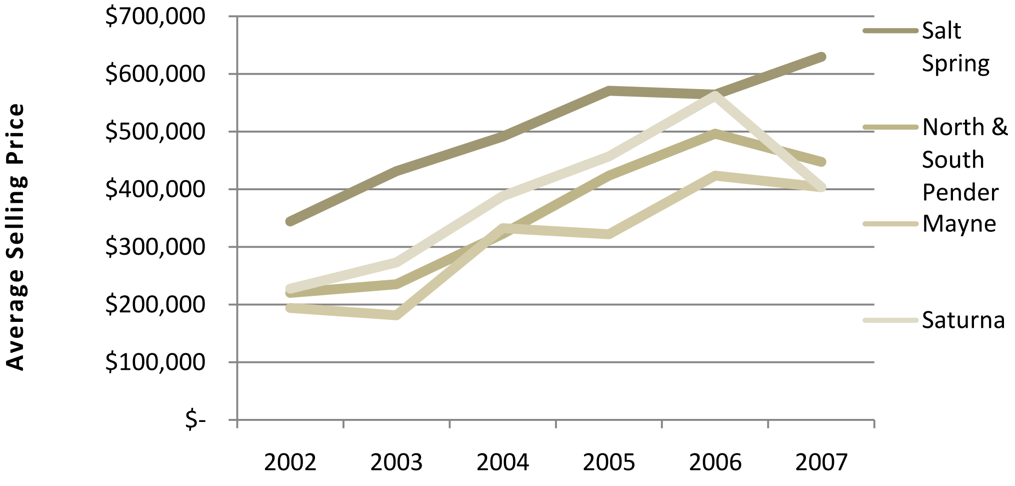
Tourism and housing are intricately linked in the southern gulf islands. This is for two reasons. First, the majority of islands property owners are part-time, recreational owners (i.e., visitors) who tend to visit the islands during peak periods (i.e., summer, winter holidays, long-weekends, etc.). Second, there are a large number of non-resident employees and resident non-property owners who are employed in the tourism industry (typically seasonally) who require rental housing and/or shorter term housing during peak season.

HOUSING COSTS

Indicator 3.1 on page 10 of this report clearly illustrates how the selling price of homes on the islands has doubled between 2002 and 2007. As with the larger region, housing costs in the study area have increased dramatically over the years – over 91% on average between 2002 and 2007. Today, housing has become so expensive on Salt Spring that realtors now consider it statistically to be a part of the Vancouver or Victoria market.

Sales volumes on Salt Spring and the Pender Islands rebounded in 2007 after a slight dip in the previous year. New developments on Salt Spring are the most likely cause there, while on the Penders, this is likely a result of large inventories and a leveling off of prices. Mayne and Saturna volumes remained relatively static from 2002 to 2007. The chart below illustrates the rising cost of housing in the Gulf Islands. Galiano is not included given the low number of sales and the number of 'premium' property sales which skew the results. Looking to the other islands, while prices have leveled and even dropped off, particularly on Mayne and Saturna Islands (the result of a buyer's market where the inventory of housing is larger than the number of buyers in the market), housing has become increasingly unaffordable for residents.

Table 13: Housing Costs – Trends 2002 - 2007



Source: Dockside Realty, 2007, Victoria Real Estate Board, 2007

When reviewing housing costs in light of average income statistics for islanders, it is apparent that housing is out of the reach of many residents who do not already own. A 2003 Islands Trust report on affordable housing found that the percentage of residents in core housing need to be, on average, 20% in the study areas (ranging from a low of 17% on Mayne to a high of 22% on Saturna)[16]. According to the Canadian Mortgage and Housing Corporation, a household is considered in core housing need "if they cannot find somewhere to live that is in reasonably good condition and is big enough for their household without spending more than 30% of their income."

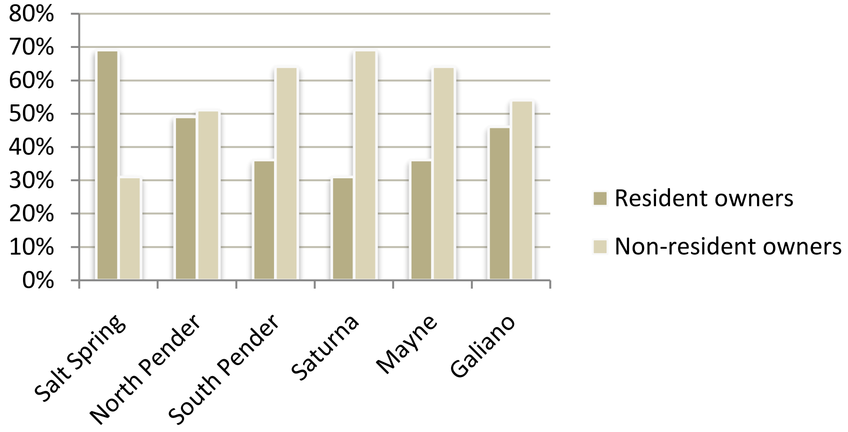
There is a clear link between visitors and the rising housing costs illustrated by the table. With non-resident ownership averaging over 50% in the Southern Gulf Islands Electoral Area and 30% on Salt Spring, recreational and retirement purchasers are helping push the market and make housing more and more unaffordable for residents.

HOME OWNER RESIDENCY

The ratio of resident-non-resident owners varies significantly by island. The table on the following page is based on 2007 BC Assessment property owners mailing address information. Calculations were based on the number of parcels (by parcel identifier [PID] not the number of property owners) and excluded crown land, parks, schools, and institutional owners (e.g., BC Hydro, BC Ferries, Telus, etc.).

The majority of non-resident buyers (approx. 40%) are from other parts of BC, primarily the Lower Mainland and Vancouver Island. The next largest segment come from Alberta, specifically Calgary and Edmonton. Approximately 5% are estimated to be U.S. or other international buyers. Most non-resident buyers are purchasing vacation homes for future retirement. Interviews with Island Realtors indicate that many of these buyers intend to retire full-time to their new homes within the next 5- to 10-years. The second most frequent type of buyers are those people looking to purchase vacation homes. The third and, according to realtors, smallest group of buyers are those purchasing primary residences and moving to the islands permanently.

Table 14: Home owner residency 2007



Source: BC Assessment Authority, 2008

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[16] Daniels, Normandy. Options for Affordable Housing: New Solutions to the Housing Crisis in the Islands Trust Area. Islands Trust, 2003

RENTING

According to the 2006 Census, 18% of permanent residents on Salt Spring, and 15% of permanent residents on the remaining Southern Gulf Islands rent their long term accommodations. Unfortunately for the large percentage of renters, securing a longer-term rental property in the Southern Gulf Islands has always been difficult due to limited supply of rental properties and consistent demand. Currently, there is an extremely limited amount of both purpose-built, fully permitted rental housing stock (e.g., apartments, legal suites, duplexes, etc.) and non-permitted housing such as illegal suites, converted outbuildings and cottages, etc. Indeed, it is widely reported that the rental vacancy rate is below 1%.

Property managers and realtors also report that monthly rentals have increased substantially in cost over the past five years. The average monthly rental cost for a 3-bedroom single family dwelling on North Pender in 2007 was $900-$1000. On Pender, the shortage of long-term rental accommodation is partly a result of the island's large resort (Poet's Cove) renting most of the available rental accommodation for use as staff housing. A 2004 survey of renters on Salt Spring Island, found that over half of the 300 surveyed were paying over 30% of their income on housing costs.[17]

Given the challenges of the rental market, the number of households renting in the study area is significantly below the provincial average. Currently, the area ranks 38th out of B.C.'s 85 Local Health Areas for the proportion of renters spending more than 30% of household income on housing.

A 2003 Islands Trust report on affordable housing found that the percentage of residents in core housing need to be, on average, 43% in the study areas (ranging from a low of 12% on Mayne to a high of 75% on Galiano)[18]. According to the Canadian Mortgage and Housing Corporation, a household is considered in core housing need "if they cannot find somewhere to live that is in reasonably good condition and is big enough for their household without spending more than 30% of their income."

Overall, the demand for residential recreational property has limited the development of rental housing on all of the islands. Some non-resident owners also offer their homes as 'short-term rental accommodation' for visitors. This practice is not only illegal on all islands except on South Pender, but employees and temporary residents seeking more affordable rental accommodation are unable to afford the more expensive rentals that are targeted towards short-stay visitors. This limits the availability of seasonal employees and lower wage tourism employees to find suitable housing which, in turn, can adversely affect the tourism labour market and by extension business revenues, visitor experiences and overall customer/visitor satisfaction.

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[17] From, Salt Spring OCP Review Data Inventory

[18] Daniels, Normandy. 2003.

4. TOURISM CAPITAL

The term 'tourism capital' refers to natural, historic, cultural and recreation resources upon which a tourist economy relies to attract tourists and sustain its industry. This section briefly explores the natural and cultural features that attract tourists to the region and the direct tourist services and businesses like accommodations and tour businesses that both sustain and are supported by the local industry.

4.1 PARKS, RECREATION AND PROTECTED AREAS

The Gulf Islands natural beauty and its accessible, diverse and unique marine and terrestrial ecosystems are one its principal attractions. Their protection and enhancement is important not only to the species that rely upon them, but also to the tourists who visit them. Their protection, of course, is equally important to residents who have been instrumental in the creation of several important protected areas through high-profile, community-based initiatives.

Today, there are seven provincial parks and five Capital Regional District parks in the study area. These range in size from small two hectare parks to larger, 200 hectare parks. As illustrated by the table below, many other locally administered parks exist in the Southern Gulf Islands area. In the table, the Protected Areas column corresponds to areas under the administration of Islands Trust Fund which include lands protected by covenants held jointly with the Islands Trust and local conservancy organizations (e.g., The Land Conservancy). It does include not land protected by covenants held by Local Trust Committee.

Table 15: Protected Areas by Type (area – hectares)

	Community Parks	Protected Areas	Regional Parks	Provincial Eco-reserve	Provincial Parks	National Park	**Total Protected Area by island**	**% total area protected by island**
Mayne	26	1	49	0	0	11	86	4%
Galiano	15	641	34	25	433	0	1148	20%
North Pender	65	116	0	0	0	312	493	18%
Salt Spring	119	389	317	762	915	0	2501	14%
Saturna	3	11	0	0	0	1407	1422	42%
South Pender	9	8	5	0	0	279	301	33%
TOTAL	**237**	**1166**	**405**	**787**	**1348**	**1686**	**5951**	

Source: Parks Canada, Islands Trust, 2007

As shown, the Gulf Islands National Park Reserve is the largest type of protected area in the study area. It was established in 2003 and includes a 25-metre inter-tidal zone and an additional 175-metre marine zone which combined total 25 square kilometres. The park spans over the Southern Gulf Islands from Prevost Island in the north to D'Arcy Island in the south, encompassing nine former provincial parks and marine parks in addition to two provincial ecological reserves (Prior Centennial, Cabbage Island, Princess Margaret Marine Park, Beaumount Marine Park, Isle de Lis, Winter Cove Park, MacDonald Campground, Sidney Spit, D'Arcy Island). Management guidelines are being developed in tandem with the development of a comprehensive park management plan that will be completed over the next five to six years.

According to BC Parks, the use of provincial parks for overnight camping, day use and boating use has declined steadily throughout the province and in the study area. Provincially, 2006 usage was down approximately 20% below 1992 levels. Day use and boating use did experienced growth between 2003 and 2005, although camping use remains on a steady, gradual decline[19]. This decline (though not as pronounced in the study area) is nonetheless evident as the table below shows.

A number of other factors are believed responsible for declining use at provincial parks. These include declining operating and capital budgets, delays in data input and quality assurance, fee increases and parking fee charges in 2002, and an aging population, which means fewer young families with children (traditionally a major park user group).

Table 16: Salt Spring Island Provincial Park Attendance 2005 - 2007

Park	Year	Camping	Day Use
Mount Maxwell Park	2005	0	10,467
Mount Maxwell Park	2006	0	12,076
Mount Maxwell Park	2007	0	8,873
Ruckle Park	2005	5,288	27,727
Ruckle Park	2006	5,625	29,147
Ruckle Park	2007	5,282	27,098

Source: Islands Trust, 2007

AGRICULTURE

Agriculture and agri-tourism plays an important part of the overall visitor experience in the Gulf Islands, particularly on those islands where it is more prevalent, like Salt Spring and Saturna. Agriculture also contributes significantly to the overall tourist-visitor economy. Agri-tourism is a major component of the study area’s visitor-tourism economy with a variety of farm stay, farm tour, winery tour, and dining/cuisine options available. This is supplemented with sales at the farm gate and through the many farmers’ and community markets throughout the area. In 2006, approximately 435 people were employed in agriculture and other related resource-based industries[20].

The Gulf Islands have a mix of producing farms with an emphasis on fruit and specialty crop production. The study area has one of the greatest concentrations of certified organic producers in the southern Vancouver Island region. The table below provides an overview of farming on the islands. It does not capture agri-tourism revenues, as these are not counted in the agricultural census.

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[19] BC Parks data in Parks Canada. Socio-Economic Profile of the Proposed, Southern Strait of Georgia, NMCA Marine Region. Lions Gate Consulting. November 30, 2006.

[20] Census 2006

Table 16: Census of Agricultural Statistics, Southern Gulf Islands (2001)

Total number of farms	251
Total number of farms with income*	251
Total area of farms (ha.)	15,553
Number of farms producing:	
Dairy	2
Beef cattle	24
Poultry and egg	13
Other livestock	15
Field crop	15
Fruit	26
Vegetable	12
Other & specialty	86
Certified organic products	17
Total Gross Farm Receipts	$4,342,947
Average Farm Receipts	$17,302

Source: Statistics Canada, 2001 Agriculture Census
Note:* greater than $2,500

4.2 COMMERCIAL ACCOMMODATIONS

The study area boasts a relatively diverse range of commercial accommodation types for visitors. Two accommodation inventories were recently completed for the study area. The more recent*, Southern Gulf Island Accommodation Inventory* was completed in 2005 while an Island's Trust staff report on vacation rentals on Salt Spring Island was completed in 2004. A break-down of commercial accommodations is illustrated by Indicator 5-6 on page 17 on this document.

The more recent and more comprehensive inventory was motivated by the recognition that the new Gulf Islands National Park was going to increase the demand for commercial accommodation in the Southern Gulf Islands (with the exception of Salt Spring Island where commercial accommodation demand was predicted to not be substantially affected by the Park). Several notable findings emerged from the study:

- North Pender Island has the highest peak occupancy rate, after Salt Spring. The ratio of peak occupancy to permanent residents ranges from .34 on Mayne Island to .68 on South Pender.
- Short term vacation rentals are not legally permitted on any of the Southern Gulf Islands, except South Pender. Despite this, the 2005 study found them to account for just under half of the total tourist accommodation available in the study area[21].
- There are 29 campsite spaces available on Mayne Island in three privately owned campgrounds, despite the fact that campgrounds are not permitted in the OCP guidelines for Mayne.

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[21] Since the time of the study, improved by-law enforcement has greatly reduced the number of short-term accommodations in the study area.

- Galiano Island offers the largest full service campground in the study area with 41 spaces in the Montague Harbour Provincial Park. This accounts for a full 19% of the island's total accommodation spaces.
- On Saturna Island, accommodation options are evenly distributed amongst indoor commercial spaces and bed and breakfasts. Saturna has the smallest peak occupancy number of all the Southern Gulf Islands.

The Southern Gulf Island Accommodation Inventory does caution that there may be many accommodation spaces which are not publicly advertised and therefore in some cases, the numbers may be underestimated. The Vacation Accommodation Task Force on Mayne Island has conducted a similar accommodation inventory and found substantially more vacation rentals and bed & breakfasts. It is believed that this discrepancy is due to the fact that many of these are only marginally advertised or only through word of mouth.

The Salt Spring Island study was undertaken to determine the capacity, under existing zoning, for new vacation units and included accommodation types not included in the other study, including marinas, guest houses and tourist hostels. While the study included short-term vacation rentals, Islands Trust representatives feel that that the number of short-term vacation rentals has dropped substantially since 2004. This is due partly to test enforcement of the zoning by-law which has resulted in one owner of an illegal vacation rental being been taken to court by the Islands Trust.

It is worth noting that a large proportion of visitors to islands do not stay at commercial accommodations, instead staying in recreational properties they own, at friends' recreational properties and with permanent residents. Calculating the percentage of visitors who do use commercial accommodations is a difficult and would require additional research and surveys. However, using seasonal visitor numbers and known commercial accommodation peak occupancy numbers it is reasonable to assume that at least 30% of visitors are not staying in commercial accommodations during the summer months.[22] A significantly higher proportion of visitor numbers would not be staying in commercial accommodations during the winter months when many of commercial accommodations close for the winter months (e.g., B&Bs) or would likely not be pleasant to stay in (e.g., campgrounds).

SHORT-TERM VACATION ACCOMMODATIONS

So-called short-term vacation accommodations are cabins, cottages and homes that are rented to visitors for short stays generally of between two and six nights. As commercial accommodations, short-term vacation rentals are legally permitted only on South Pender. On all other islands in the study area, short-term vacation rentals are not permitted. In the 2005 *Southern Gulf Island Islands Accommodation Inventory*, short-term vacation rentals accounted for just under half of the total tourist accommodation available in the study area and were the most common type of accommodation on all of the islands, except Saturna and South Pender (where they are permitted). They are less prevalent on Salt Spring Island, but still accounted for an estimated 75 units and a peak occupancy of over 400 people in 2005.

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[22] This is based on the estimated number of visitors (May to September), divided by available commercial accommodations at 75% of peak occupancy (peak occupancy is the average maximum capacity that a particular class of accommodation can accommodate overnight when all units are occupied).

The issue of short-term vacation rentals is a divisive topic in the study area and has generated considerable debate and local press coverage over the past several years. While many short-term accommodations continue to operate on the islands where they are not permitted, it is believed that recent by-law enforcement has greatly reduced their numbers. Still, they remain a major form of accommodation in the study area as any cursory on-line search will reveal[23]. Even if short-term vacation rentals have been reduced 50% since both the accommodation inventories were undertaken, at least 125 remain in operation with an estimated peak occupancy of 650 people (i.e., about 10% of total peak occupancy).

Although small in regard to bed nights, Southern Gulf Island Bed & Breakfast accommodations are popular among visitors throughout the year.

In a move to enforce its land use regulations regarding short-term vacation rentals, the Salt Spring Island Local Trust Committee initiated legal proceedings against the owners a short-term vacation property on the island in 2007. The Committee is seeking an injunction restraining the property owners from marketing or renting the property for commercial guest accommodation. This action combined with other ongoing by-law enforcement will likely continue to reduce the number of short-term vacation rentals.

HOTEL TAXES

In British Columbia, a Hotel Room Tax (HRT) of 8% applies to all short-term (less than one month) commercial accommodations sold by operators who offer four or more units of accommodation. This Hotel Room Tax is charged on the full purchase price, which is the total amount a guest pays for the accommodation plus any additional charges (beds, cribs, linens, pets, etc). Provincial legislation states that the revenues accrued from this tax are to be utilized for "*tourism promotions, projects and programs*". It is estimated that in 2006 over $14 million in HRT was collected in the Capital Regional District, 80% of which can be attributed to the City of Victoria. Approximately $830,000 in HRT was paid by study area visitors in 2006. The following table provides estimated Hotel Room Tax revenues for each of the islands in the study area. Estimates are based on BC Stats Room Revenues for 2006.

Table 17: Estimated 2006 Hotel Room Tax Collected (by Island) [24]

	HRT Collected (est.)
Salt Spring	$442,614
North Pender	$137,363
South Pender	$50,027
Galiano	$108,534
Mayne	$65,290
Saturna	$26,286

Source: BC Stats, CRD, BC Tourism, 2008

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[23] The short-term vacation rental market has largely been driven "underground" over the past few years. However, visitors are easily able to select and book rentals through on-line short-term rental agencies or through individual operators. Typically, the unit addresses are not provided until a booking and payment has been made.

[24] The Hotel Room Tax collected in the Southern Gulf Islands for 2006 was estimated by using BC Stats room revenue data for the Capital Regional District (not including Victoria). The Gulf Islands share was determined by their percentage of rooms in the data set.

In certain areas of the province, commercial accommodations are charged an additional Municipal and Regional District Tax of up to 2%.This additional tax is intended to assist municipalities and regional districts in financing and operating new tourist facilities and with tourism promotion. Currently 37 BC municipalities and districts are charging an additional hotel tax, 11 of which went into effect in 2007. In the CRD, the City of Victoria (1989), District of Saanich (1990), and District of Oak Bay (1989) charge an additional tax of 2%. It is estimated that the City of Victoria generated almost $3 million in tax revenues as a result of this tax. If the study area were to implement this additional 2% tax, total revenues generated would be approximately, $200,000 (based on 2006 room revenue data). The table below provides estimates for potential additional hotel tax revenues for each of the islands in the study area. It is worth nothing that Salt Spring, the largest and most diversified island in terms of commercial accommodations would generate 53% of the additional hotel tax revenues.

Table 18: Additional Hotel Tax Potential per Year [25]

	Potential revenues
Salt Spring	$110,654
North Pender	$34,341
South Pender	$12,507
Galiano	$27,133
Mayne	$16,322
Saturna	$6,571

Source: BC Stats, CRD, BC Tourism, 2008

4.3 TOURS AND OPERATORS

Tourism is a major and maturing industry in the Gulf Islands with a diverse range of attractions, services and opportunities for tourists. This section briefly outlines some of the tourism sub-sectors.

RECREATION & ECOTOURISM

It is estimated that there are approximately 20 local operators offering recreation or ecotourism tours in the Southern Gulf Islands. These mainly include kayak rentals/tours, bicycle rentals/ tours, boating and guiding for general sightseeing and wildlife viewing. Interestingly, those tours which are most aggressively advertised on the internet are those of non-local operators who offer a wide variety of tour types and locations, including the Southern Gulf Islands. These focus on a similar mix of activities (kayaking, biking, boating, wildlife viewing) both in the water and on land.

Outdoor recreation activities are one of the largest attractions for Gulf Islands Visitors. Tour providers can be found both on the island and in nearby cities such as Vancouver and Victoria.

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[25] The potential additional hotel tax that could be collected in the study area was determined by using BC Stats room revenue data for the Capital Regional District (not including Victoria). It is based on the 2% maximum rate determined by the Province.

ARTS AND CRAFTS

The Southern Gulf Islands are perhaps most well known for their unique offerings of local art. Made available to residents and tourists alike through creative avenues such as markets, studio tours and public exhibitions, arts and crafts are widely accessible throughout the islands. The opportunity to peruse and purchase a range of quality items is enhanced by the experience of being able to meet and interact with the individual artists. Each island provides its own mix of unique products for show and sale. Visitors can find everything from paintings, and sculptured pieces, wood turning, jewelry, pottery, gourmet food products and more. Rough estimates indicate that there are upwards of 85 active artisans (galleries/ studios) on the islands.[26] Further research carried out for this study indicates that almost 9% of island residents indicate being employed in the arts and culture industry.

Not surprisingly, arts and culture tours are highly represented in the mix of tour operators in the study area. Visitors to the islands are well supported to pursue “self-guided” tours. For the most part, these are made available through brochures and pamphlets (as well as online resources) distributed by local business associations and artisan collectives. These often include a map of local studios and galleries along with a description of products available. Local farmers’ markets also present an opportunity for tourists and visitors to tour local arts, crafts and food items. Each island has at least one regular farmers market offering a range of items from fresh produce to gourmet products in addition to arts and crafts.

CULINARY

Culinary or “gastronomic” themed tours are emerging as a new segment of the market, capitalizing on the area’s reputation for high quality, locally produced food that is often produced organically. The International Culinary Tourism Association estimates that annual value of culinary tourism in B.C. is about $2 billion. Two operators currently offer day tours around Salt Spring Island – one based out of Salt Spring Island, the other out of Victoria and offering several tour areas to choose from, including Salt Spring.

Gulf Island restaurants are helping to create a unique niche in the growing gastronomic tour market.

AGRI-TOURS

Agriculture plays an important role in the communities of the Southern Gulf Islands, economically and from both a tourism and local food security perspective. Through agri-tourism activities, residents are able to diversify their own revenues and promote the local rural character of the islands to visitors. Within the study area, an estimated 15% of total land is currently contained within the Agricultural Land Reserve (ALR).[27]

Farm tours, farmers markets, farm stays and wine tours are becoming more common as options for visitors to the island. The Mediterranean-like climate of the Southern Gulf Islands has enabled a growing wine-making industry. The study area has five active vineyards, each offering tastings and tours. This is in addition to one brew house on Salt Spring Island.

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[26] Based on online research as well as print publications made available through local organizations

[27] As of 2006, based on figures from the Sea-to-Sky Greenbelt Society and 2006 Census Profiles

Salt Spring’s Saturday Market is the best know farmers/craft market on the Gulf Islands. It takes place on Saturdays in Ganges Village, from April through October and attracts up to 5,000 people a day. A 2006 *Economic and Community Impact Assessment of the Market* estimated that the annual economic impact of the Saturday Market on the local economy was $2.8 million. The ‘spill-over’ effect that the market has on neighbouring businesses is estimated at an additional $3.3 million annually.

Salt Spring’s Saturday Market is a major visitor attraction and shopping venue for residents.

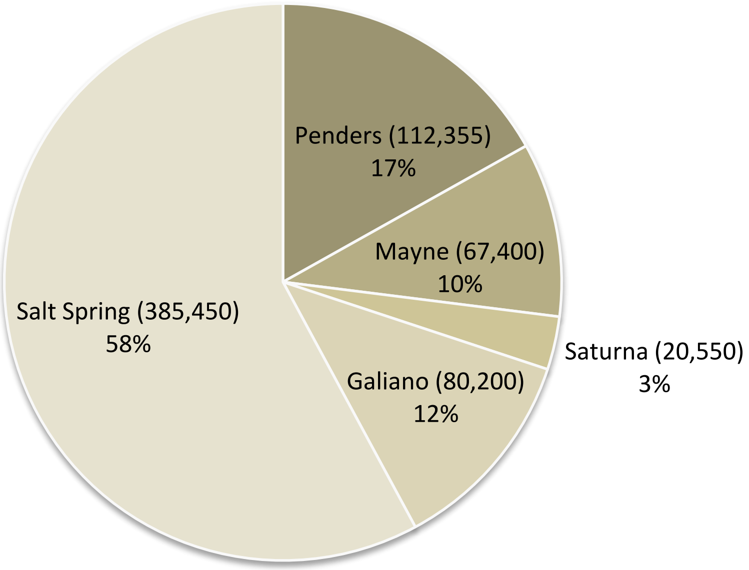
5. TOURISM MARKET OVERVIEW

The following overview provides information on trends and characteristics of the travel and tourism industry in the Southern Gulf Islands. It begins with an overview of visitor numbers and types, as well as their expenditures while on island. It then provides information on tourist demographics, characteristics, and activities. Advertising and marketing is then analyzed to gain a better understanding of tourism information available to travelers. Finally, a discussion of visitor expectations and experiences is provided to highlight non-resident perceptions of their Gulf Island experiences.

5.1 VISITOR NUMBERS AND EXPENDITURES

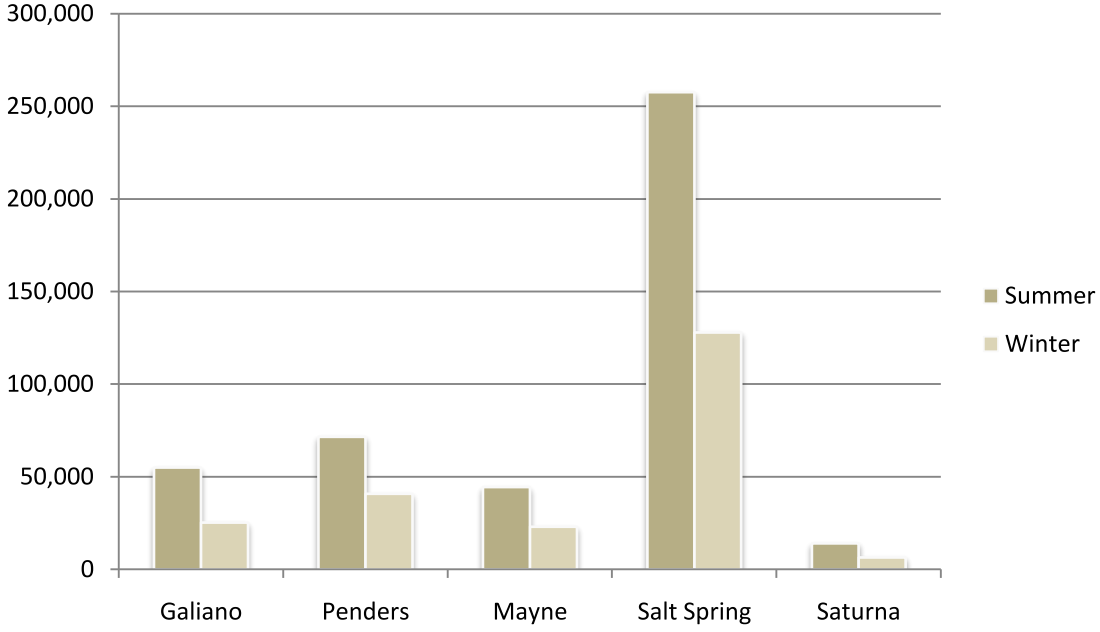
The Southern Gulf Islands received almost 670,000 visitors in 2007, with Salt Spring Island accounting for about 385,000 of the visits. The roughly 450,000 overnight guests to the Southern Gulf Islands spend an average of $80-$100 per day on accommodations, transportation, entertainment, food, and shopping in the Gulf Islands. This estimates tourism expenditures to average $35-45million per year. The largest portion of tourism expenditures can be attributed to commercial accommodations, with an estimated $10 million per year spent on hotels, lodges, resorts and B&Bs. The majority of expenditures occur between the months of May and September, which account for 66% of annual visitor numbers.

Table 19: Visitors by Island (2007)



Sources: BC Ferries, 2007; Harbour Air/Salt Spring Air/Sea Air, 2007

Table 20: Visitors by Season by Island



Sources: BC Ferries, Harbour Air, Salt Spring Air, Sea Air (2007)

5.2 VISITOR PROFILE

The following table provides a snapshot of visitors to the Southern Gulf Islands. This visitor profile takes into account eight variables to define visitor demographics, characteristics, and types. This includes:

- Mode of transportation
- Reason for Travel
- Length of Stay
- Age
- Household Income
- Region of Origin
- Accommodation Type
- Activities Participated In

Table 21: Southern Gulf Islands Visitor Profile

Variable	Visitor Trends
Mode of transportation	***Most visitors drive cars.*** In 2007, 665,000 visitors accounted for 275,000 cars. That is the equivalent of almost one car for every two visitors. ***Air travel is limited***. Four carriers account for roughly 8,000 return flights per year between the Gulf Islands and the Lower Mainland or Vancouver Island. Approximately 23,000 visitors reach the study area by air. ***Boat travel is limited.*** Although only limited moorage statistics are available, it is estimated that private boat travel accounts for only about 1% of visitors to the Southern Gulf Islands and Salt Spring. Additional research here is necessary.

Table 21: Southern Gulf Islands Visitor Profile (cont.)

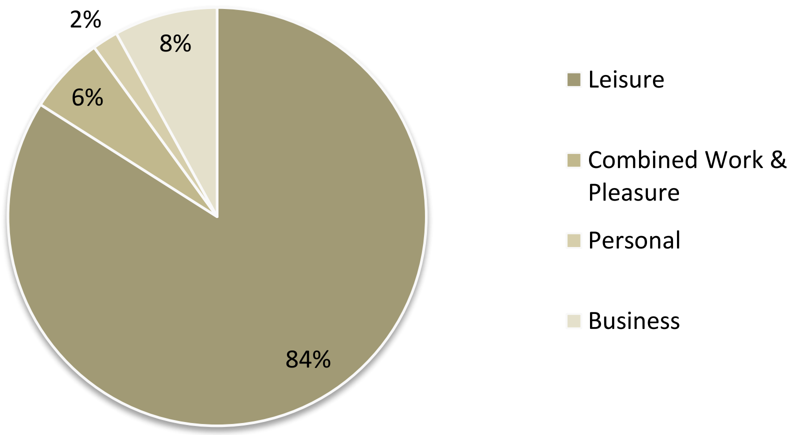
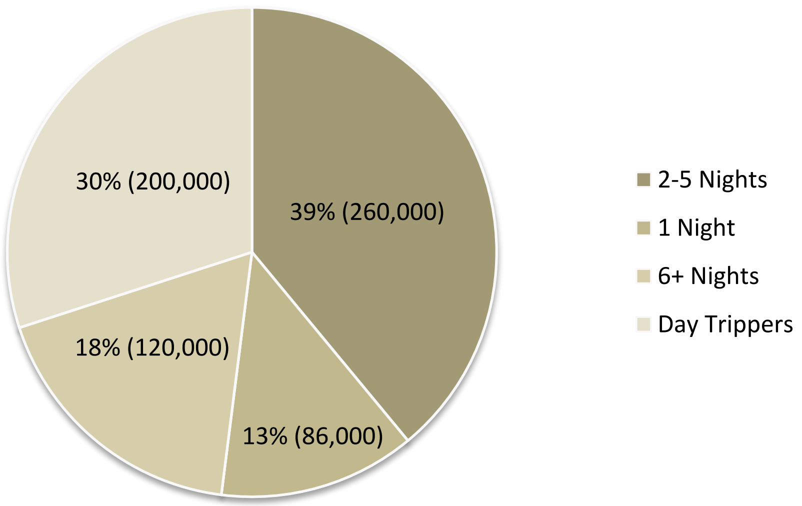
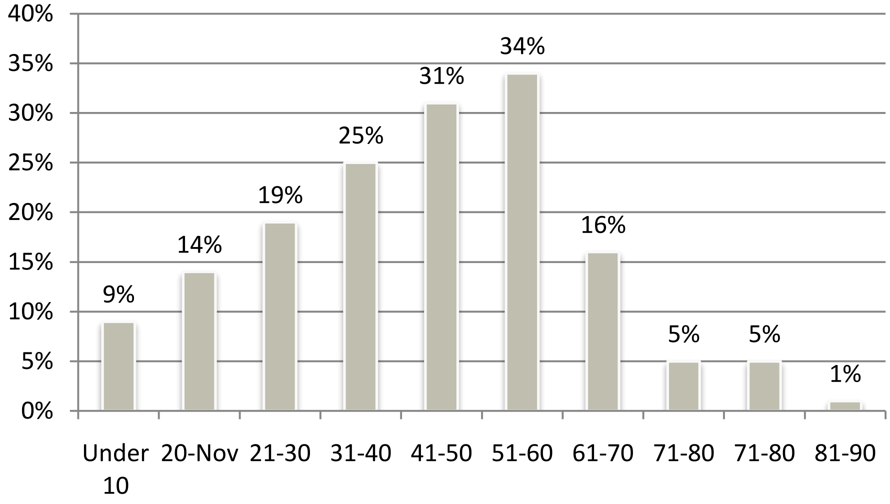
Variable	Visitor Trends
Reason for Travel	***The overwhelming majority of Southern Gulf Island visitors come for leisure purposes.*** 84% of visitors are leisure travelers or vacationers. **Purpose of Trip**  Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*
Length of Stay	***Most visitors stay overnight***, with the majority staying 2-5 nights. Thirty percent of visitors do not stay overnight, accounting for 210,000 day guests. **Gulf Islands Visitor Length of Stay**  Source: Phase Two Summer *Visitor Survey Results - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*

Table 21: Southern Gulf Islands Visitor Profile (cont.)

<table>
<tr><th>Variable</th><th>Visitor Trends</th></tr>
<tr><td>Age</td><td>

Most visitors to the Gulf Islands are middle aged. The majority of visitors are in the 40-60 age bracket with little youth or young adult participation.

Age of Visitors

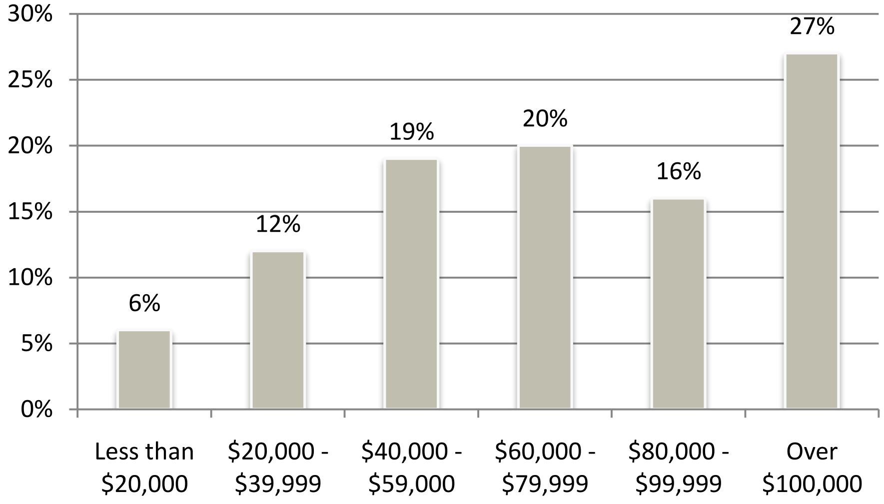


Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*

</td></tr>
<tr><td>Household Income</td><td>

***Gulf Islands' visitors have above average incomes*.** 63% of visitors to the Gulf Islands have a household income above the Canadian average of $60,000. 27% have incomes above $100,000 per household.

Visitor Annual Household Income



Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*

</td></tr>
</table>

Table 21: Southern Gulf Islands Visitor Profile (cont.)

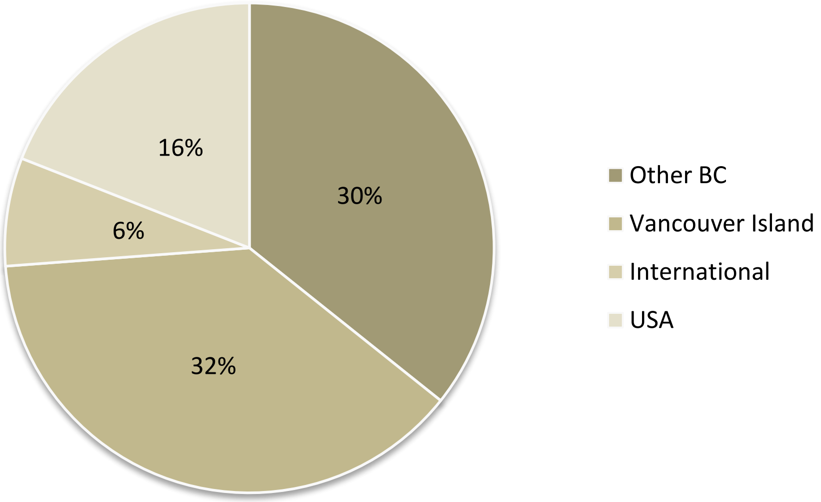
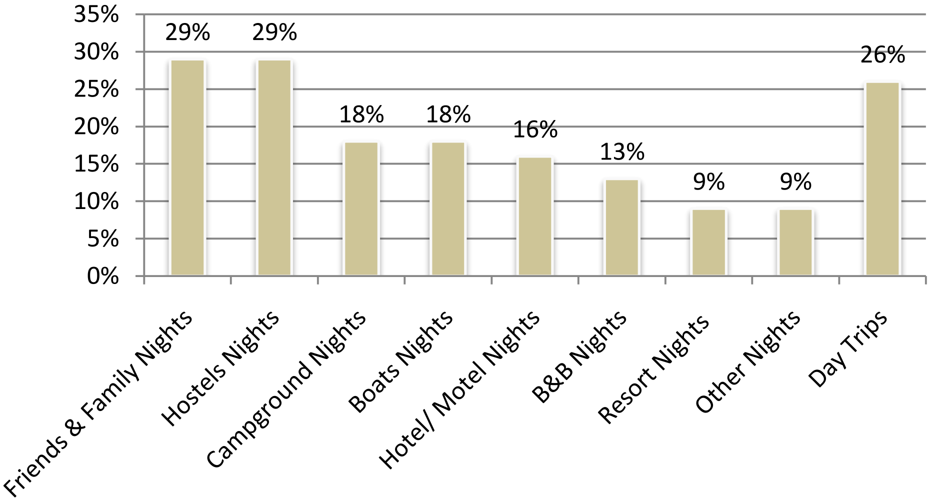
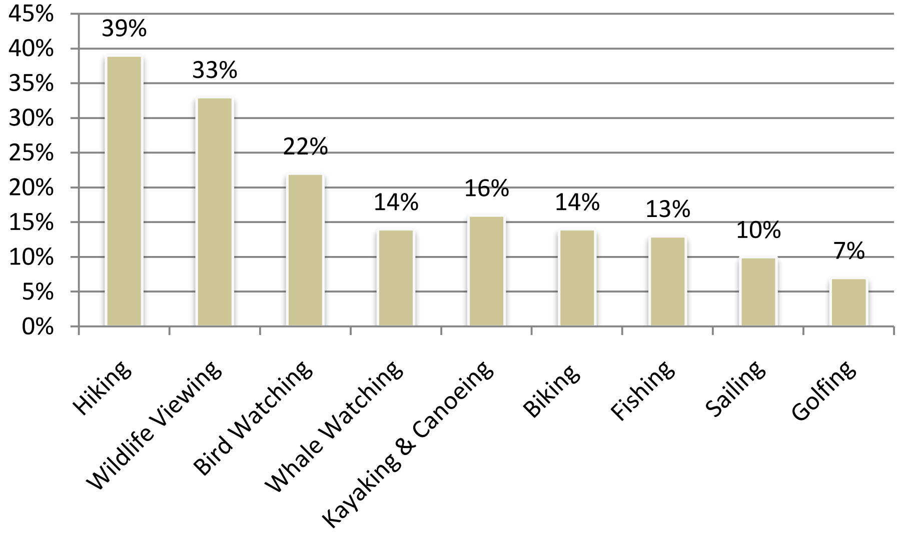
Variable	Visitor Trends
Region of Origin	***Most travelers to the Gulf Islands are from BC.*** British Columbia account s for 62% of all visitors to the islands. Only 22% of visitors are international, with the US accounting for the majority (16%). **Location of Residence**  Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*
Accommodation Type	***The most popular visitor accommodations are the least expensive.*** The largest proportions of visitors either stay in low-cost hostels or with friends and family. High end visitors make up only a fraction of annual bed nights. **Visitor Preferred Accommodations**  Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina Univ.), Tourism Association of Vancouver Island*

Table 21: Southern Gulf Islands Visitor Profile (cont.)

Variable	Visitor Trends
Activities	***Gulf Islands' visitors tend to be active.*** Popular activities include hiking, wildlife viewing, kayaking/canoeing, biking, and fishing. **Visitor Participation by Activity**  Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*

5.3 MARKETING & INFORMATION

Marketing and information play a critical role in determining the characteristics of visitors to the Southern Gulf Islands. Because of the broad-reaching nature of the travel and tourism sector, there are numerous organizations and agencies working to promote tourism activity in the islands.

At the provincial level, Tourism BC is the agency tasked with providing information to travelers through publications and visitor information centres. Tourism Vancouver Island and Tourism Victoria both actively promote Gulf Island visitor activities and accommodation information through internet and print publications. Parks Canada publishes the Gulf Islands Visitor Guide to attract tourist to the region, and more specifically, the Gulf Islands National Park. Each island also maintains a local business organization that provides community-specific visitor information. There are also many fee-based online and print media sources that advertise to potential Gulf Island visitors.

An analysis of Gulf Islands travel and tourism marketing provides the following summary conclusions:

- The majority of Gulf Island tourism marketing originates from Victoria and Vancouver Island, targeting regional and provincial travelers.
- The dominant portion of advertising markets tours and higher-end accommodations, due in part to the large number of fee-based marketing services
- There is no coordination or collective marketing efforts undertaken by island-level visitor centres and/or Chambers of Commerce apart from Salt Spring Island.

- Tourism in the Southern Gulf Islands is branded for its beautiful scenery and natural features, rich arts and crafts, adventure and eco-tourism opportunities, a centre of organic growing and island hospitality.
- The most common sources of tourist information about the Southern Gulf Islands are friends/relatives (49%), previous experience (47%), and the internet (40%).

TOURISM MARKETING AGENCIES

Canadian Tourism Commission (www.explore.canada.travel)
The Canadian Tourism Commission (CTC) was established in 1995 to promote the tourism growth and profitability of Canada. In 2001, the CTC became a Crown corporation of the federal government with a legislated mandate to:

- sustain a vibrant and profitable Canadian tourism industry
- market Canada as a desirable tourist destination
- support a cooperative relationship between the private sector and the governments of Canada, the province and the territories with respect to Canadian tourism
- provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and territories

The CTC produces a number of publications including tourism intelligence bulletins, market research reports, information on travel trends and motivations to assist small and medium sized businesses. In addition, the Commission publishes and distributes Tourism Daily News and Tourism Online, and Tourism Magazine every two months to stakeholders and other interested parties. The Canadian Tourism Commission currently does not specifically market the Gulf Islands as a visitor destination.

Tourism British Columbia (www.hellobc.com)
Tourism BC is a Crown corporation mandated to promote development and growth in the tourism industry, to increase revenues and employment throughout British Columbia, and to increase the economic benefits for all British Columbians. Tourism BC markets British Columbia as a preferred travel destination to consumers and the travel industry through a variety of joint marketing and promotional campaigns in countries around the world. It is funded through a percentage of provincial hotel room tax and an annual grant. Tourism BC runs over 100 visitor information centres across the province, including the following Southern Gulf Island gateway locations:

- Salt Spring Island Visitor Information Centre
- Vancouver International Airport Visitor Information Centre
- Downtown Vancouver Visitor Information Centre
- Victoria International Airport Visitor Information Centre
- Downtown Victoria Visitor Information Centre
- 13 other Visitor Information Centres in the Lower Mainland

Branding and Imagery
Tourism BC describes the Gulf Islands as an “eclectic artisan community”. Its imagery and language seeks to position the islands as idyllic communities with creative residents and numerous eco-tourism and adventure opportunities. According to the Tourism BC website, the Gulf Islands are:

> *"Where the mild climate – almost Mediterranean – nurtures the many wineries, holistic farms and artisanal foods found here. And where the mystical light has inspired so many artists to settle. Welcome to BC's Gulf Islands*."

It continues:

> *"Imagine a chain –a necklace, really– of islands located between Vancouver Island and BC's mainland. Where sheltered waters make ideal sailing, scuba diving and fishing locales; languorous beaches beckon swimmers; and ecologically protected forests welcome hikers."*

Publications

- *Vancouver Island, Victoria and the Gulf Islands Vacation Guide*

Tourism Vancouver Island www.tourismvi.ca

Tourism Vancouver Island is one of six regional destination marketing organizations (DMO) in British Columbia that are contracted by Tourism British Columbia to deliver marketing initiatives on behalf of the region. The organization is a not for profit association representing the tourism stakeholders within the Vancouver Island region, which includes all the islands located between Vancouver Island and the mainland coast and also includes coastal areas of the mainland coast between Moses and Bute Inlets. Its vision is "to Position the Vancouver Island Region as a Premier Destination".

Branding and Imagery

Tourism Vancouver Island imagery of the Gulf Islands highlights island tranquility and relaxation, while attempting to promote island real estate opportunities. Its webpage states:

> *"Journey to the Gulf Islands to sit back and relax in the peaceful tranquility, to breathe deeply the clean ocean air and to rejuvenate your soul. Many of Canada's artists have been charmed by the beauty and serenity of the peaceful Gulf Islands and you, too, may find yourself visiting the local real estate office before the end of your stay!"*

Publications

- Arts and Cultural Guide
- RV West
- Island Moments E-Newsletter
- Gulf Islands web page - Provides a list of select accommodations, arts& culture, fishing, outdoor activities, tourism & sightseeing, and transportation services for the Southern Gulf Islands (www.vancouverisland.travel/gulf-islands)

Tourism Victoria (www.tourismvictoria.com)

Tourism Victoria (Greater Victoria Visitors and Convention Bureau) is a not-for-profit tourism industry association that works in partnership with over 1,000 business members and municipalities in the Greater Victoria area and surrounding communities of Vancouver Island to increase the economic impact of tourism for Greater Victoria by marketing the destination and servicing visitor needs. Its industry partners include the Canadian Tourism Commission, Tourism BC, and Tourism Vancouver Island.

Branding and Imagery

Tourism Victoria markets the Southern Gulf Island by promoting island hopping tours. They brand the islands by their arts and crafts as well as the eco-tourism opportunities they provide. The Tourism Victoria website describes the islands as:

> *"Famous for exceptional arts and crafts, country inns, excellent restaurants, provincial campsites, hiking, kayaking, cycling, and breathtaking scenery".*

Publications

Although Tourism Victoria publishes three visitor's guides, they are each dedicated to activities in and around Victoria. The tourism Victoria website provides limited information on Gulf Island activities.

Parks Canada

Parks Canada's mandate is to "protect and present nationally significant examples of Canada's natural and cultural heritage." In 2003, Parks Canada established Gulf Islands National Park Reserve to safeguard one of the most ecologically at-risk natural regions in southern Canada. This first new national park reserve of the 21st century includes thirty-five square kilometres of land and inter-tidal area on fifteen islands, numerous islets and reefs, and approximately twenty-six square kilometres of marine areas.

Branding and Imagery

Parks Canada markets the Gulf Islands for their unique natural and cultural heritage. In doing so, it provides information on natural resources, activities, accommodations, events, and other information for visitors to the park. However, Parks Canada does not provide visitor information or marketing for visitor services outside of the park boundary.

Publications

Gulf Islands National Park Reserve of Canada Visitor Guide

Local Business Organizations

Each of the Southern Gulf Islands has its own local business organization. With the exception of Saturna Island, each island also has a Chamber of Commerce dedicated to promoting business activity within its respective local economy. Uniquely, Saturna has a dedicated tourism organization that promotes visitor activities on island. In each case, significant print space is reserved for providing visitors with information on local activities, events, accommodations, natural and cultural resources, and services. The local business organizations for each island are:

- Salt Spring Chamber of Commerce (www.Salt Springtoday.com)
- Galiano Island Chamber of Commerce www.galianoisland.com
- Mayne Island Chamber of Commerce www.mayneislandchamber.ca
- Pender Island Chamber of Commerce www.penderislandchamber.com
- Saturna Island Tourism Association (www.saturnatourism.com)

Branding and Imagery

Although branding and imagery is somewhat unique to each organization (and island) there are some common themes that are recognizable for each island, including:

- Artisans and craftwork
- Cultural history

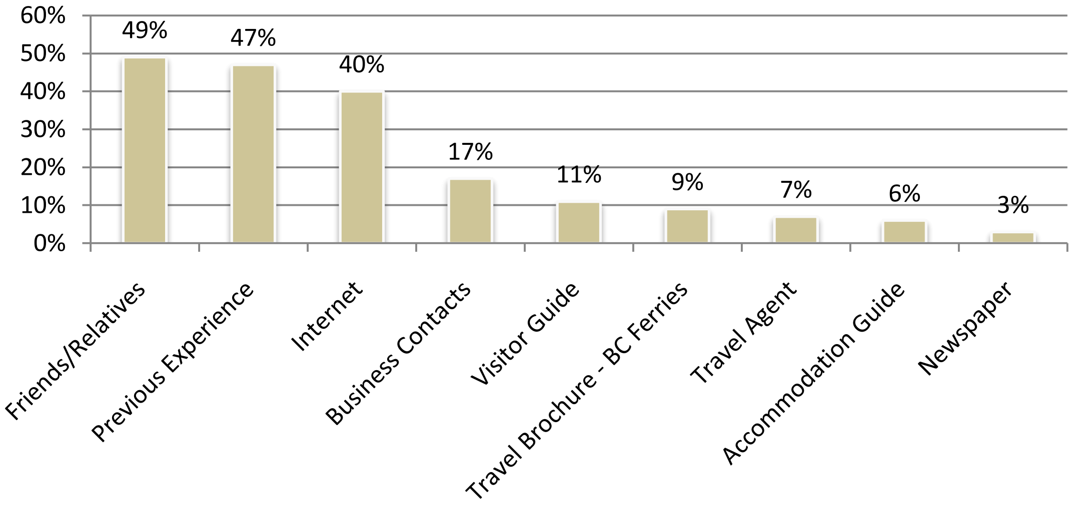
- Spas and alternative health
- Outdoor recreation
- Biodiversity and natural features
- Aesthetics and vistas

Publications
Salt Spring Chamber of Commerce Tourism Brochure
Other newsletters and periodic publications

Other Sources of Information

Although there are numerous sources of visitor information for the study area, the majority of information is passed through word-of-mouth marketing, which in turn is derived largely from friends or relatives and/or past experiences in the islands. Nearly half of all visitors surveyed claim to have gathered information from one of these sources. In addition, 40% of visitors used the internet to research their travel plans. The following graph highlights common sources of information identified by survey respondents in 2003.

Table 22: Sources of Information for Trip Planning



Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*

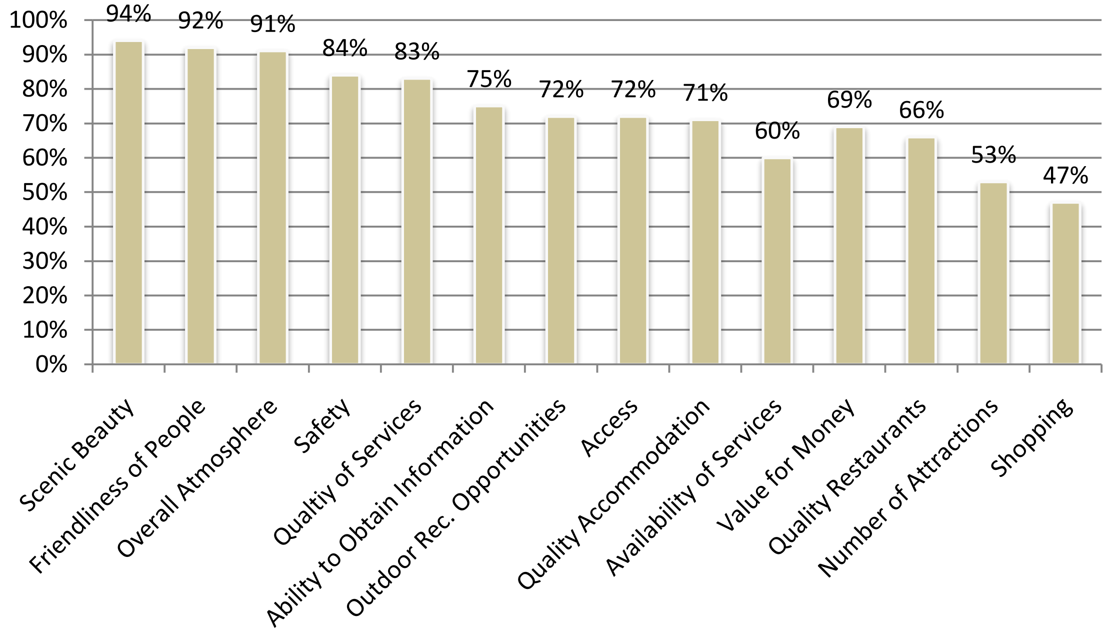
Additional Publications:

- Victoria Times Colonist, *Discover Section* (http://www.canada.com/victoriatimescolonist/index.html)
- Gulf Islands Online (published by Gulf Islands Driftwood) (www.gulfislands.net)
- Gulf Islands Directory (www.gulfislands.com)
- Gulf Islands Guide (www.gulfislandsguide.com)
- Numerous other fee-based tourism promotion websites

5.4 VISITOR EXPECTATIONS AND EXPERIENCES

There is currently little available data regarding visitor expectations and experiences. While Parks Canada completed a substantial survey of visitors in 2006, it was intended specifically to gather information on park visitors' perceptions of services, facilities and the like. An earlier visitor survey was conducted in 2003 by Malaspina University as part of a Tourism Labour Market Research Project. The results of this survey showed that visitor perceptions of their experiences were largely very positive. Indeed, 93% of respondents reported to be very satisfied with their Gulf Islands vacation experience. Table 24 below provides a snapshot of Southern Gulf Islands visitor satisfaction organized by experience. Interestingly, the more traditional tourist activities of shopping and visiting attractions rank the lowest, an indicator perhaps of the importance of outdoor leisure and recreation activities to the Gulf Islands experience.

Table 23: Visitor Satisfaction by Experience



Source: *Visitor Profile - Gulf Island Region (2003) Tourism Labour Market Research Project (Malaspina University), Tourism Association of Vancouver Island*

5.5 VISITOR TRENDS AND ANALYSIS

When assessing visitor trends to the Gulf Islands (and British Columbia as a whole), there are several key visitor trends to consider.

- **Visitor numbers are declining**
  - BC Ferries reported about a 1% decrease in Gulf Islands ferry passengers between 2006 and 2007.
  - The largest rate of decrease in visitors can be attributed to U.S. travelers. In BC, visitor numbers from the U.S. decreased 23.2% between 2000 and 2006. U.S. day trips decreased 42.9% during that same period. This can largely be attributed to the increasing value of the Canadian dollar and increased border security measures.

- **Holiday costs are increasing while visitor purchasing power is decreasing**
    - BC Ferries fees have increased at a faster rate on minor routes, including all Southern Gulf Island routes, than on the major routes (i.e., Horseshoe Bay – Departure Bay, Tsawwassen – Swartz Bay).
    - Accommodation costs are increasing annually to account for various increasing input costs.
    - Regional consumer purchasing power continues to erode with increasing inflation and the devaluation of the U.S. dollar.
- **Overseas visitor markets represent a potential opportunity**
    - With a decrease in U.S. visitors, there comes an increasing need to tap into growing overseas visitor markets, particularly those from the Pacific Rim and Europe.
    - Currently only 5% of Southern Gulf Island visitors originate from overseas.
    - In BC, overseas visitors account for 10% of visitors and 24% of expenditures. This suggests that overseas travelers spend significantly more per visitor day than domestic or U.S. travelers.
- **Gulf Island visitor demographics represent a narrow market segment**
    - The majority of study area visitors are over the age of 40.
    - Over 41% of study area visitors earn in excess of $80,000 per year.
    - Most marketing and advertisement for Southern Gulf Island tourism is focused on higher-end travel and accommodations.
- **Gulf Islands tourism needs to further diversify**
    - Exit surveys suggest that the Southern Gulf Islands are lacking visitor attractions, shopping opportunities, and other ancillary services (tourist information, restaurants, local transportation, etc).
    - There is a lack of a diversified commercial accommodation supply to adequately meet visitor demand, which may incidentally support illegal short-term vacation rentals on those islands where they are not permitted.
    - Although ecotourism is a fast expanding market segment in BC, the limited product base in the Gulf Islands does not reflect this growing demand.
    - Cultural tourism is under-represented in the Gulf Islands, although it is a growing market for international travelers to British Columbia.
- **Seasonality of tourism limits benefits while increasing costs**
    - 66% of visitors to the Gulf Islands come during the months of May-September.
    - This seasonality adversely affects the labour market, promotes a more transient labour force, and increases the burden on summer housing rental supplies for temporary or non-resident workers employed in the tourism industry.
    - There are few activities or promotions in the Gulf Islands targeted to off-season visitors (October-April).
- **Marketing and advertising does not adequately reflect visitor demand.**
    - Although exit surveys suggest that low-cost accommodations are the most popular, the majority of advertising and marketing focuses on high-end accommodations. This may be a result of high-cost, fee-based advertising services.
    - Marketing and advertising for the Southern Gulf Islands does not adequately promote eco- and nature-based tourism opportunities.
    - Agri-tourism, culinary tourism, and other niche visitor markets are not prevalent in the majority of marketing and advertising for the Southern Gulf Islands.

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