



InterVISTAS

a company of Royal HaskoningDHV

FINAL REPORT

Economic Impact of Tourism in Tofino, BC

*Prepared for Tourism Tofino
Prepared by InterVISTAS Consulting Inc.*

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Executive Summary

Tourism Tofino commissioned Inter VISTAS Consulting Inc (Inter VISTAS) to undertake an economic impact assessment of the Tourism industry in Tofino in May 2018. The core purpose of the study is to develop a detailed understanding of the role that tourism plays within the municipality of Tofino. This study also puts forward the first estimate of visitor volume and associated economic impact of Tofino's tourism sector.

Study Scope

This study estimates the economic impacts and tax impacts generated by Tofino's tourism sector, the total number of visitors to Tofino, and a visitor profile. The geographical area considered in the analysis includes the District of Tofino. The associated economic impacts of tourism are measured in a number of ways including: visitor spending in the local economy, employment (jobs) supported by Tofino's tourism industry and the sector's contribution to Gross Domestic Product (GDP).

The scope of the study includes the following components:

- **Economic Impact Assessment:**
 - **Employment Impacts** – economic impacts associated with employment in the tourism sector of Tofino in the following industries: accommodations, outdoor activities, adventure tourism, guided tour operators, wedding planning, health and wellness, photography/videography, air/water/ground transportation, event rentals and planning.
 - **Visitor Spending Impacts** – economic impacts generated by visitor spending in Tofino related to food/beverage and retail and other visitor related expenditures.
 - **Tax Impacts** – tax revenues generated by the employment impacts and visitor spending impacts of Tofino's tourism sector.
- **Visitor Intercept Survey** – visitors to Tofino were surveyed from June to September 2018 to develop an understanding of their profile and behaviour including participation in tours, activities, attractions and trip expenditures.
- **Annual Visitor Traffic to Tofino** – drawing on findings from the visitor intercept survey, Tourism Tofino and Destination British Columbia data, the total number of visitors to Tofino was estimated for 2018. This included consideration of seasonal changes in visitor volumes, accommodation choices, party sizes and length of stay.

Economic Impact of Tourism in Tofino

To assess the direct employment impacts, the study team reviewed and surveyed the employment and business activities of Tofino's tourism related firms. This includes hotel accommodations, transportation providers, tour operators, and the area's attractions. These firms were provided an online survey to complete. The results of the online survey produced estimates of the number of people employed in directly-related occupations, as well as the total amount of wages/earnings paid to all employees. The employment survey was used to classify the total employment and average wages paid by business type.

Impacts related to Tofino’s tourism visitor spending were also assessed based on expenditures on food/beverage and retail and other visitor related expenses while in Tofino. This information was collected through the InterVISTAS 2018 Visitor Intercept Survey. As a cross-reference on the primary data collected, the results were compared to the spending of visitors to Vancouver Island and/or British Columbia overall that is available through Destination BC. The following table indicates the various firm types and industries associated with the three key direct economic impact categories:

Figure ES-1: List of Firm Types & Industries Associated with Economic Impacts

Direct Impact Categories & Associated Firm Types/Industries		
Accommodations	Other Tourism Industries	Visitor Spending
<ul style="list-style-type: none"> • Camping & RV • Hostels • Inn’s & B&B’s • Motels • Resorts & Hotels • Vacation Rentals & Guest Houses 	<ul style="list-style-type: none"> • Outdoor Activities¹ • Adventure Tourism • Guided Tour Operators² • Wedding Planning • Health and Wellness • Photography/Videography • Air/Water/Local ground Transportation • Event Rentals • Event Planning 	<ul style="list-style-type: none"> • Food & Beverage • Retail • Other visitor related expenditures

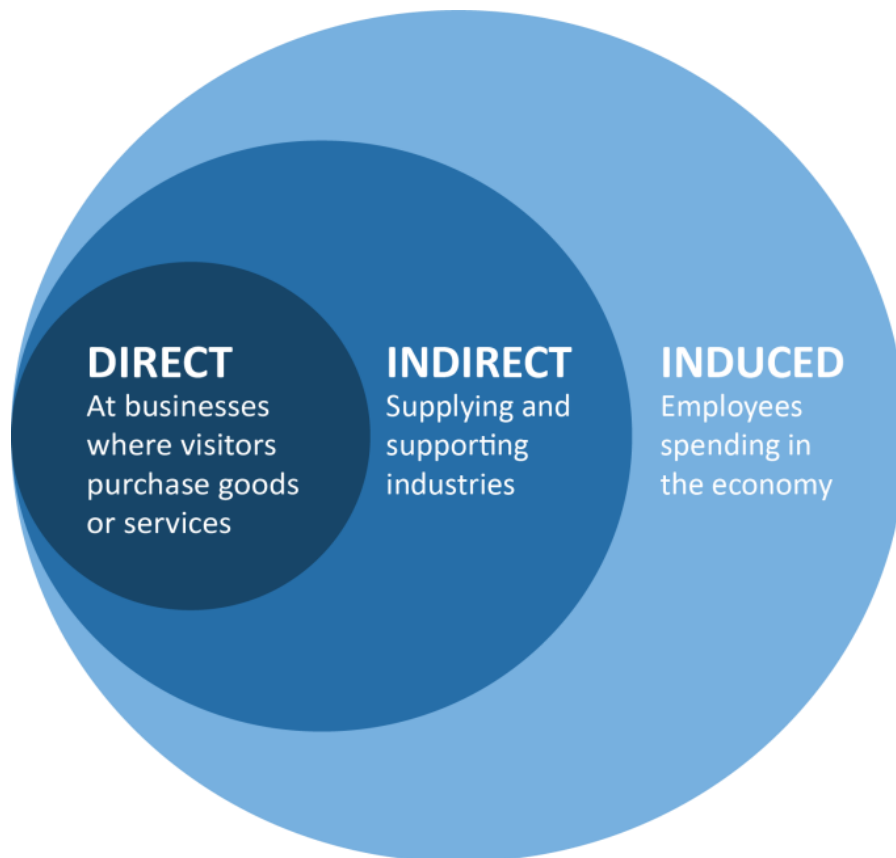
¹ Includes Sport and Adventure Tourism, Surfing Schools, and Water Based Activity Equipment Suppliers.

² Includes Wildlife Viewing Operators, Hiking and Paddling Tours, Fishing Tours, Food Tours.

InterVISTAS Consulting estimated the indirect and induced effects using economic multipliers and ratios developed by Statistics Canada.³ InterVISTAS Consulting utilizes a proprietary model to conduct multiplier analysis and estimate indirect and induced impacts. Data from the employment and visitor surveys, desk research, and telephone calls was used to calculate the associated tax impacts (government revenue) generated by Tofino's tourism industry activities and operations.

The three major components of economic impact of this study are classified as *direct, indirect and induced* impacts. Collectively they capture how the economic impact of Tofino's tourism industry can impact the local and provincial economy. **Figure ES-2** illustrates the various elements that account for the economic impact of the tourism industry in Tofino.

Figure ES-2: Economic Impact Categories of the Tofino Tourism Industry



³ The multipliers used for the analysis are based on Statistics Canada economic multipliers for British Columbia from the 2014 Interprovincial Input-Output model, the most recent data available. These multipliers were updated with Consumer Price Indices to account for inflation between 2014 to 2018.

Ongoing operations in Tofino’s tourism sector are estimated to generate a total (including direct, indirect and induced impacts) of 3,600 jobs (or 2,320 FTEs), earning \$110 million in wages. Total GDP and economic output generated by Tofino’s tourism industry is \$220 million and \$400 million, respectively. **Table ES-1** summarizes the direct, indirect, induced, and total impact of employment and wages in Tofino and the Province of British Columbia attributable to ongoing operations in Tofino’s tourism industry, as well as annual GDP and economic output contributions.

Table ES-1:
Annual Direct, Indirect, Induced and Total Employment Impacts of Tourism in Tofino, 2018

Impact	Employment		Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
	Jobs	FTEs			
Direct					
Accommodations	1,240	840	30	80	130
Other Tourism Industries*	390	210	10	20	40
Visitor Spending**	1,040	670	20	30	60
Total Direct in BC	2,670	1,720	60	130	240
Indirect	480	310	30	40	80
Induced	450	290	20	50	80
Grand Total in BC	3,600	2,320	110	220	400

Notes:

* Other tourism industries reflect businesses related to outdoor activities, adventure tourism, guided tour operators, wedding planning, health and wellness, photography/videography, air/water/local ground transportation, event rentals and planning.

** An estimated 1,040 jobs are associated with visitor spending that takes place in the District of Tofino. The level of visitor spending is based on the 2018 Visitor Intercept Survey conducted by InterVISTAS with on-the-ground support from Tourism Tofino, and includes expenditure on retail and food & beverage expenditures.

-- Totals may not add to totals due to rounding.

Understanding the Importance of Tofino's Tourism Industry

According to Destination BC, the province's tourism industry generated \$17 billion in revenue in 2016. The province's tourism industry employs over 133,000 jobs, earning average compensation of \$35,000 per annum, similar to the average wage of Tofino's tourism industry per FTE. The province's tourism industry contributed \$7.9 billion to BC's economy in 2016.

Similarly, Tourism Vancouver Island reports that tourism on Vancouver accounts for 60,000 jobs, contributing \$2.2 billion in annual revenues. Note however, that these figures are somewhat dated, from the 2010 time period. In relation to the data reported by Destination BC, just under half of all tourism jobs in the province reside on Vancouver Island, of which 4.4% are in Tofino.⁴

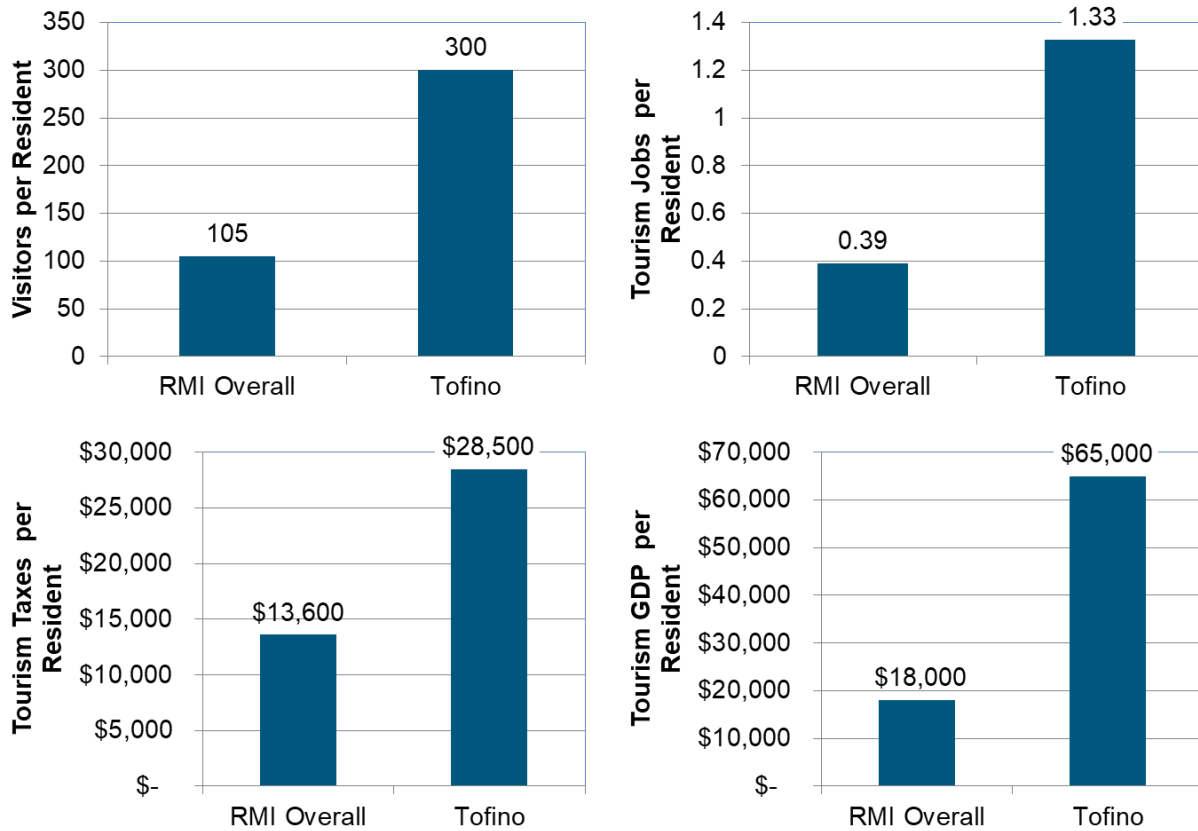
Drilling down further, the District of Tofino participates in the province's Resort Municipality Initiative (RMI) program. The RMI provides access to funding of up to \$10.5 million per annum to assist participating municipalities with continued development of their tourism product, with the goal of attracting increased visitation.

Of the 14 participating municipalities, it is reported that over 5.3 million visitors visited these communities each year and supports 19,300 jobs. Tofino's population of roughly 2,000 permanent residents is approximately 4% of the total population of the 14 RMI communities (50,000 residents). Overall, RMI communities hosted roughly 105 visitors for every resident. However, given Tofino's small resident population, the community hosts approximately 300 visitors for every resident, three times the RMI amount. In 2018, it was estimated that Tofino hosted 600,000 visitors, which is 11% of the total visitors hosted by RMI communities. Tofino also employs nearly 2,700 direct jobs in the tourism industry; this represents nearly 14% of all tourism jobs across all 14 RMI communities.

The taxes generated by tourism activity to these communities amounted to over \$680 million, this equates to roughly \$13,600 in taxes per RMI resident. Tofino's tourism industry is estimated to generate \$57 million, this equates to roughly \$28,500 in taxes generated per Tofino resident. GDP impacts from tourism for all RMI communities amounted to over \$900 million. Tofino's tourism industry contributes \$130 direct GDP representing a 14% share of all RMI communities. Tofino's tourism industry is a strong contributor and is punching above its weight, by hosting more visitors per resident and generating more taxes per resident than compared to all RMI communities overall. **Figure ES-3** displays the metrics on a per resident basis.

⁴ This study estimates that Tofino's tourism industry employs 2,670 people directly. This is roughly 4.4% of the total tourism related jobs on Vancouver Island. (i.e., 2,670 divided by 60,000)

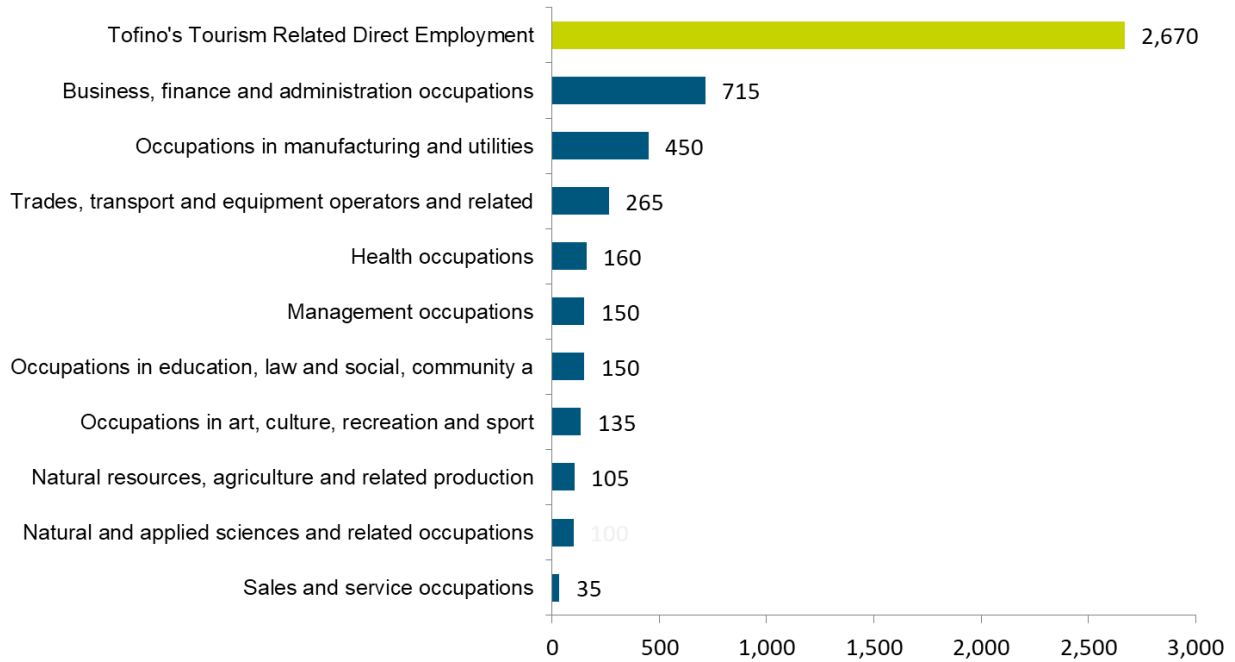
Figure ES-3: Comparison of RMI Overall and Tofino Metrics, per Resident



Source: Resort Municipality Initiative Funding, September 2016 and InterVISTAS computations.
Note that the RMI communities have a combined population of 50,000 in 2016. Tofino has a population of approximately 2,000 residents in 2016.

The relative size of the direct employment associated with Tofino’s tourism industry can be compared with other occupation categories in the combined Tofino and Ucluelet census subdivisions. Some of the other industries shown in **Figure ES-4** will undoubtedly contain some tourism related employment (e.g., art, culture, recreation and sport occupations), so consideration must be given when interpreting this benchmark. Seasonal employment will also be hired each year from outside this catchment area.

Figure ES-4:
Benchmark of Tofino’s Tourism Related Employment (Direct Jobs) with Other Occupational Categories for the Combined Tofino & Ucluelet Census Subdivisions

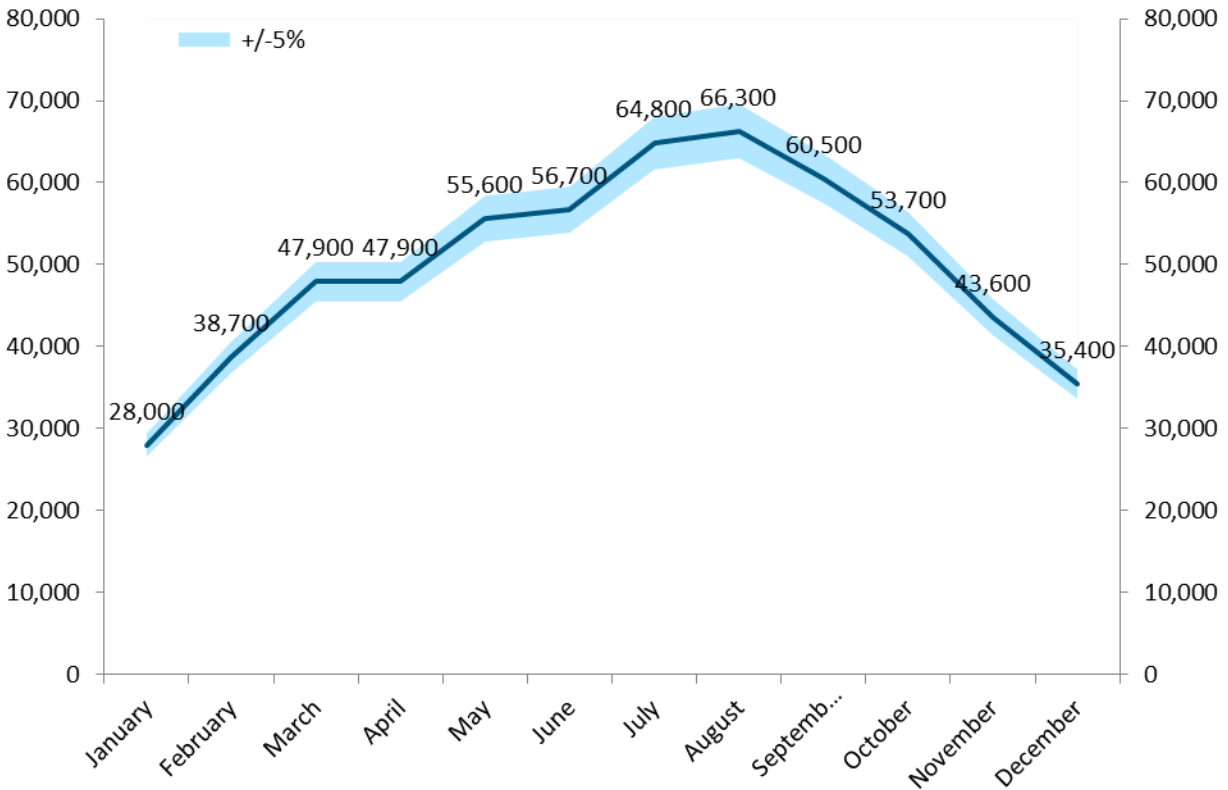


Source: Statistics Canada, 2016 Census of Population is the source of data for other occupational categories for the combined Tofino and Ucluelet census subdivisions. Tourism direct employment is based on InterVISTAS analysis and is for tourism employment (jobs) that are located in Tofino only.

Tofino Visitor Profile and Spending

An estimated 600,000 individual visitors experienced Tofino in 2018. This is approximately 6% of all visitors to Vancouver Island and 12% of its overnight visitors. There are an estimated 76,600 day visitors to Tofino, though overnight visitors account for the majority of total visitor volume (522,400 overnight visitors) estimated in 2018. Summer months are naturally the destination’s busiest period, with an estimated peak of nearly 70,000 individual visitors in August. The number of visitor nights in Tofino is higher at an estimated 1.7 million annually. Visitors are attracted to Tofino’s natural beauty, beaches and surfing, but participate in a wide range of activities during their stay such as visiting art galleries, scenic tours, wildlife tours, fishing, exploring, relishing the food scene and shopping at local stores. Nearly 80% of visitors travel to Tofino for leisure, with most others visiting friends and family. See **Figure ES-4** for the estimated monthly distribution of visitors to Tofino.

Figure ES-4: 2018 Estimated annual individual visitor volume to Tofino, 2018



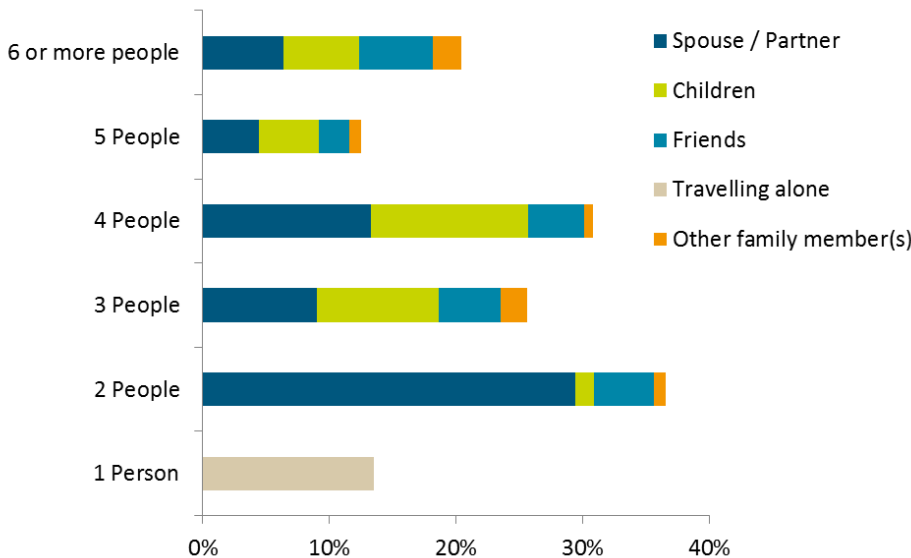
Source: InterVISTAS analysis and modelling. Note data are rounded.

Tofino’s visitors have diverse backgrounds and origins. Visitors range from high earning professionals, students, retirees, and international holiday makers; though more than half of visitors are from British Columbia, nearly a tenth are from the United States and nearly a fifth are from other international origins. Visitors’ reported high satisfaction levels with their trips to Tofino. The net promoter score,⁵ or propensity to recommend Tofino as a destination to other potential visitors, is also high at 45.2.

**NET
PROMOTER
SCORE =
45.2**

With an average party size of 3.3 people (see **Figure ES-5**) and an average stay of 4 nights in Tofino, visitors generate a significant impact on the economy by spending on accommodations, attractions, food & beverage, and shopping. Based on data collected in the visitor survey on expenditures in Tofino analysed with the visitor volume estimate, day visitors and overnight visitors to Tofino are estimated to spend \$295 million per annum. This is primarily on accommodation, accounting for nearly \$160 million (54%), with \$50 million (17%) on food & beverage and \$46 million (16%) on activities, excursions and entertainment. See **Table ES-2**.

Figure ES-5: Party size by composition



Source: InterVISTAS visitor survey and calculations

⁵ Net Promoter Scores refer to the propensity of visitors to recommend other people to visit a destination. It is calculated by comparing the proportion of ‘promoters’ to the proportion of ‘detractors’. Promoters are visitors who are more likely to make positive referrals to other potential visitors while detractors are less likely to make positive referrals and in some cases communicate negative experiences.

Table ES-2: Estimated Total Visitor Spending

Category	Average spending per person		Estimated annual spending (\$ million)		
	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Total
Accommodation	-	\$303	-	\$158.4	\$158.4
Food & beverage	\$29	\$92	\$2.2	\$48.1	\$50.3
Activities, excursions and entertainment	\$25	\$84	\$1.9	\$43.9	\$45.8
Shopping and other	\$15	\$24	\$1.1	\$12.7	\$13.8
Local transport	\$3	\$6	\$0.2	\$3.0	\$3.2
Total	\$71	\$554	\$5.4	\$289.5	\$294.9

Source: InterVISTAS visitor survey data on expenditures and calculations based on estimated visitors to Tofino. Note data are rounded. Note that the economic impact results of local ground transport are included in the “Other Tourism Industries” category of impacts.

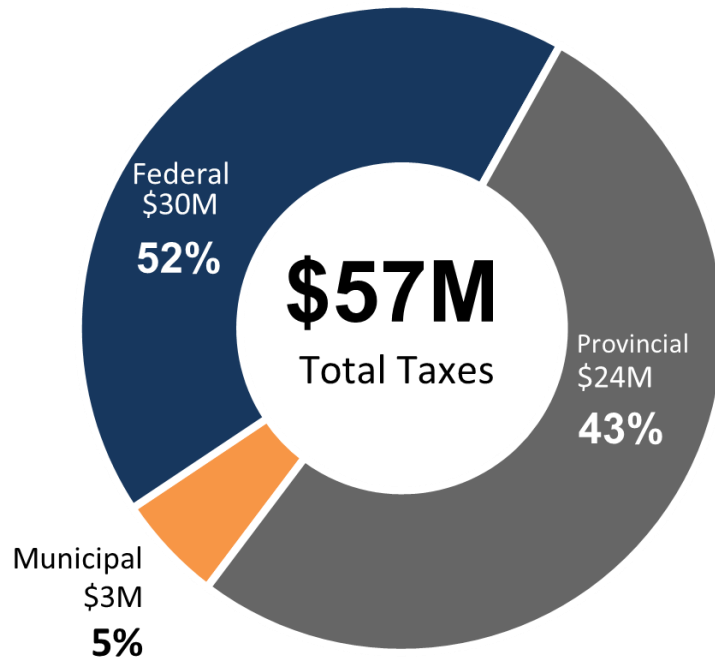
Tax Impacts

Ongoing economic activity by Tofino’s tourism industry generates tax revenue for all levels of government. In 2017, total tax contributions from tourism-related direct employment to all levels of government were approximately \$57 million. **Figure ES-6** provides a breakdown of tax impacts by level of government.

- The federal government was the largest recipient of tax revenue, receiving approximately \$30 million (52% of total tax revenue impacts). The vast majority of that total is attributable to taxes paid by employers and employees such as income tax, corporate income tax, and CPP contributions.
- The provincial government received \$24 million (43% of total tax revenue impacts). This total is from income taxes, Workers Compensation Board (WCB) contributions, medical premiums, and provincial tax associated with visitor spending.
- The municipal government collected the remaining \$3 million in tax revenue (5% of total tax revenue impacts) in the form of property taxes paid by businesses, as well as the Municipal and Regional District Tax (MRDT).

Additional information summarizing the tax contributions by employers, employees and visitors is provided in **Appendix C**.

Figure ES-6:
Annual Estimated Tax Revenues of Tofino's Tourism Industry, by Level of Government, 2017



1 Introduction

1.1 Purpose of the Study

Tourism Tofino commissioned InterVISTAS Consulting Inc (InterVISTAS) to undertake an economic impact assessment of the Tourism industry in Tofino in May 2018. The core purpose of the study was to develop a detailed understanding of the role that tourism plays within the District of Tofino.

A key priority of the study was to fill the information gap on the annual volume of visitors to the Tofino area, by developing a robust estimate of the volume of visitors. Prior to this study, information on visitor volume was only available at the regional Vancouver Island level, with some analysis of visitor profiles undertaken in Tofino and other sub-regions of Vancouver Island in prior years.

In addition to understanding the volume and profile of visitors to the Tofino area in greater detail, the study assessed the economic impacts of tourism. Greater detail and insights was collected on the number and type of employment generated by the tourism industry, Gross Domestic Product (GDP), and economic impact. Estimated visitor spending and contribution to federal, provincial and municipal taxes were also assessed.

1.2 Context of Tourism in Tofino

Tourism contributes directly to employment and economic growth through the ongoing operations and activities of different firms that serve visitors. The District of Tofino's tourism industry is a significant economic generator that makes contributions to the local economy, including the Clayoquot Sound region, the Province of British Columbia and beyond. Over the past several decades, Tofino has experienced a transition from a fishing and logging economy to a predominantly visitor economy.

Tofino has become a popular tourism destination for both Canadian and international travellers. Famed for its sandy beaches, rugged beauty surfing, fishing and wildlife, Tofino lies on the west coast of Vancouver Island within the traditional territory of the Tla-o-qui-aht First Nations. Tofino is within the Clayoquot Sound UNESCO Biosphere Region; a convergence of diverse ecosystems including temperate coastal rainforest, ocean and rocky coastal shores.⁶ The area is therefore renowned for its natural beauty and distinct natural environment which is a major appeal to visitors and local residents alike. Additionally, Tofino has developed a food and drink culture supported by a community of artisan galleries and shops.

While the permanent population of Tofino is in the range of 2,000, incoming visitors and seasonal workers can swell to several times that size throughout the year and especially in peak summer months. These peak time frames of tourism related activity drive economic prosperity for the town, but can also place strain on local infrastructure and quality of life for residents. Prior to this study, the magnitude of these impacts was unknown; the results of this study provide a greater understanding of the economic and tax impacts made by the tourism industry.

While Tofino has become an internationally renowned tourism destination in itself, it also complements and forms part of the wider tourism industry of Vancouver Island. The most recent figures from

⁶ <http://www.unesco.org/new/en/natural-sciences/environment/ecological-sciences/biosphere-reserves/europe-north-america/canada/clayoquot-sound/>

Destination British Columbia estimated in the region of 10.3 million visitors to Vancouver Island in 2014 of which 4.4 million, or 43%, were overnight visitors.⁷ In comparison there were an estimated 18.9 million overnight visitors to British Columbia in the same period, generating \$9.2 billion in spending.⁸ There was an increase of overnight visitors to Vancouver Island of 8% compared to the previous year. Canadian domestic travellers account for 73% of overnight visitors to Vancouver Island while international travellers account for 27%.

1.3 What is Economic Impact?

Economic impact is a measure of the spending and employment associated with a sector of the economy (e.g., tourism), a specific project (such as the construction of a new facility), economic activity or a change in government policy or regulation. In this case, economic impact refers to the economic contribution associated with the ongoing activities of Tofino's tourism sector, including accommodations, food/beverage and retail, local attractions and transportation providers.

Economic impact can be measured in various ways including employment, wages, Gross Domestic Product (GDP) and economic output, as summarized in **Figure 1-1**. All of these are used to express the gross level of activity or expenditure from a sector of the economy, a specific project or change in policy. Although they are not "net" measures that weigh benefits against costs, these measures can be useful in developing an appreciation of investments and economic sectors.

⁷ Destination British Columbia (May 2017) Vancouver Island Regional Tourism Profile

⁸ Ibid.

Figure 1-1: Measures of Economic Impact

<p>Employment</p>	<ul style="list-style-type: none"> • Employment is measured in terms of jobs or number of employees. However, as some employment are part-time and/or seasonal employees, they are converted into full-time equivalents (FTEs). • The FTEs employed by businesses directly or indirectly linked to activities and operations in Tofino's firms that serve visitors.
<p>Wages</p>	<ul style="list-style-type: none"> • The wages, salaries, bonuses, benefits and other remuneration earned by people linked to activities and operations of Tofino's tourism sector.
<p>Gross Domestic Product (GDP)</p>	<ul style="list-style-type: none"> • The value of the operating surpluses (i.e. the "value-add") of businesses linked to activities and operations serving Tofino's visitors, plus the remuneration and net indirect taxes paid to government.
<p>Economic Output</p>	<ul style="list-style-type: none"> • The total gross spending by firms, organizations and individuals involved in activities linked to operations at Tofino's tourism-related firms, including intermediate consumption.

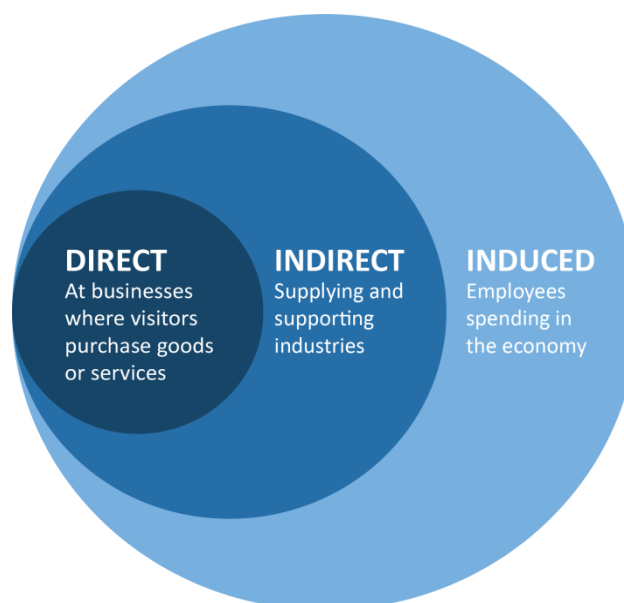
1.3.1 Categories of Economic Impact

The three major components of economic impact of this study are classified as *direct*, *indirect* and *induced* impacts. Collectively they capture how the economic impact of Tofino's tourism industry can impact the local and provincial economy.

Figure 1-2 illustrates the various elements that account for the economic impact of the tourism industry.

- **Direct** impacts account for the economic activity of the target sector itself. Direct employment impacts are measured by counting those individuals who

Figure 1-2: Economic Impact of the Tourism Industry



work in a particular sector of the economy. In the tourism sector, this includes all those people who work in providing services and experiences to visitors (e.g. a Tofino hotel manager, restaurant workers, surf lesson and excursion providers, all retail, or a staff member of Tourism Tofino.).

- **Indirect** impacts are those that result because of the direct impacts. This involves employment, wages, GDP and economic output generated by downstream industries that arise from the presence of the tourism industry. For example, indirect employment could include food suppliers for Tofino restaurants and accommodations, maintenance for marine and air transportation, or any businesses that supply or provide services to those firms directly serving Tofino's tourism sector.
- **Induced** impacts are economic impacts created by the spending of wages, salaries, and profits earned by those working in direct and indirect economic activities related to tourism in Tofino. For instance, if a hotel employee decides to re-model his/her home, this would result in additional (induced) employment hours in the general economy. The home renovation project would support hours of induced employment in the construction industry, the construction materials industry, etc. Induced impact is often called the "household-spending effect".
- **Total** impacts are the sum of direct, indirect, and induced effects.⁹

1.4 Scope of the Study

This study estimates the economic impacts and tax impacts generated by Tofino's tourism sector, the total number of visitors to Tofino, and profile of visitors to Tofino. The geographical area considered in the analysis includes the District of Tofino. The associated economic impacts of tourism are measured in a number of ways including: visitor spending in the local economy, employment (jobs) supported by Tofino's tourism industry and the sector's contribution to Gross Domestic Product (GDP).

The scope of the study includes the following components:

- **Economic Impact Assessment:**
 - **Employment Impacts** – economic impacts associated with employment in the tourism sector of Tofino in the following industries: outdoor activities, adventure tourism, guided tour operators, wedding planning, health and wellness, photography/videography, air/water/ground transportation, event rentals and planning.
 - **Visitor Spending Impacts** – economic impacts generated by visitor spending in Tofino related to food/beverage, retail and other visitor related expenditures.
 - **Tax Impacts** – tax revenues generated by the employment impacts and visitor spending impacts of Tofino's tourism sector.

⁹ Multiplier impacts (indirect and induced) must be interpreted with caution since they may be illusory when the economy experiences high employment and output near industry capacity. When they are reported, it is recommended that the reader be reminded of the limitations on the use of multipliers. Mindful of these limitations, this study has undertaken multiplier analysis to estimate indirect and induced employment.

- **Visitor Intercept Survey** – visitors to Tofino were surveyed from June to September to develop an understanding of their profile and behaviour visitors, including participation in tours, activities, attractions and trip expenditures.
- **Annual Visitor Traffic to Tofino** – drawing on findings from the visitor intercept survey, Tourism Tofino and Destination British Columbia data, the total number of visitors to Tofino was estimated for 2018. This included consideration of seasonal changes in visitor volumes, accommodation choices, party sizes and lengths of stay.

1.5 Outline of the Study

This report provides an estimate of the economic impacts of tourism in Tofino

- **Chapter 1** provides an introduction to the study including a background on the purpose and scope of the work.
- **Chapter 2** estimates the annual visitor volume to Tofino.
- **Chapter 3** presents the visitor spending profile and associated economic impacts.
- **Chapter 4** provides the economic and tax impact results for the Tofino tourism industry.
- **Chapter 5** outlines Tofino visitor profiles and behaviours.

2 Estimate of Total Visitation to Tofino

This section estimates the total annual volume of individual visitors to Tofino, primarily drawing on the findings from the visitor intercept survey and monitoring data provided by Tourism Tofino. The detailed methodological approach for this estimation is set out in **Appendix A**. This can be summarised as follows:

1. **Validating accommodation provider database** – a comprehensive database of accommodation providers in Tofino is used as the base for estimating the volume of visitors to Tofino. This takes into account the capacity of individual providers in terms of bedrooms, campsites and units, validated with extensive desk research and consultation by Tourism Tofino and InterVISTAS. This database records the capacity of 214 accommodation providers in Tofino with a capacity of 1,692 units and an estimated 2,280 bedrooms. This includes the following types of paid accommodation:
 - a. Bed & breakfasts
 - b. Campgrounds / RV parks
 - c. Hostels
 - d. Hotels / motels / resorts / lodges / inns
 - e. Vacation rental homes / condos (includes Airbnb, VRBO, private rentals etc.)
2. **Calculating maximum theoretical capacity of accommodation providers** – this stage considered the maximum capacity for visitors at each accommodation provider, assuming that every available bed / campsite / unit was occupied by unique visitors every night of each month. The assumptions for each accommodation type underlying this calculation are set out in **Table 2-1**.
3. **Adjustment for average lengths of stay** – this stage considered visitors' average lengths of stay in different types of accommodation, with seasonal changes estimated using the 2016 Spring and Autumn visitor profile data. The output of this stage was an estimate of the maximum number of individual visitors staying at each accommodation provider, assuming that every available bed / campsite / unit was occupied by unique visitors every night of each month, and that visitors stayed for the average number of nights specific to each accommodation type.
4. **Adjustment for monthly accommodation occupancy levels** – using information provided by Tourism Tofino was used to make adjustments to visitor volumes based on monthly accommodation occupancy levels. This information was primarily derived from AirDNA data extracted from the STR reports for October and November 2018. The data was used to further adjust the number of unique visitors estimated at each accommodation provider, to account for less than 100% occupancy levels. **Table 2-2** summarises the monthly occupancy levels used for each accommodation type. The estimated volume of visitors staying in paid accommodation is summarised in **Table 2-3**.
5. **Calculating volumes of day visitors and visitors staying in non-paid accommodation** – drawing on the intercept survey responses and weighted to party size, the number of day visitors and visitors staying in other types of accommodation was estimated. This estimate was weighted to the estimated numbers of visitors staying in paid accommodation. This stage of the calculation included an uplift to account for a market segment of visitors staying in campgrounds / RV parks that were 'car camping' or wild camping. This visitor segment was estimated based upon the ratio of non-paying campers to

paying campers (54.1%); an estimated 60,700 annual visitors. The estimated annual volume of day visitors and visitors staying in non-paid accommodation is summarised in **Table 2-4**.

Table 2-1 below summarises the estimated annual visitors to Tofino across each accommodation type, with a total volume of 599,000 individual visitors. The model estimates that most visitors to Tofino stay in hotels / motels/ resorts / lodges / inns, closely followed by visitors staying in paid campgrounds / RV parks and non-paying campers. The estimated volume of visitors to Tofino broadly resembles the overall profile of accommodation choices captured by the visitor intercept survey, with the exception of vacation rental homes / condos which had a greater representation in the visitor intercept survey.

Table 2-1: Estimated annual individual visitor volume to Tofino

Visitor / Accommodation Category	Total Annual Individual Visitor Volume	
	Number	%
Bed & breakfast	12,600	2.1%
Campground / RV park	112,200	18.7%
Day Visitors	76,600	12.8%
Home of a friend or family member	49,900	8.3%
Hostel	6,900	1.2%
Hotel / motel / resort / lodge / inn	178,000	29.7%
Non-paying campers	60,700	10.1%
Second home	14,500	2.4%
Vacation rental home / condo (Airbnb, VRBO, private rental etc.)	82,600	13.8%
Other	5,100	0.9%
Total	599,000	100.0%

Source: InterVISTAS visitor survey and calculations, Tourism Tofino Accommodation Monitoring Data.
Note that data are rounded

Figure 2-1 below presents the seasonal variation in visitor volume to Tofino based on the outputs of the model. The model estimates a peak volume of 66,300 individual visitors in August, from a monthly low in January at an estimated 28,000 individual visitors. **Figure 2-1** includes an upper and lower bound of 5% to highlight that the model is an estimate of visitor volume not a precise count.

The model accounts for seasonal changes in average length of stay and occupancy levels in different types of paid accommodation. It was not possible to assess seasonal change in the composition of visitors due to availability of data. For example there is assumed to be the same proportion of day visitors in July as there is in March. Additional survey samples will help refine future versions of the model.

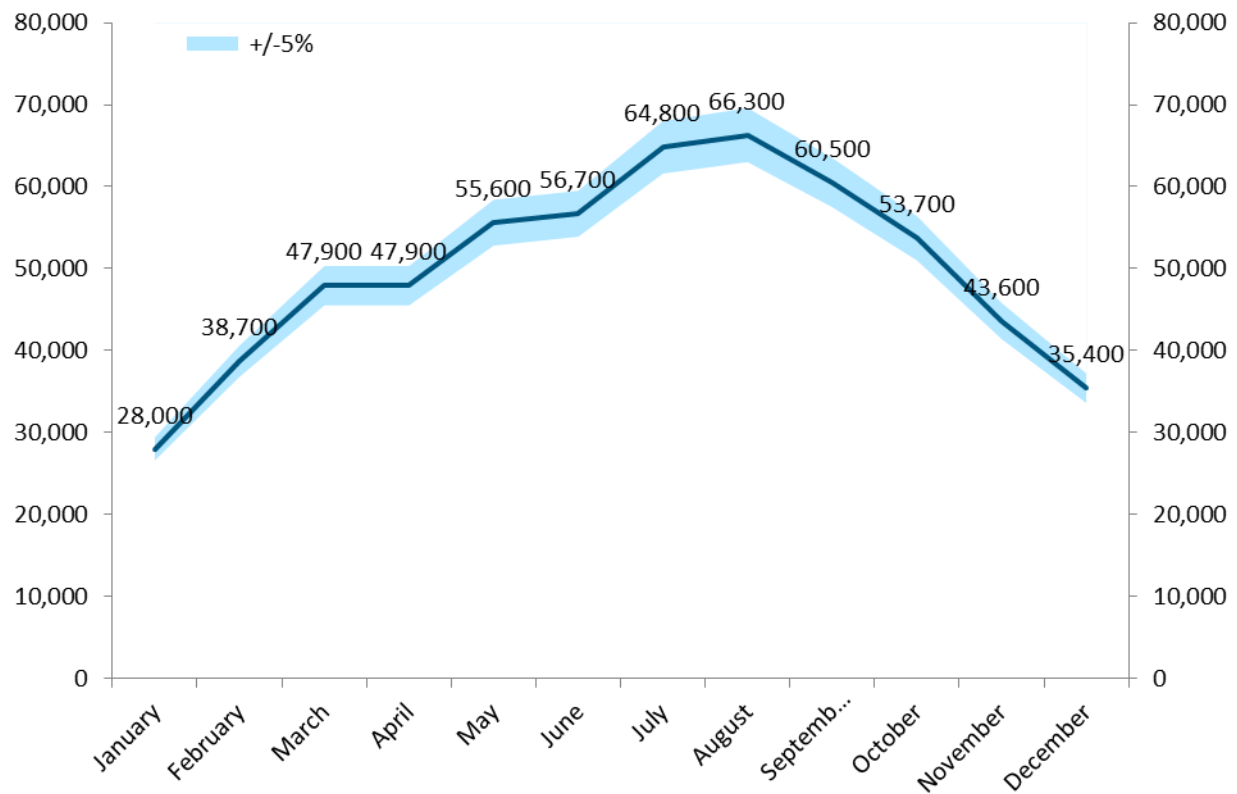
When compared to the most recent estimate of visitor volume to Vancouver Island, Tofino accounts for 5.8% of all visitor volume and 11.8% of overnight visitors. The difference is caused by the balance of day visitors and overnight visitors; Tofino has a much smaller proportion of day visitors than Vancouver Island (12.8% and 57% respectively). This is summarised in **Table 2-2** below.

Table 2-2: Comparison of Tofino and Vancouver Island visitor volume

Visitor type	Tofino		Vancouver Island	
	Number	% of Vancouver Island	Number	% of Vancouver Island
Day visitors	76,600	1.3%	5,870,000	57.0%
Overnight visitors	522,400	11.8%	4,430,000	43.0%
Total	599,000	5.8%	10,300,000	100.0%

Source: InterVISTAS calculations and Destination British Columbia (May 2017) Vancouver Island Regional Tourism Profile. Note data are rounded

Figure 2-1: Estimated annual individual visitor volume to Tofino, includes overnight and same-day visitors



Source: InterVISTAS calculations. Note data are rounded

Note that the methodology underlying the outputs shown in **Table 2-1** and **Figure 2-1** estimates the number of individual visitors to Tofino, taking account of average lengths of stay, and **not** the number of visitor nights in Tofino. An estimate of the total visitor nights to Tofino can be made by adjusting the model to focus on the maximum theoretical occupancy of each accommodation provider and average occupancy levels, and to discount the average length of stay. Excluding day visitors, this approach estimates an annual total of 1,744,200 visitor nights in Tofino. This estimate relates to the total number of beds occupied by visitors to Tofino in a year across paid and non-paid accommodation types.

This estimate of visitor nights considers the physical number of visitors that may be present in Tofino over the year staying in paid and non-paid accommodation, not the number of individual visitors (people). For clarity, the estimate of visitor nights would count a party of two staying for three nights as a total of six visitor nights, whereas the estimate of individual visitors would count the same party as two individual visitors.

Table 2-3 below summarises the annual estimate of the visitor nights in Tofino. This shows that 74.5% of visitor nights are in paid accommodation types, with a further 25.5% of visitor nights in non-paid accommodations.

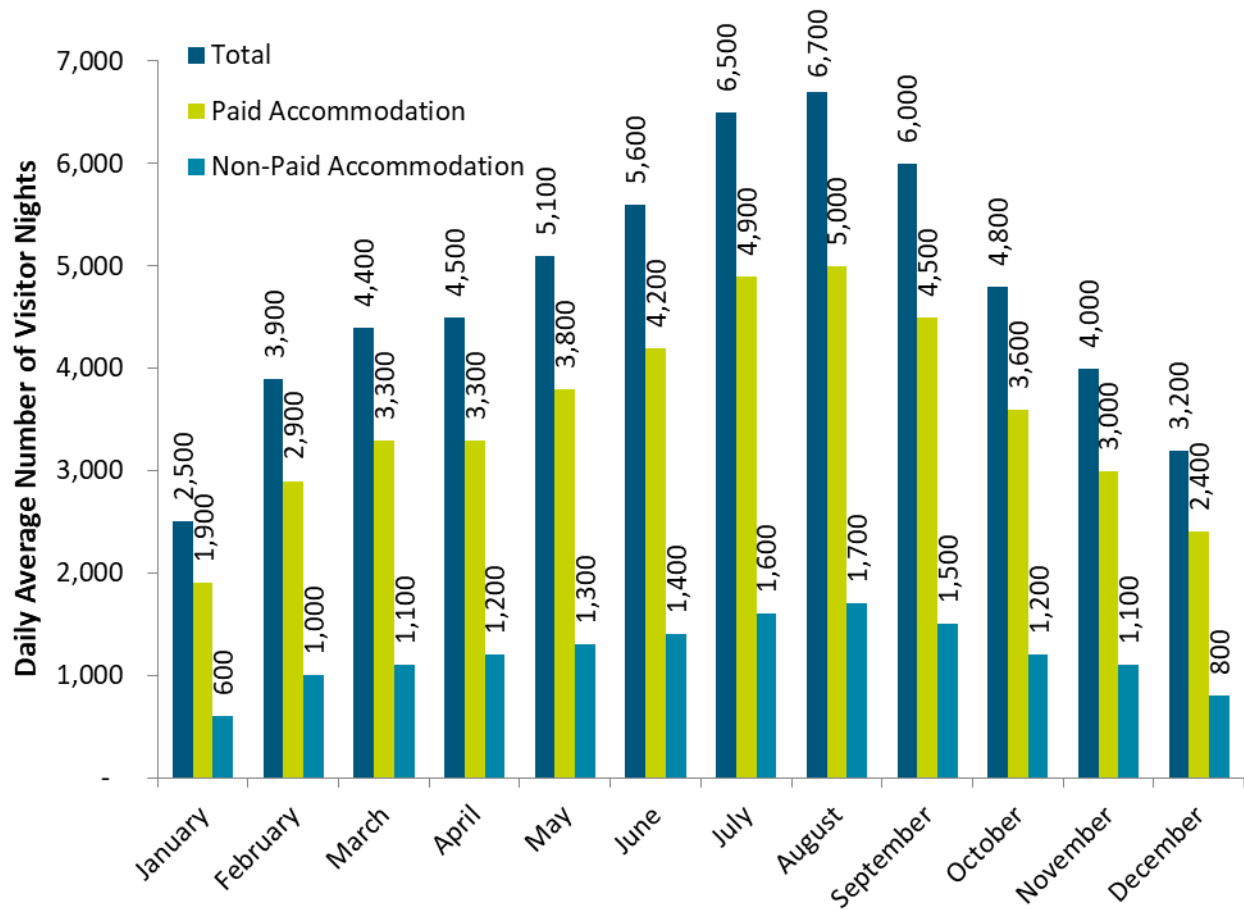
Table 2-3: Estimated annual visitor nights in Tofino

Accommodation Category	Annual Total Visitor Nights	
	Number	%
Bed & breakfast	40,700	2.3%
Hostel	22,800	1.3%
Vacation rental home / condo (Airbnb, VRBO, private rental etc.)	307,400	17.6%
Campground / RV park	395,100	22.7%
Hotel / motel / resort / lodge / inn	532,600	30.5%
Total visitor nights in paid accommodation	1,298,600	74.5%
Home of a friend or family member	166,500	9.5%
Non-paying campers	213,800	12.3%
Second home	48,300	2.8%
Other	17,000	1.0%
Total visitor nights in non-paid accommodation	445,600	25.5%
Total visitor nights	1,744,200	100.0%

Source: InterVISTAS visitor survey and calculations, Tourism Tofino Accommodation Monitoring Data.
Note that data are rounded

Figure 2-2 below shows the daily average number of visitor nights in Tofino. This increases from a low in January of a daily average of 2,500 visitor nights to a daily average of 6,700 visitor nights in August. Annually the average daily number of visitor nights is 4,800. August sees a peak in visitor nights in paid accommodation of an estimated 5,000 per day, and a January low of 1,900. Visitor nights in non-paid accommodation follows the same trend, with a peak in August of 1,700 per day and a January low of 600.

Figure 2-2: Average daily visitor nights in Tofino



Source: InterVISTAS visitor survey and calculations, Tourism Tofino Accommodation Monitoring Data.
Note that data are rounded

3 Visitor Spending Impacts

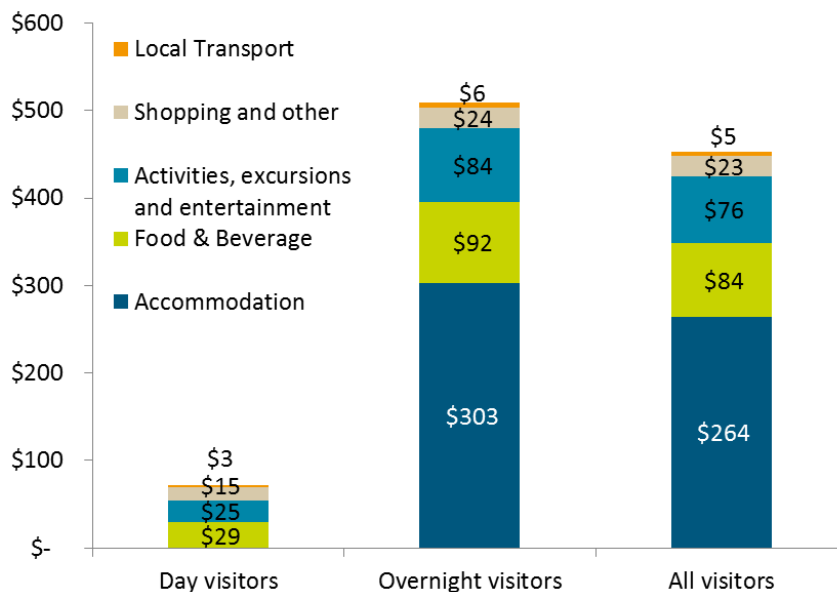
This section analyses the spending impacts of visitors to Tofino. It primarily draws on the spending patterns captured by the visitor intercept survey (discussed in further detail in Section 5) which is then applied to the estimated total volume of individual visitors to Tofino.

3.1 Visitor Spending Behaviour

The visitor intercept survey recorded that visitors to Tofino spent on average \$1,592 per party per trip, or \$492 per person. This increases to \$1,810 per party and \$554 per person for overnight visitors and decreases to \$214 per party and \$71 per person for day visitors. In comparison, Destination British Columbia recorded that overnight visitors to Vancouver Island spent an average of \$399 per person in 2014¹⁰, equivalent to \$425 in 2018 dollars.¹¹

Figure 3-1 below presents average expenditure per person by category for day visitors, overnight visitors and all visitors. On average, overnight visitors paid \$303 per person for accommodation for their visit to Tofino, \$92 per person on food & beverage and \$84 per person on activities, excursions and entertainment.

Figure 3-1: Average spending per visitor per trip, by category



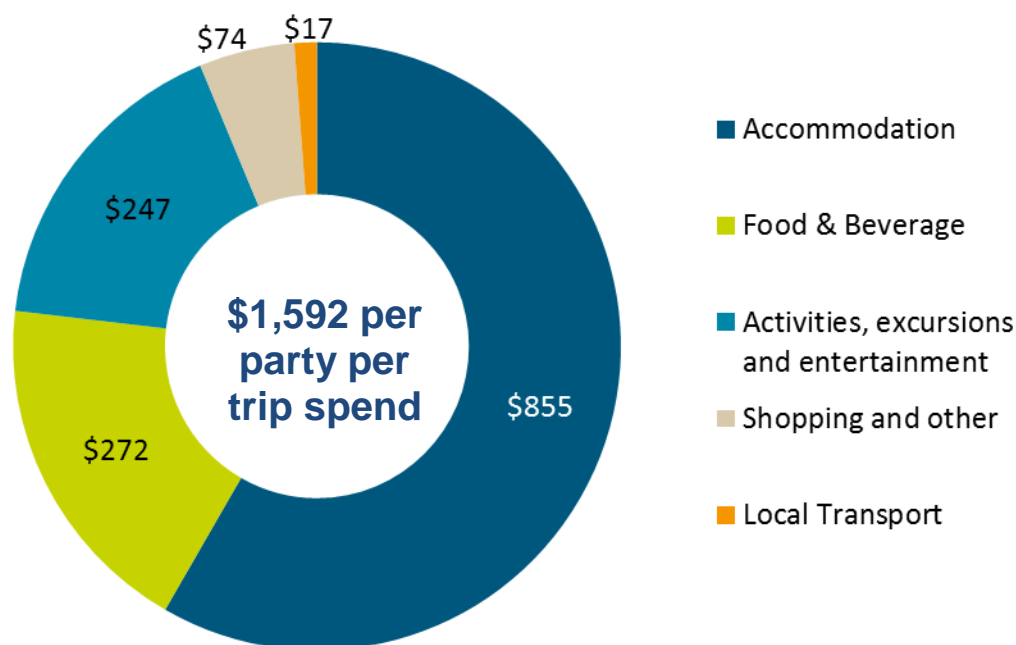
Source: InterVISTAS visitor survey and calculations. Note data are rounded

¹⁰ Destination British Columbia (May 2017) Vancouver Island Regional Tourism Profile

¹¹ Inflated from 2014 to 2018 prices by 6.51% using Bank of Canada's inflation calculator

Figure 3-2 below summarises the average spending of all visitor parties across different expenditure categories. Accommodation accounts for more than half of the average party’s spending at \$855. Food & beverage and activities, excursions and entertainment were the next biggest spending categories at \$272 and \$247 per party respectively. The remaining expenditure comprises shopping and other spending (\$74 on average per party) and local transport (\$17).

Figure 3-2: Average visitor party expenditure per trip, by category



Source: InterVISTAS visitor survey and calculations. Note data are rounded.

3.2 Total Visitor Spending

The average spending figures for overnight and day visitors to Tofino were used to calculate the total visitor spending and associated economic impacts. This is summarised in **Table 4-1** below which presents average spending per person and estimated total annual visitor spending by category.

In total, day visitors and overnight visitors to Tofino are estimated to spend \$295 million per annum. This is based upon an estimated 76,700 individual day visitors and 522,400 individual overnight visitors to Tofino each year as set out in **Section 2**. Visitor spending is calculated using the estimate of individual visitors to Tofino rather than the estimate of visitor nights to avoid double counting of expenditure impacts. Most visitor expenditure is on accommodation, accounting for an estimated \$158.4 million per annum. Visitors also spend an estimated \$50 million on food & beverage and \$46 million on activities, excursions and entertainment. Visitors spent nearly \$14 million on shopping and \$3.2 million on local transport.

Table 3-1: Estimated total visitor spending, day and overnight visitors, by expenditure category

Category	Average spending per person		Estimated annual spending (\$ million)		
	Day visitors	Overnight visitors	Day visitors	Overnight visitors	Total
Accommodation	-	\$303	-	\$158.4	\$158.4
Food & beverage	\$29	\$92	\$2.2	\$48.1	\$50.3
Activities, excursions and entertainment	\$25	\$84	\$1.9	\$43.9	\$45.8
Shopping and other	\$15	\$24	\$1.1	\$12.7	\$13.8
Local transport	\$3	\$6	\$0.2	\$3.0	\$3.2
Total	\$71	\$554	\$5.4	\$289.5	\$294.9

Source: InterV/STAS visitor survey and calculations. Note data are rounded.

4 Economic & Tax Impacts

4.1 Direct Economic Impacts



SUMMARY

In terms of direct tourism activity, this sector of Tofino's economy supports:

- **599,000** individual visitors annually
- **2,670** direct jobs
- **1,720** direct full-time equivalents or person years
- **\$60** million in direct wages
- **\$60** million in direct visitor spending related to food/beverage and retail
- **\$130** million in direct gross domestic product (GDP)
- **\$240** million in direct economic output
- **\$57** million in tax impact

4.1.1 Introduction

This section describes the direct employment in terms of full-time equivalents (FTEs) or person years, and estimated payroll attributable to employers directly related to ongoing activity and operations in Tofino's tourism industry. Employment by business category is also provided. In addition, the broader economic impacts of tourism in Tofino are measured using dollar values, GDP and economic output, are also presented.

4.1.2 Direct Impacts of the Tofino Tourism Industry

Direct employment related to ongoing operations in Tofino's tourism industry amounts to 1,720 direct FTEs. Employees working directly in Tofino's tourism industry receive an estimated \$60 million in wages, providing an average of roughly \$35,000 per FTE. The direct employment generates \$130 million in direct GDP and \$240 million in direct economic output. The direct economic impact figures are summarized in **Table 4-1** for all measures.

Table 4-1: Annual *Direct* Economic Impact of Tourism Employment in Tofino, 2018

Impact	Employment		Wages (\$ Millions)	GDP (\$ Millions)	Output (\$ Millions)
	Jobs	FTEs			
Direct					
Accommodations	1,240	840	30	80	130
Other Tourism Industries*	390	210	10	20	40
Visitor Spending**	1,040	670	20	30	60
Total Direct	2,670	1,720	60	130	240

Note: Amounts may not add to totals due to rounding

* Other tourism industries reflect businesses related to outdoor activities, adventure tourism, guided tour operators, wedding planning, health and wellness, photography/videography, air/water/ground transportation, event rentals and planning.

** An estimated 1,080 jobs are associated with visitor spending that takes place in the District of Tofino. The level of visitor spending is based on the 2018 Visitor Intercept Survey conducted by InterVISTAS with on-the-ground support from Tourism Tofino, and includes expenditure on food & beverage and retail.

4.1.3 Direct Employment by Business Type

A breakdown of direct employment related to Tofino's tourism industry by business type provides insight into the different industries that contribute to tourism in Tofino. The following summary details direct employment of each business category (**Table 4-2**):¹²

- **Accommodation** employment accounts for 840 FTEs or 49% of direct employment.
- **Food/Beverage** accounts for 530 FTEs or 30% of direct employment. This includes employment at restaurants and bars, coffee shops, and grocery stores.
- **Shopping/Retail** accounts for 140 FTEs or 8% of direct employment.
- **Outdoor Activities & Guided Tours** associated employment totals 140 FTEs, or 8% of direct employment.
- **Transportation** accounts for 20 FTEs or 1% of direct employment. This includes taxi, bus, car rental, fuel, air and water taxi employment.
- **Other industries** accounts for 50 FTEs with the remaining 3% of direct employment.

¹² Totals may not sum due to rounding.

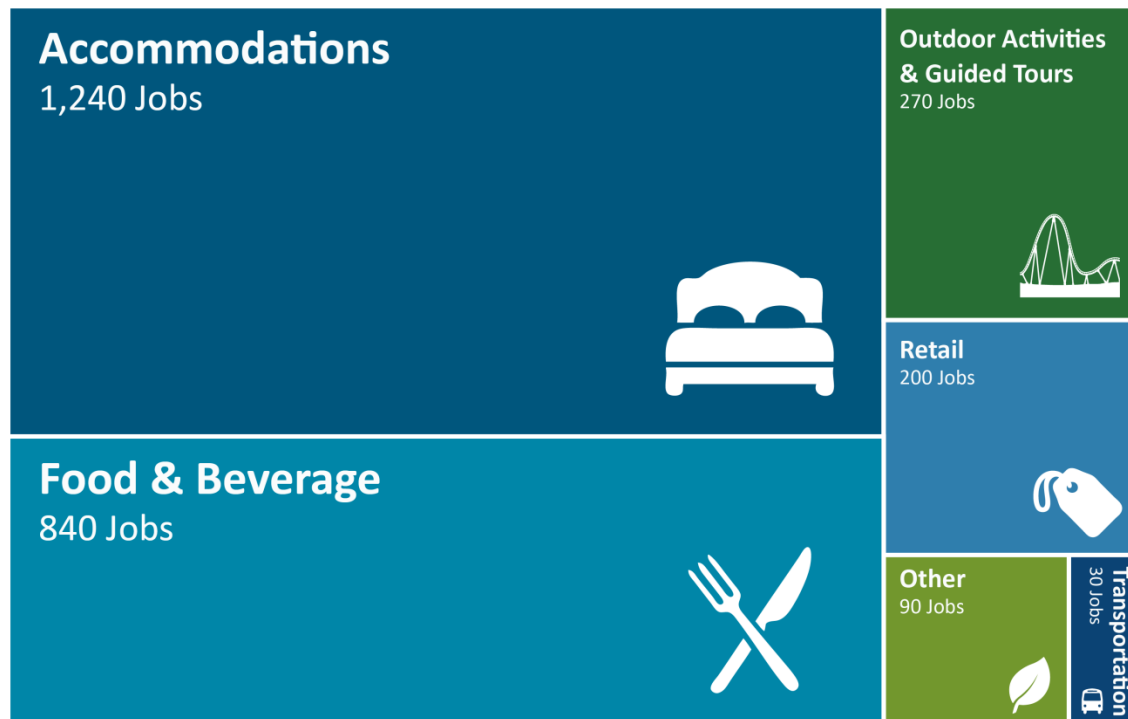
Table 4-2:
Tourism Related Direct Employment in Tofino by Business Type –
Based on 2,670 Direct Jobs in 2018

Business Type	Jobs	Person Years or Full-Time Equivalents	% (FTEs)
Accommodations	1,240	840	49%
Food & Beverage	840	530	31%
Shopping/Retail	200	140	8%
Outdoor Activities & Guided Tours	270	140	8%
Transportation	30	20	1%
Other	90	50	3%
Total	2,670	1,720	100%

Note: Amounts may not add to totals due to rounding.

Figure 4-1 illustrates the proportions direct employment across the various business categories in Tofino related to tourism.

Figure 4-1: Tourism Related Direct Employment in Tofino by Business Type



4.2 Understanding the Importance of Tofino's Tourism Industry

According to Destination BC, the province's tourism industry generated \$17 billion in revenue in 2016. The province's tourism industry employs over 133,000 jobs, earning average compensation of \$35,000 per annum, similar to the average wage of Tofino's tourism industry per FTE. The province's tourism industry contributed \$7.9 billion to BC's economy in 2016.

Similarly, Tourism Vancouver Island reports that tourism on Vancouver accounts for 60,000 jobs, contributing \$2.2 billion in annual revenues. Note however, that these figures are somewhat dated, from the 2010 time period. In relation to the data reported by Destination BC, just under half of all tourism jobs in the province reside on Vancouver Island, of which 4.4% are in Tofino.¹³

Drilling down further, the District of Tofino participates in the province's Resort Municipality Initiative (RMI) program. The RMI provides access to funding of up to \$10.5 million per annum to assist participating municipalities with continued development of their tourism product, with the goal of attracting increased visitation.

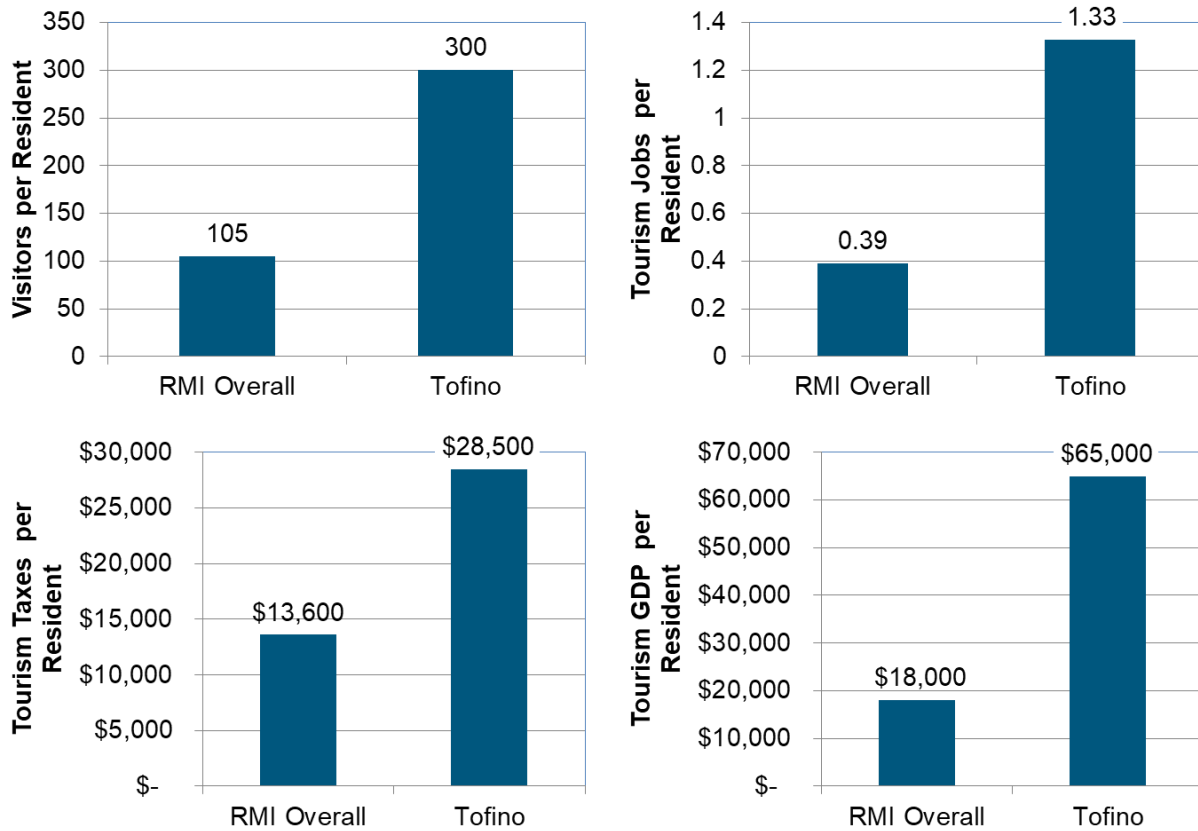
Of the 14 participating municipalities, it is reported that over 5.3 million visitors visited these communities each year and supports 19,300 jobs. Tofino's population of roughly 2,000 permanent residents is approximately 4% of the total population of the 14 RMI communities (50,000 residents). Overall, RMI communities hosted roughly 105 visitors for every resident. However, given Tofino's small resident population, the community hosts approximately 300 visitors for every resident, three times the RMI amount. In 2018, it was estimated that Tofino hosted 600,000 visitors, which is 11% of the total visitors hosted by RMI communities. Tofino also employs nearly 2,700 direct jobs in the tourism industry; this represents nearly 14% of all tourism jobs across all 14 RMI communities.

The taxes generated by tourism activity to these communities amounted to over \$680 million, this equates to roughly \$13,600 in taxes per RMI resident. Tofino's tourism industry is estimated to generate \$57 million, this equates to roughly \$28,500 in taxes generated per Tofino resident. GDP impacts from tourism for all RMI communities amounted to over \$900 million. Tofino's tourism industry contributes \$130 direct GDP representing a 14% share of all RMI communities. Tofino's tourism industry is a strong contributor and is punching above its weight, by hosting more visitors per resident and generating more taxes per resident than compared to all RMI communities overall. **Figure 4-2** displays the metrics on a per resident basis.

The relative size of the direct employment associated with Tofino's tourism industry can be compared with other occupation categories in the combined Tofino and Ucluelet census subdivisions. Some of the other industries shown in **Figure 4-3** will undoubtedly contain some tourism related employment (e.g., art, culture, recreation and sport occupations), so consideration must be given when interpreting this benchmark. Seasonal employment will also be hired each year from outside this catchment area.

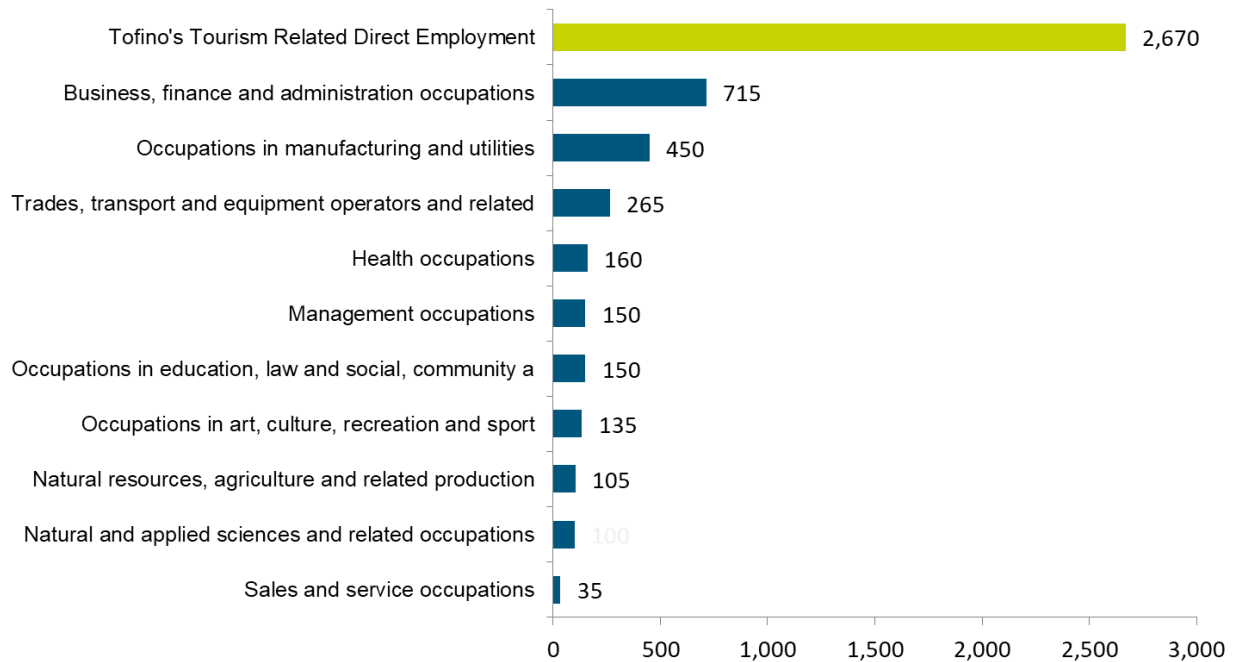
¹³ This study estimates that Tofino's tourism industry employs 2,670 people directly. This is roughly 4.4% of the total tourism related jobs on Vancouver Island. (i.e., 2,670 divided by 60,000)

Figure 4-2: Comparison of RMI Overall and Tofino Metrics, per Resident



Source: Resort Municipality Initiative Funding, September 2016 and InterVISTAS computations.
Note that the RMI communities have a combined population of 50,000 in 2016. Tofino has a population of approximately 2,000 residents in 2016.

Figure 4-3:
Benchmark of Tofino’s Tourism Related Employment (Direct Jobs) with Other Occupational Categories for the Combined Tofino & Ucluelet Census Subdivisions



Source: Statistics Canada, 2016 Census of Population is the source of data for other occupational categories for the combined Tofino and Ucluelet census subdivisions. Tourism direct employment is based on InterVISTAS analysis and is for tourism employment (jobs) that are located in Tofino only.

4.3 Indirect & Induced Economic Impacts



SUMMARY

Including indirect and induced impacts, Tofino's tourism contributions to the economy of British Columbia include, in total:

- **3,600** jobs or **2,320** full-time equivalents or person years of employment
- **\$110** million in wages
- **\$220** million in gross domestic product (GDP)
- **\$400** million in economic output

4.3.1 Introduction

The previous section presented the direct economic impacts related to ongoing operations in Tofino's tourism industry. However, the economic impact of the tourism sector does not end there, as other sectors of the economy are dependent on these employers' businesses. This includes *indirect impacts* in businesses that supply the goods and services to the direct activities linked to tourism in Tofino, and *induced impacts* resulting from direct and indirect employees spending their wages in the general economy. Therefore, the *total economic impact* of Tofino's tourism industry includes the sum of direct, indirect and induced effects. The indirect and induced impacts were estimated using Statistics Canada's economic multipliers for the Province of British Columbia.¹⁴

4.3.2 Indirect Impacts

Indirect impacts are generated by suppliers to the businesses directly related to tourism. Based on the application of economic multipliers, it was estimated that 310 indirect FTEs are related to Tofino's tourism industry. In other words, 310 FTEs are indirectly generated in industries that supply the businesses directly related to operations of Tofino's tourism sector. The wages associated with the total indirect employment is estimated at \$30 million per annum. Indirect GDP contribution is estimated at \$40 million per year, and economic output at \$80 million annually.

¹⁴ The multipliers used for the analysis are based on Statistics Canada economic multipliers for British Columbia from the 2014 Interprovincial Input-Output model, the most recent data available. These multipliers were updated with Consumer Price Indices to account for inflation from 2014 to 2018.

4.3.3 Induced Impacts

The induced employment is the result of demand for goods and services (e.g., spending in the general economy) generated by wages of those directly or indirectly linked to the Tofino's tourism industry. The induced employment attributable to tourism in Tofino in 2018 is estimated at 450 FTEs, generating \$20 million per annum in wages. Induced GDP and economic impact contributions amount to \$50 million and \$80 million, respectively, in 2018.

4.4 Total Economic Impacts

Ongoing operations in Tofino's tourism sector generate a total of 2,340 FTEs and \$120 million in wages, including induced and indirect effects. Including multiplier effects, tourism in Tofino supports \$230 million in total GDP and \$400 million in total economic output. **Table 4-3** summarizes the direct, indirect, induced, and total impact of employment and wages in the surrounding regional economy attributable to ongoing operations in Tofino's tourism industry, as well as annual GDP and economic output contributions.

Table 4-3:
Annual Direct, Indirect, Induced and Total Employment Impacts of Tourism in Tofino, 2018

Impact	Employment		Wages (\$ Millions)	GDP (\$ Millions)	Economic Output (\$ Millions)
	Jobs	FTEs			
Direct					
Accommodations	1,240	840	30	80	130
Other Tourism Industries*	390	210	10	20	40
Visitor Spending**	1,040	670	20	30	60
Total Direct in BC	2,670	1,720	60	130	240
Indirect***	480	310	30	40	80
Induced	450	290	20	50	80
Grand Total in BC	3,600	2,320	110	220	400

Notes:

* Other tourism industries reflect businesses related to outdoor activities, adventure tourism, guided tour operators, wedding planning, health and wellness, photography/videography, air/water/ground transportation, event rentals and planning.

** An estimated 1,080 jobs are associated with visitor spending that takes place in the District of Tofino. The level of visitor spending is based on the 2018 Visitor Intercept Survey conducted by InterVISTAS with on-the-ground support from Tourism Tofino, and includes expenditure on food & beverage and retail.

-- Totals may not add to totals due to rounding.

4.5 Tax Revenue Impacts



SUMMARY

Annual contribution to government revenues related to tourism in Tofino amounts to **\$57 million in total**, including:

- Federal Government: \$30 million (52% of total)
- Provincial Government: \$24 million (43% of total)
- Municipal Government: \$3 million (5% of total)

4.5.1 Introduction

This part of the report documents the current contribution to government revenues resulting from current operations in Tofino's tourism industry and associated economic activity. This includes an estimate of revenues received by federal, provincial and municipal governments.

Tax revenue contributions are divided into two groups, based on who is making the payment:

- **Taxes paid by employers and employees.** These are taxes paid by the employers and employees. They include wages and payroll taxes, social insurance contributions (such as employment insurance premiums). This also includes an estimate of property taxes paid firms.
- **Taxes paid by same day overnight visitors to Tofino.** Payments include GST and PST paid on hotel accommodations and other goods and services (e.g., food/beverage and retail purchases).

As with all such studies, a conceptual decision has to be made as to how broad a definition of economic activity should be used in measuring the impacts. For this study, a relatively narrow definition has been taken, for example, the following have not been included:

- Taxes associated with indirect or induced employment (i.e. multiplier effects).
- Consumption taxes (e.g. GST and PST) paid by tourism industry employees when they spend their wages.

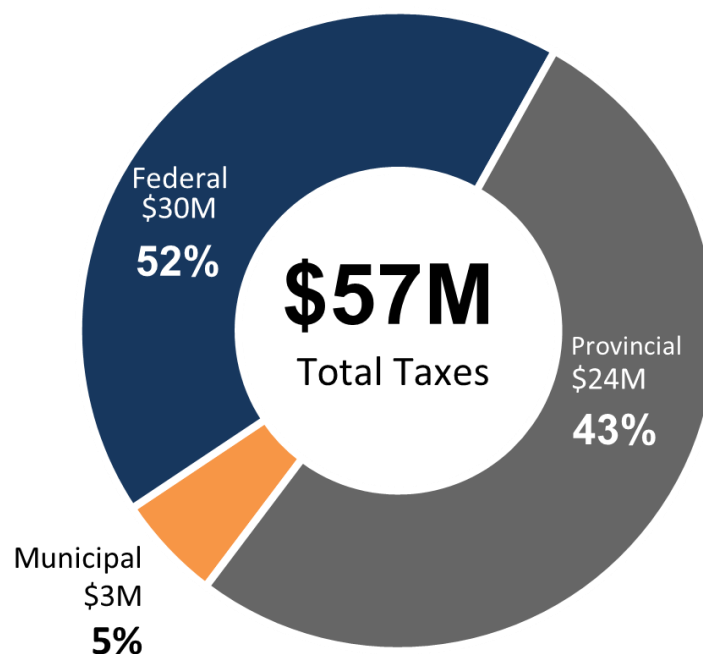
It would be exceedingly complex to broaden the scope of the tax base in this analysis to include taxes generated by indirect and induced employment. The level of detail collected on direct employment by the survey is critical to the tax analysis while such information is not available for the indirect and induced employment. This being the case, impacts and speculation about the general economy would be complex and averages would not necessarily be precise or accurate. Therefore, the tax analysis in this study is limited to revenues attributable to direct employment only.

4.6 Tax Contributions by Level of Government of Current Ongoing Tourism Industry Operations

Ongoing economic activity by Tofino's tourism industry generates tax revenue for all levels of government. In 2017, total tax contributions from tourism-related direct employment to all levels of government were approximately \$57 million. **Figure 4-3** provides a breakdown of tax impacts by level of government.

- The federal government was the largest recipient of tax revenue, receiving approximately \$30 million (52% of total tax revenue impacts). The vast majority of that total is attributable to taxes paid by employers and employees such as income tax, corporate income tax, and CPP contributions.
- The provincial government received \$24 million (43% of total tax revenue impacts). This total is from income taxes, Workers Compensation Board (WCB) contributions, medical premiums, and provincial tax associated with visitor spending.
- The municipal government collected the remaining \$3 million in tax revenue (5% of total tax revenue impacts) in the form of property taxes paid by businesses, as well as the Municipal and Regional District Tax (MRDT).

Figure 4-4: Annual Estimated Tax Revenues of Tofino's Tourism Industry, by Level of Government, 2017



5 Visitor Profile and Behaviour - 2018

This section presents the demographics, decisions and behaviours of visitors to Tofino generated by the visitor survey conducted between June 11th and September 9th 2018. In total 1,486 visitors were interviewed, though response rates to specific questions varied based on relevance and visitor responsiveness. Where possible, comparison with the prior surveys conducted during the Spring and Autumn 2016 are made.¹⁵

This section is structured as follows:

- 5.1 details the profile of visitors, including party size and composition, age, gender, occupations and annual wages
- 5.2 presents the origin of visitors and their travel choices to Vancouver Island and Tofino
- 5.3 examines the purpose of travel of visitors to Tofino
- 5.4 details the accommodation choices of visitors, along with length of stay and average trip lengths
- 0 outlines the participation of visitors in activities and attractions
- 5.6 examines the satisfaction of visitors and calculates the 'Net Promoter Score'
- 5.7 summarises the main messages generated by the visitor survey

5.1 Visitor Profile

The profile of visitors is examined in this section. Particular emphasis is placed on the size and composition of visiting parties, along with their demographics. While this profile gives an overview of visitor occupations and wages, **Section 4** provides a detailed analysis of visitor spending behaviour.

5.1.1 Party Size and Composition

The average party size was 3.3 people and a median of two people; more than a third of visitors were in a party of two people (36.7%). This is largely explained by the proportion of respondents travelling with their spouse/partner (63.3%).

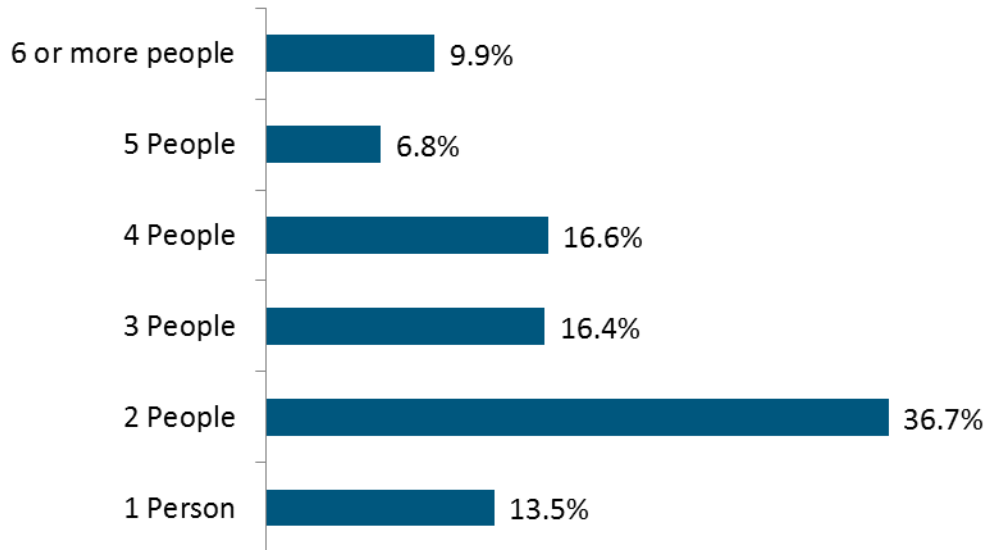
Figure 5-1 below summarises the party size of visitors.



Average
Party Size
3.3

¹⁵ Note that the 2016 survey relied on voluntary engagement and self-completion of surveys which were located at Tofino's visitor centre, whereas the 2018 survey intercepted visitors during their visits to Tofino in locations in the village and beach. The results are therefore not directly comparable due to design and time of year that they collected results.

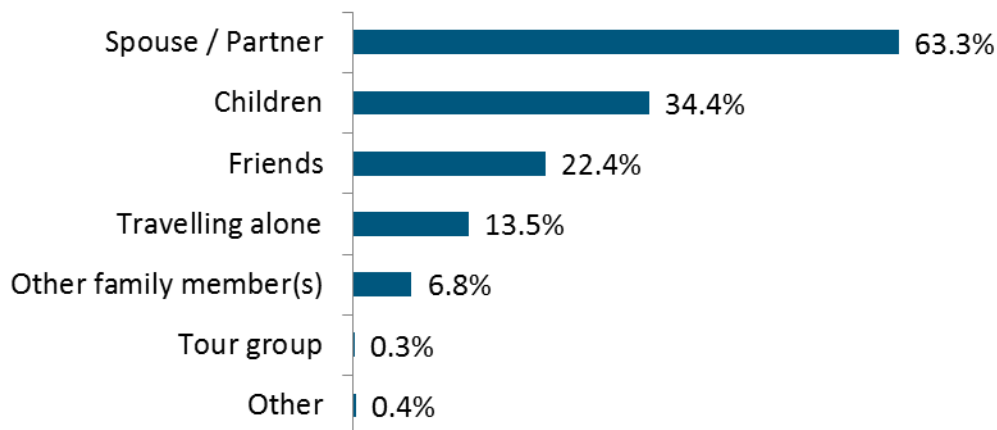
Figure 5-1: Visitor party size



Source: InterVISTAS visitor survey and calculations

Figure 5-2 below outlines the composition of visitor parties. This question allowed multiple responses to capture all the types of companions that respondents were travelling with, and therefore answers do not sum to 100%. Tofino attracts a significant proportion of couples and family units (visitors travelling with their spouses / partners, children and/or other family members). The proportion of people travelling with their spouse / partner is just over 63%, and over three quarters of respondents are travelling with children (34%). The survey captured a small number of responses from visitors travelling in tour groups.

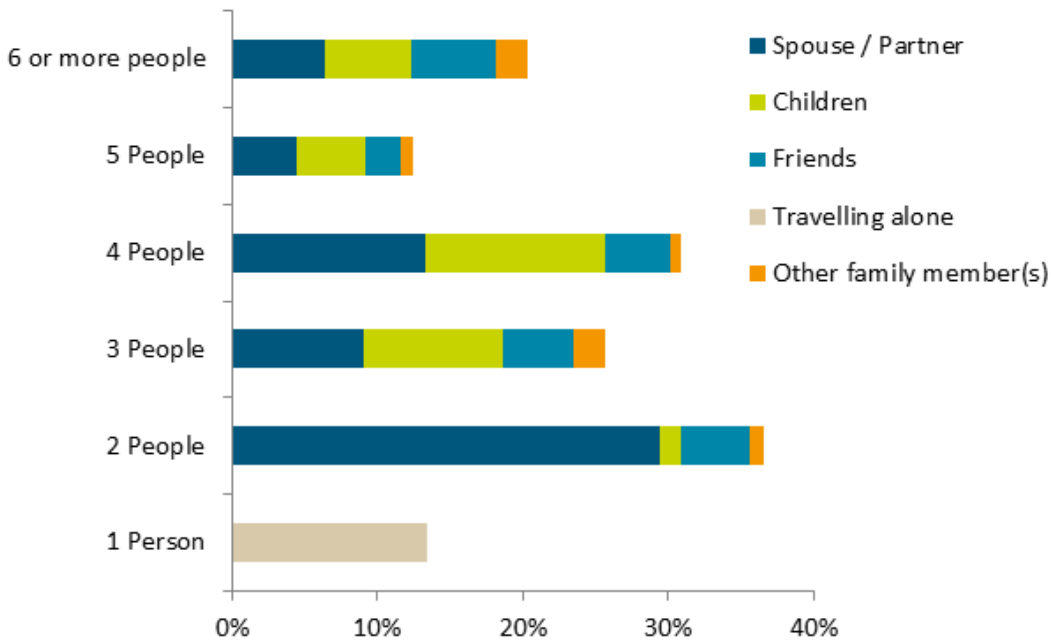
Figure 5-2: Visitor party composition



Source: InterVISTAS visitor survey and calculations

Figure 5-3 shows that the majority of visitor parties of two people comprised of a respondent and their spouse / partner. Similarly, for parties of four people they were typically comprised of a respondent, their spouse / partner and their children. Of the respondents travelling with friends, the greatest proportion was travelling in parties of six or more people.

Figure 5-3: Party size by composition



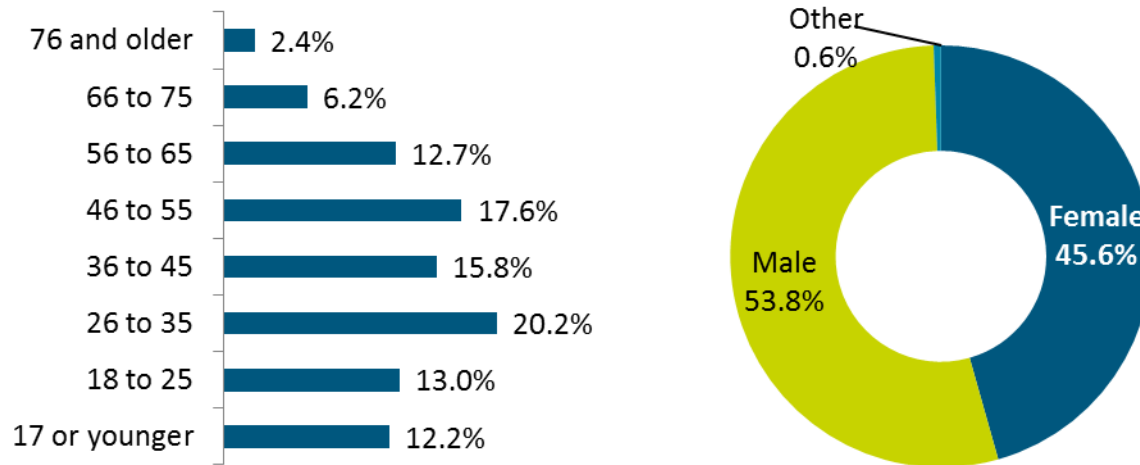
Source: InterVISTAS visitor survey and calculations

5.1.2 Age and Gender

Visitors had an average age of 36 and a median age of 34. **Figure 5-4** shows the age profile of visitors and the gender of respondents. A fifth were aged 26 to 35 (20.2%) while a third were aged between 36 and 55. A quarter of visitors were aged 25 or younger.

Slightly less than half of respondents to the survey were female (45.6%). Note that the survey was not designed to capture the gender of other visitors in the respondent’s party.

Figure 5-4: Age of visitors and gender of survey respondents

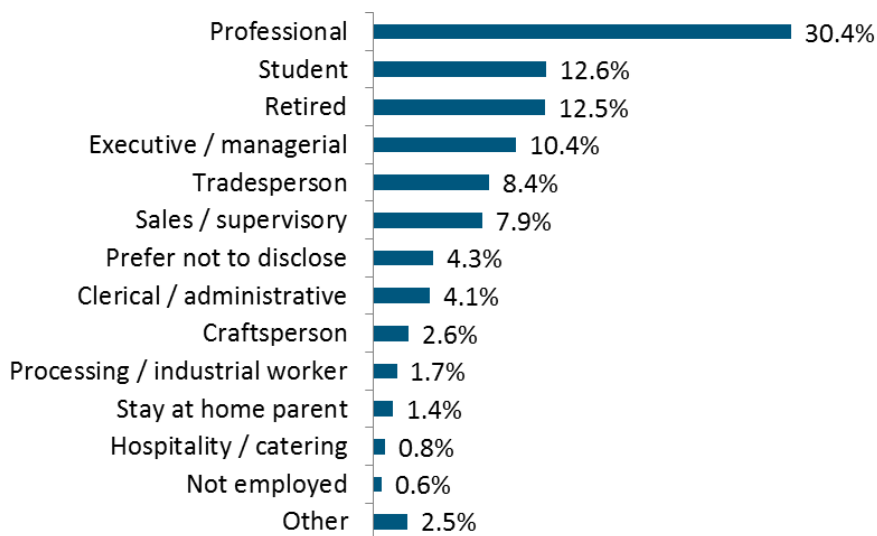


Source: InterVISTAS visitor survey and calculations. Note that gender is based upon the answers of respondents and not all visitors

5.1.3 Occupation and Wages

Occupations of respondents are summarised in **Figure 5-5**. Nearly a third of respondents had professional roles, while a quarter of respondents were either students or retired (12.6% and 12.5% respectively). Note that the reported occupations are based solely on the 92.1% of respondents that answered this question and not all visitors.

Figure 5-5: Occupations of respondents

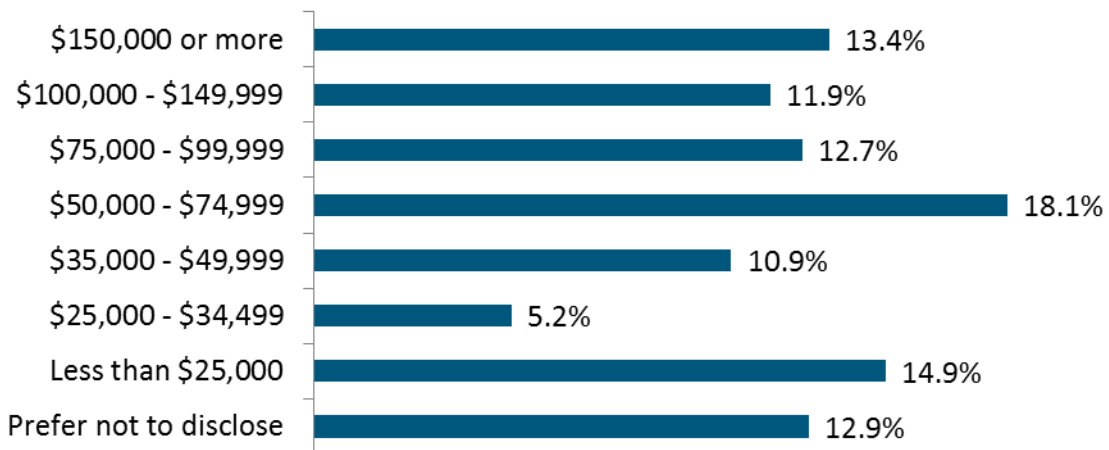


Source: InterVISTAS visitor survey and calculations

Figure 5-6 shows the wage categories reported by respondents. Note that this does not capture the wage categories for other visitors in the respondent’s parties, and that more than a fifth of respondents (12.9%) decided not to disclose their annual wages.

The wage category reported by the most respondents was \$50,000 to \$74,999 (18.1%), though a quarter of respondents reported annual wages of \$100,000 or more (25.3%). In comparison, 14.9% of respondents reported wages less than \$25,000. This is primarily due to the number of students captured by the survey, though there were also a small representation of sales / supervisory occupations and retirees in this wage category.

Figure 5-6: Wage of respondent



Source: InterVISTAS visitor survey and calculations

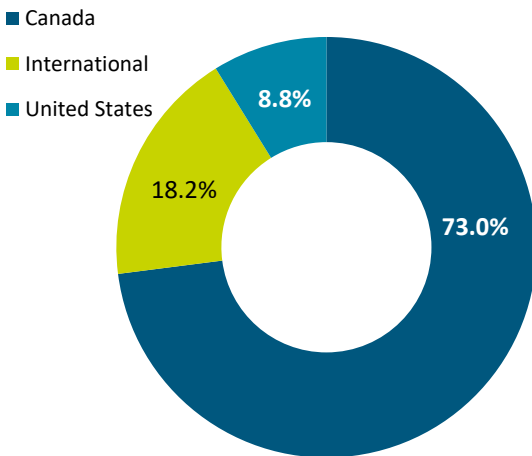
5.2 Visitor Origin and Travel to Tofino

This section summarises the origin of visitors to Tofino and their travel choices to get to Vancouver Island and Tofino.

5.2.1 Origin

Nearly three quarters of visitors to Tofino are Canadian (73%), nearly a fifth are international (18.2%) and less than a tenth are American (8.8%) (Figure 5-7).

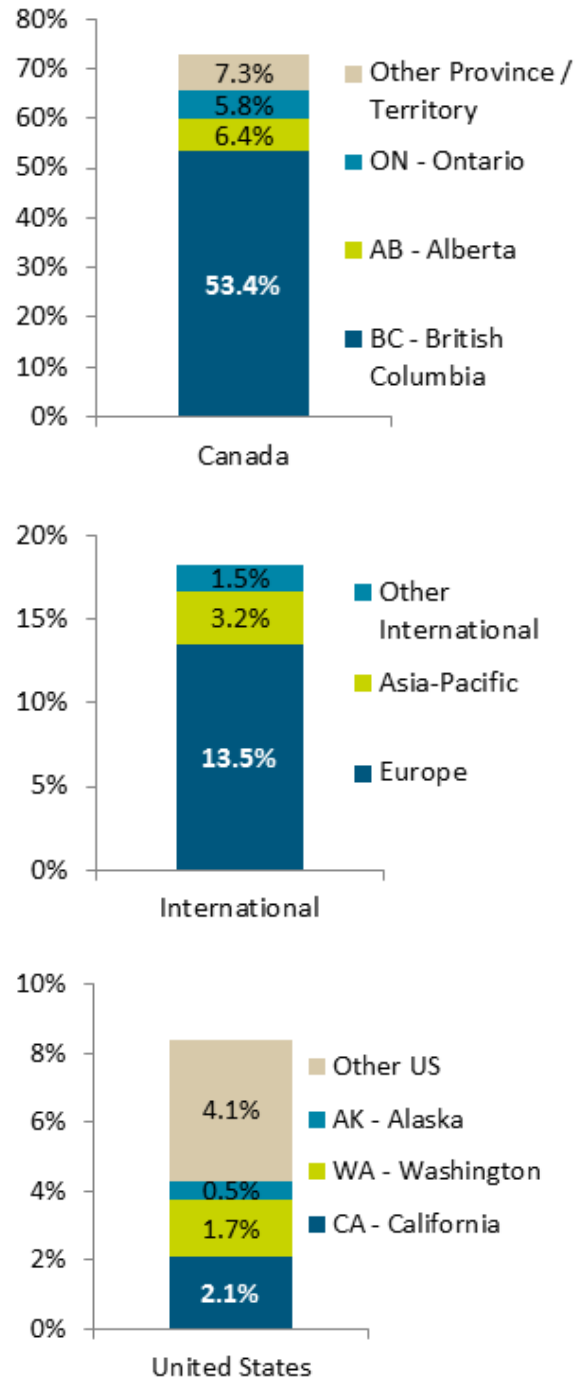
Figure 5-7: Origin of visitors



Source: InterVISTAS visitor survey and calculations

Figure 5-8 summarises the origins of Canadian, International and American visitors to Tofino. More than half of all visitors to Tofino are from British Columbia (53.4%). Alberta and Ontario are the Provinces with the second and third highest proportion of visitors to Tofino at 6.4% and 5.8% respectively. Together other Provinces and Territories of Canada were the origins of 7.3% of Tofino’s visitors. California was the U.S. state with the most visitors to Tofino with 2.1% of respondents; slightly more than Washington (1.7%). Alaska and other states comprised 4.6% of respondents.

Figure 5-8: Origin of Canadian, International and American visitors



Source: InterVISTAS visitor survey and calculations

Nearly a fifth of visitors had international origins (18.2%). **Table 5-1** shows the majority of these were from Europe, which generated 13.5% of visitors to Tofino. The next largest global region was Asia-Pacific with 3.2%, though Australia comprised 60% of the total for the region and 1.9% of all visitors. Excluding Canada and the United States, Germany was the country with the most visitors, accounting for 4.5% of respondents. The UK and Australia were the next countries with the second and third most visitors (3.8% and 1.9% respectively).

Table 5-1: Country and region of origin of International visitors

Country / Region	%
Germany	4.5%
UK	3.8%
Australia	1.9%
France	0.7%
Netherlands	0.7%
Other Europe*	3.8%
Other Asia-Pacific**	1.3%
Other International	1.5%

Source: InterVISTAS visitor survey and calculations.

* Other Europe excludes Germany, UK, France and Netherlands

** Other Asia-Pacific excludes Australia

5.2.2 Travel to Vancouver Island and Tofino

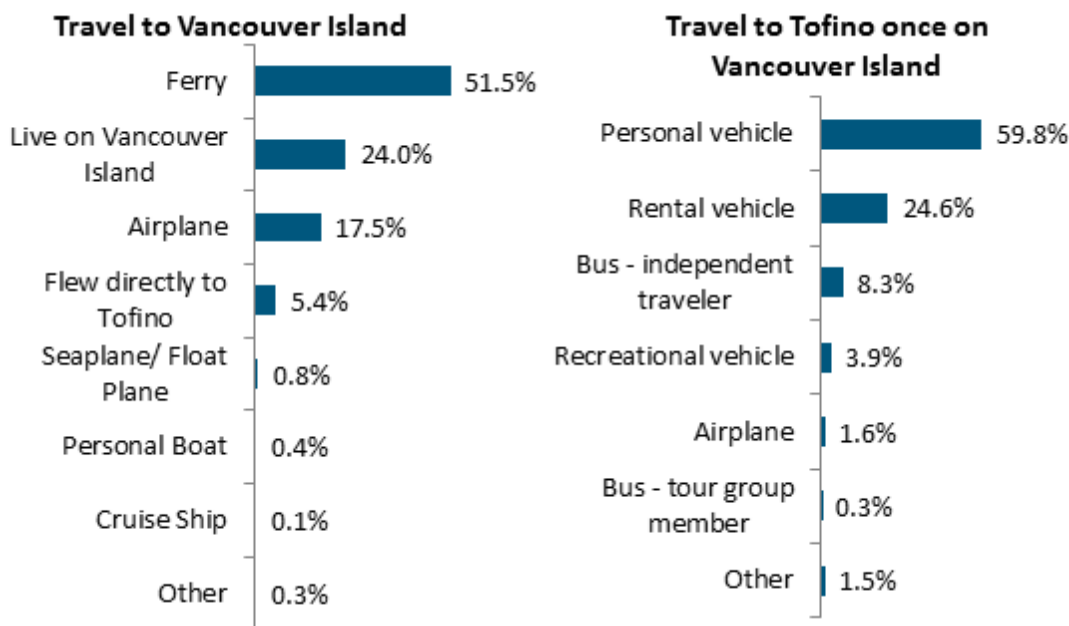
Figure 5-9 shows the travel choices of visitors to both Vancouver Island and to Tofino once they are on Vancouver Island. More than half of visitors travelled to Vancouver Island via ferries (51.5%) and nearly a quarter already live on Vancouver Island¹⁶ (24%). Together nearly a quarter of visitors travelled to Vancouver Island via airplane (17.5%), seaplane / float plane (0.8%), or flew directly to Tofino (5.4%).

Once on Vancouver Island, almost three fifths of visitors travelled to Tofino with their personal vehicle (59.8%). This is significantly lower than the proportion reported by the Spring and Autumn 2016 surveys (80% and 77% respectively). A further quarter of visitors used rental vehicles to travel to Tofino (24.6%); more than recorded by either the Spring or Autumn 2016 surveys (13% and 15% respectively). Less than a tenth of visitors travelled by bus as independent travelers (8.3%); this is significantly greater than that recorded by the Spring and Autumn 2016 surveys (2% and 1% respectively). It is anticipated that this increase in visitors travelling to Tofino by bus is a result of The Island Bus Co. increasing its daily schedule and adding additional towns to its Victoria and Nanaimo service; as a result connectivity to its Tofino service has improved¹⁷.

¹⁶ The majority of visitors that already live on Vancouver Island were more likely to travel to Tofino using a personal vehicle (86%) than visitors travelling from elsewhere.

¹⁷ <https://tofinobus.com/company/news/more-victoria-nanaimo-schedules>

Figure 5-9: Travel to Vancouver Island and to Tofino



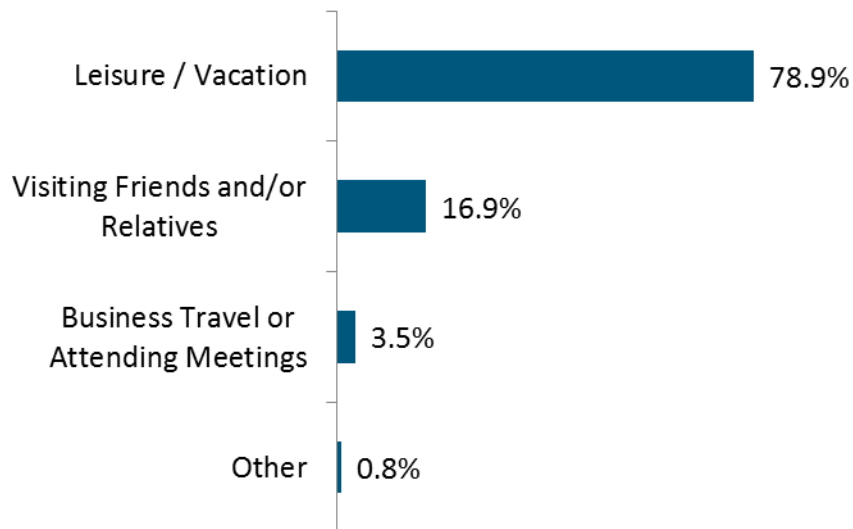
Source: InterVISTAS visitor survey and calculations

5.3 Purpose of Visit

Figure 5-10 shows that the clear majority of visitors' purpose for their trip to Tofino was for leisure / vacation (78.9%). Nearly a fifth of visitors stated visiting friends and/or relatives as the main purpose for their visit (16.9%), while only 3.5% were traveling for business or attending meetings. These breakdowns are similar to the 2016 surveys.

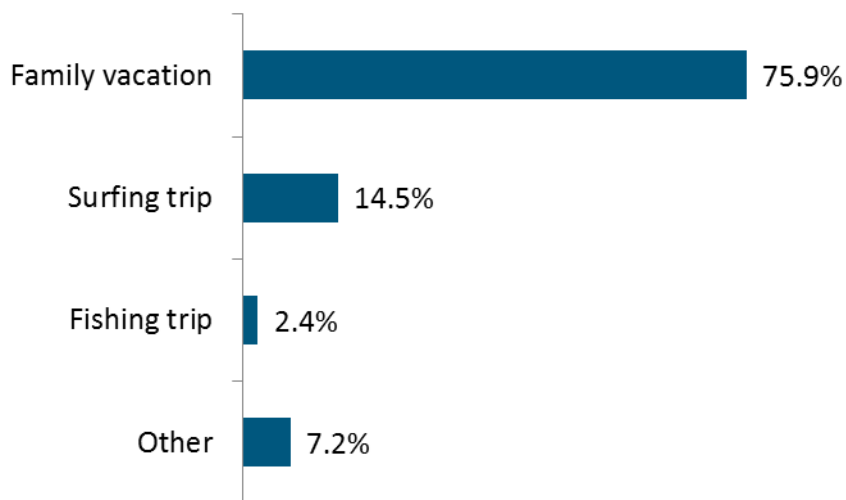
When asked about their top reasons for visiting Tofino, **Figure 5-11** shows that family vacations were reported by three quarters of visitors (75.9%). More than a tenth of visitors stated that surfing was the top reason for their trip (14.5%), and together a tenth of visitors reported fishing (2.4%) or other reasons for their visit to Tofino (7.2%). Other reasons for visiting Tofino predominantly included other leisure, outdoor, adventure or sporting activities.

Figure 5-10: Main purpose of the trip



Source: InterVISTAS visitor survey and calculations

Figure 5-11: Top reasons for visiting Tofino on this trip



Source: InterVISTAS visitor survey and calculations

5.4 Accommodation Choices and Length of Stay

This section summarises the length of visitors' stay in Tofino and accommodation choices. For context, almost 90% of visitors reported that their accommodation was located in Tofino, while the remainder reported staying in Ucluelet (8.1%) and the National Park (1.8%).

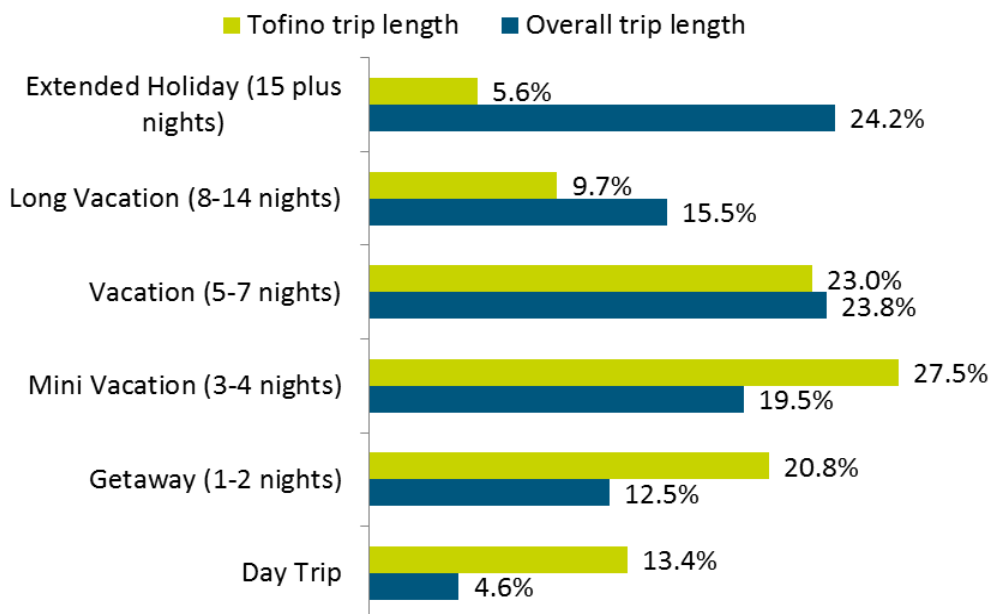
5.4.1 Length of Stay

The median overall trip length reported by visitors was 7 nights, though the average was higher at 11 nights due to a segment of respondents taking significantly longer trips. This is comparable to the average overall trip length recorded by the Spring and Autumn 2016 surveys (6.3 and 7.5 respectively). The average number of nights that visitors stayed in Tofino was 4.

In total, 13.4% of visitors to Tofino are day trips, whereas 4.6% of visitors reported a day trip as their overall trip length. **Figure 5-12** shows that most visitors to Tofino took mini vacations of three to four nights (27.5%). In comparison, extended holidays of 15 or more nights were the most reported overall trip lengths by visitors (24.5%); significantly fewer visitors stayed for 15 or more nights in Tofino (5.6%). More than a fifth of visitors reported vacation lengths of five to seven nights in Tofino (23%), almost the same proportion as overall trip lengths reported by visitors (23.8%).

As expected, the reported number of nights in Tofino is lower than the overall trip length. Day trips, getaways of one or two nights and mini vacations of three or four nights accounted for 61.6% of the length of stay reported by visitors; in comparison these accounted for just 31.6% of overall trip lengths.

Figure 5-12: Overall trip length and length of stay in Tofino

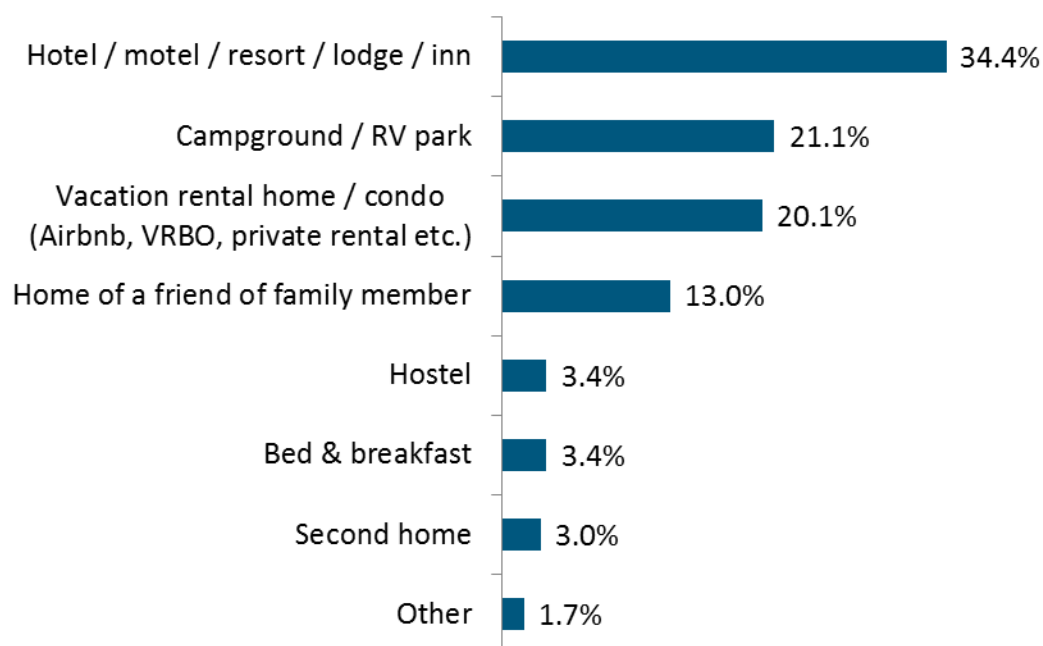


Source: InterVISTAS visitor survey and calculations

5.4.2 Accommodation Choice

Figure 5-13 shows the accommodation choices of visitors. A third of visitors stayed in hotels, motels, resorts, lodges or inns (34.4%). More than a fifth camped or stayed in RV parks (21.1%)¹⁸ and a similar proportion stayed in vacation rental homes or condos, which includes Airbnb's (20.1%). More than a tenth of visitors stayed in the homes of friends or family members (13%), and together less than a tenth of visitors stayed in hostels (3.4%), bed & breakfasts (3.4%) and second homes (3%).

Figure 5-13: Accommodation choice



Source: InterVISTAS visitor survey and calculations

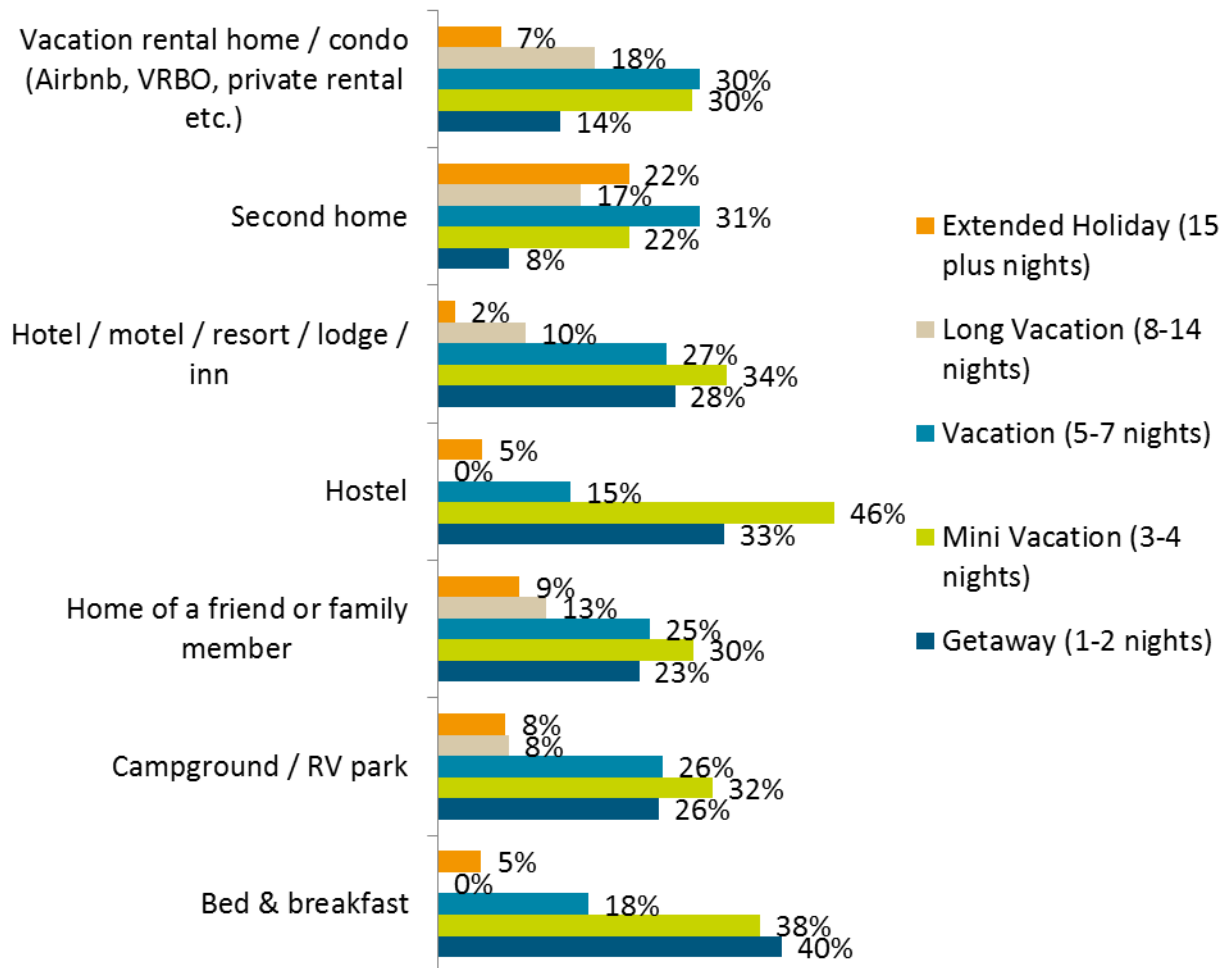
Figure 5-14 shows the accommodation choices of visitors and their length of stay in Tofino. Note that the stay lengths of visitors staying in 'other' accommodation have been excluded from the analysis due to low response rates.

Bed & breakfasts and hostels were predominantly used for shorter stays, whereas visitors looked at vacation rental homes / condos for longer stays of five or more nights. Most types of accommodation showed a significant drop of visitor stay lengths of five or more nights compared to four or less nights, with the exception of second homes and vacation rental homes / condos.

¹⁸ Of the surveyed visitors staying in campgrounds / RV parks, 35% reported they did not spend any money on accommodation but reported expenditure on other categories such as food and beverage and visiting attractions. Each respondent in this segment of the visitor profile reported that their top reason for visiting Tofino was to surf, and each of them participated in surfing / stand up paddle boarding as an activity during their trip.

Significantly fewer visitors stayed in campgrounds and RV parks for trip lengths of more than seven nights. However, more than a quarter of visitors camped or stayed at RV parks for vacations of five to seven nights (26%). Compared to visitors staying in hotels, motels, resorts, lodges and inns, vacation rental homes / condos had longer visitor stay lengths, especially for long vacations of 8 to 14 nights and extended holidays of 15 or more nights.

Figure 5-14: Length of stay in Tofino, by accommodation choice



Source: InterVISTAS visitor survey and calculations. Note: responses from visitors staying in other accommodation have been excluded from the analysis of length of stay due to low response rates.

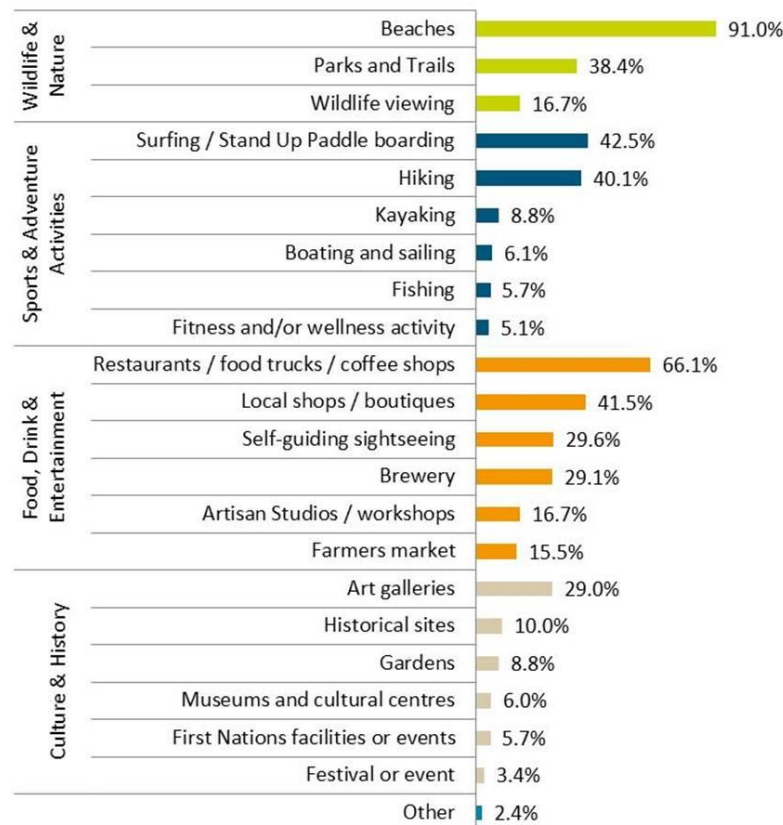
5.5 Participation in Activities and Attractions

Figure 5-15 below shows the participation of visitors in activities and attractions during their visit to Tofino. These have been grouped into four broad themes of ‘culture & history’, ‘food, drink & entertainment’, ‘sports and adventure activities’, and ‘wildlife & nature’. The survey was designed to record the types of attractions and activities that visitors to Tofino participated in but did not capture specific venues or businesses unless mentioned by respondents. For example, visitors participating in ‘wildlife viewing’ were not distinguished between those paying for commercial tours and excursions and those that were self-initiated.” There were 84 respondents in the survey that said they had/would visited First Nations facilities/events, but none of them gave qualitative commentary on specific venues.

Reflecting Tofino’s natural beauty and international reputation as a surf destination, 91% of visitors stated they had or would spend time enjoying its beaches, and 38.4% stated they would spend time on Tofino’s parks and trails. Nearly a fifth of visitors reported they had or would participate in wildlife viewing activities (16.7%).

More than two fifths of visitors reported they had or would surf / stand up paddle board during their visit to Tofino (42.5%), with a similar proportion stating they would hike (40.1%). A fifth of visitors planned to kayak (8.8%), sail (6.1%) or fish (5.7%).

Figure 5-15: Visitor participation in activities and attractions



Source: InterVISTAS visitor survey and calculations

Two thirds of visitors to Tofino stated they would specifically visit restaurants, food trucks and coffee shops during their visit (66.1%), nearly a third stated they would visit the brewery (29.1%), and more than a tenth planned to visit farmers markets (15.5%). Almost a third of visitors planned to do self-guided sightseeing in Tofino (29.6%), and less than a fifth planned to visit artisan studios and workshops (16.7%).

Nearly a third of visitors planned to visit art galleries (29%), while only a tenth planned to visit historical sites (10%). Fewer visitors had visited or planned to visit gardens (8.8%), museums and cultural centres (6%), First Nations facilities or events (5.7%), festivals or other events (3.4%).¹⁹

Just 2.4% of visitors reported participation in other attractions and activities; this emphasises that the survey was accurate in capturing the diversity of Tofino’s offer to visitors. Participation levels therefore provide a good measure of the specific activities that encourage people to visit Tofino, as well as activities or attractions that are comparably less important in generating visits to Tofino.

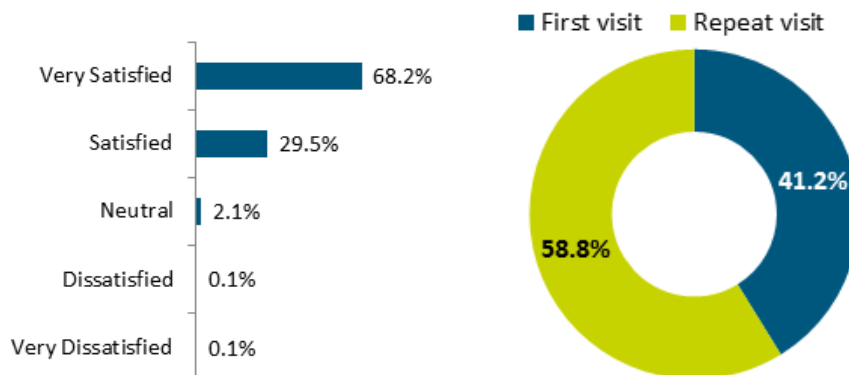
5.6 Visitor Satisfaction

This section analyses the satisfaction of visitors with their visit to Tofino.

5.6.1 Satisfaction and Repeat Visitation

Respondents reported high levels of satisfaction in their visit to Tofino. More than two thirds of respondents were ‘very satisfied’ with their visit (68.2%) and nearly a third were ‘satisfied’ (29.5%). Only 2.3% of respondents said they had a ‘neutral’ opinion, were ‘dissatisfied’ or ‘very dissatisfied’. See **Figure 5-16**.

Figure 5-16: Visitor satisfaction levels and repeat visitation



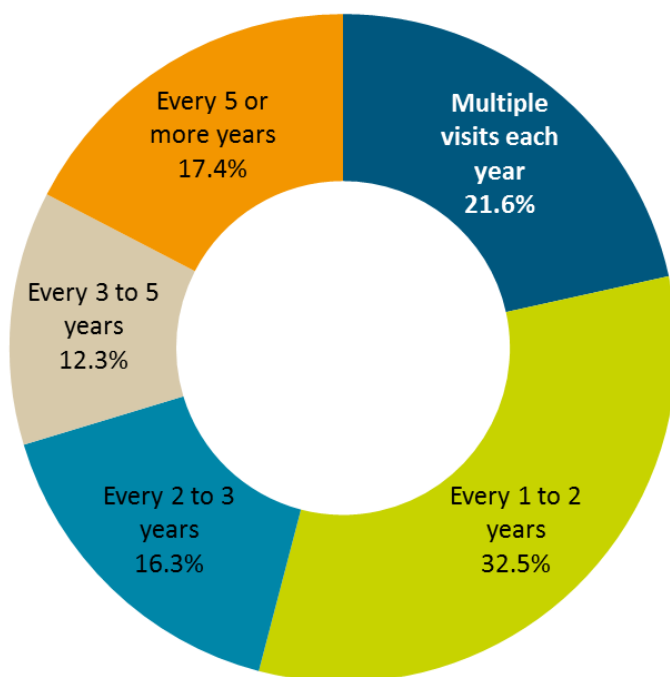
Source: InterVISTAS visitor survey and calculations

¹⁹ It is expected that museum and cultural centre visitation would include locations such as Tofino Clayoquot Heritage Museum, yet no specific details were provided by respondents.

More than half of the respondents were repeat visitors to Tofino (58.8%), compared to 41.2% of first time visitors. The satisfaction of first time and repeat visitors was similar, though no first time visitors reported that they were ‘very dissatisfied’ or ‘dissatisfied’.

Of the repeat visitors to Tofino, more than a fifth visit multiple times a year, and a third visit every one to two years (**Figure 5-17**). More than a quarter of repeat visitors visit Tofino every two to five years and less than a fifth visit every five or more years. Unsurprisingly, the frequency of repeat visits increases for visitors from British Columbia and again for visitors who live on Vancouver Island. For example, the proportion of repeat visitors who visit Tofino multiple times each year is 26.4% of British Columbia visitors and 34.8% of visitors who live on Vancouver Island.

Figure 5-17: Frequency of repeat visits to Tofino



Source: InterVISTAS visitor survey and calculations

5.6.2 Net Promoter Score

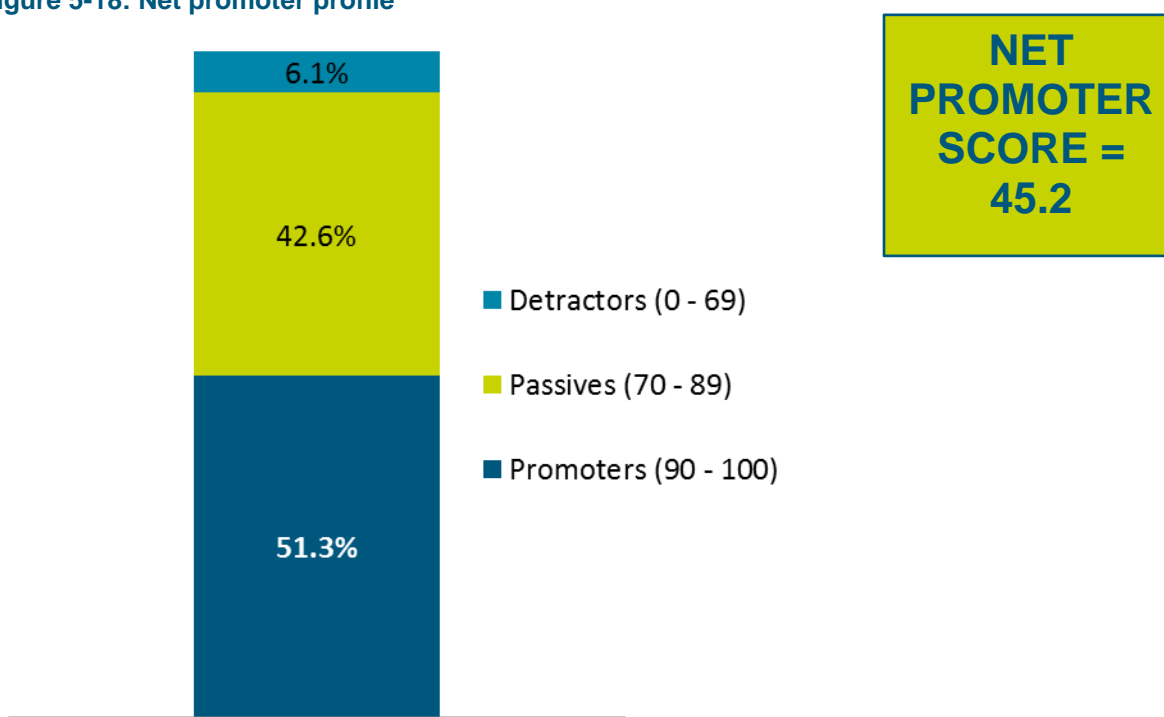
A ‘net promoter score’ is a tool that is used to gauge the loyalty of visitors or customers to a destination or business, and has been associated with revenue growth. At its simplest, a net promoter score measures the loyalty between a provider and a consumer.

Visitors were asked ‘*how likely are you to recommend Tofino as a travel destination to a friend, family member or colleague?*’ on a scale from 0 to 100. An answer of 0 meant they were ‘*not at all likely*’ and 100 meant ‘*extremely likely*’. Visitors scoring 90 to 100 are called ‘*promoters*’ and are likely to make more positive referrals to other potential visitors. Visitors scoring 0 to 69 are called ‘*detractors*’ and are less likely to make positive referrals to other potential visitors, or in some cases communicate negative

experiences. Visitors scoring 70 to 89 are called 'passives'; their behaviour falls between promoters and passives. The net promoter score is then calculated by subtracting the proportion of visitors that are detractors from the proportion that are promoters.

Figure 5-18 shows the profile of promoters, passives and detractors of survey respondents. More than half of respondents were promoters, with scores of 90 or higher (51.3%). More than two fifths of respondents were passives, with scores between 70 and 89 (42.6%), while less than a tenth of respondents were detractors with scores of 0 to 69 (6.1%). **This gives Tofino a net promoter score of 45.2** ($51.3 - 6.1 = 45.2$).

Figure 5-18: Net promoter profile



Source: InterVISTAS visitor survey and calculations

In comparison, the Spring and Autumn 2016 surveys recorded net promoter scores of 55.0 and 50.7 respectively. The Spring and Autumn 2016 surveys recorded higher proportions of promoters (74% and 72% respectively) and detractors alike (18% and 21% respectively), and smaller proportions of passive respondents. This Summer 2018 survey shows a significant reduction in the proportion of detractors and promoters alike, and an increase in the proportion of passives. While the net promoter score shows a decrease, it is important to note that it is not due to an increase in the proportion of detractors.

A net promoter score above 0 is positive, and a score above 50 is considered excellent. A net promoter score of 45.2 is therefore a highly positive reflection of the appeal of Tofino as a tourism destination and its ability to attract visitors. This is supported by its high rate of repeat visitors (58.8%).

Cross tabulating visitor's net promoter class with other variables highlights some interesting messages. For example, visitors from the United States reported 'excellent' net promoter scores for Tofino of 53.9, notably higher than Canada (44.2) and other international countries (44.7). The length of visitor's stay in Tofino also showed different results in their net promoter score (**Table 5-2**). Day trip visitors recorded the highest net promoter score of 56.8; while the lowest was visitors taking long vacations in Tofino of 8 to 14 nights (net promoter score of 30.3).

Table 5-23: Net Promoter Score of visitors by length of stay in Tofino

Length of stay in Tofino	Detractors (0 - 69)	Passives (70 - 89)	Promoters (90 - 100)	Net Promoter Score
Day Trip	4.9%	33.5%	61.6%	56.8
Getaway (1-2 nights)	7.7%	37.0%	55.3%	47.5
Mini Vacation (3-4 nights)	5.0%	36.4%	58.6%	53.7
Vacation (5-7 nights)	6.0%	53.2%	40.8%	34.8
Long Vacation (8-14 nights)	6.8%	56.1%	37.1%	30.3
Extended Holiday (15 plus nights)	9.0%	41.0%	50.0%	41.0

Source: InterVISTAS visitor survey and calculations

5.7 Summary

With an average party size of 3.3 and a median of 2, a significant share of visitor parties comprised spouses / partners. Family units of spouses / partners and their children or other family members were also well represented, and groups of friends constitute an important segment of the visitor profile. Visitors to Tofino are typically young with an average age of 36 and a median age of 34.

A diverse range of backgrounds are represented amongst Tofino's visitors. This includes a significant share of higher wage professionals and managerial occupations, but students and retirees are an important segment of the visitor profile. Visitors to Tofino are predominantly from Canada (73%) and particularly from within British Columbia (53.4%). However the origin of visitors is internationally diverse, with United States (8.8%), Europe (13.5%) and Asia-Pacific (3.2%) being important global regions for contributing visitors.

The overwhelming majority of visitors' purpose for visiting Tofino is for leisure (78.9%), followed by visiting friends and family (16.9%). The participation of visitors in activities and attractions reflects the primary purpose for visiting; wildlife or sporting related activities such as beaches, parks and trails, surfing / stand up paddle boarding, and hiking were the most popular undertaken. However other types of visitor attractions and activities were well represented and reflect the diversity of Tofino's offer, such as visiting its restaurants and food scene, local shops and boutiques, and art galleries.

Just 13.4% of visitors were on day trips while the remainder were on overnight trips. On average visitors stayed in Tofino for four nights. A third of visitors stayed in hotel / motels, and a further two fifths stayed in campsites / RV parks and vacation rentals (such as Airbnb). More than a tenth of visitors stayed with their friends or family.

Visitors' satisfaction with their trip to Tofino was high. The net promoter score, or propensity to recommend Tofino as a destination to other potential visitors, is high at 45.2.

Appendix A: Study Methodology



SUMMARY

- **61% of surveyed tourism related firms responded** to the employment survey and telephone follow-up²⁰
- **92% of total direct full-time equivalents** covered by the survey and telephone follow-up
- **Visitor expenditure data from Tofino Visitor Intercept Survey** conducted in 2018 jointly by Tourism Tofino and InterVISTAS Consulting
- Study time frame: May – December 2018 operations
- Economic multiplier and ratios source: Statistics Canada²¹

Introduction

InterVISTAS conducted this study from May to December 2018. The study estimates the economic impact of Tofino's tourism related activities and operations in 2018 and associated annual visitor traffic.

To calculate the direct employment impacts, the study team reviewed and surveyed the employment and activity of Tofino's tourism related firms. This included hotel accommodations, tour operators, and the area's attractions. These firms were provided an online employment survey to complete. The results of the online survey produced estimates of the number of individuals employed in directly-related occupations, as well as the total amount of earnings paid to all employees by tourism businesses in Tofino. The employment survey was used to classify the total employment and average wages paid by business type. Impacts related to Tofino's tourism visitor spending were also assessed based on expenditures on food/beverage, retail, ground transportation and other visitor related expenses in Tofino. The visitor spending data was collected through the InterVISTAS 2018 Visitor Intercept Survey and where possible compared to the spending of visitors to Vancouver Island and/or British Columbia as a cross-reference.

InterVISTAS Consulting estimated the indirect and induced effects using economic multipliers and ratios developed by Statistics Canada.²² InterVISTAS Consulting utilizes a proprietary model to conduct multiplier analysis and estimate indirect and induced impacts. Data from the survey, desk research, and telephone calls was used to calculate the associated tax impacts (government revenue) generated by Tofino's tourism industry activities and operations.

²⁰ Following the conclusion of the survey period, an additional database that included approximately 120 accommodations properties was provided to InterVISTAS, and subsequently included in the employment analysis.

²¹ The multipliers used for the analysis are based on Statistics Canada economic multipliers for British Columbia from the 2014 Interprovincial Input-Output model, the most recent data available. These multipliers were updated with Consumer Price Indices to account for inflation.

²² Ibid.

Estimating Current Direct Economic Impact

The direct employment base related to the tourism sector in Tofino is first measured. Employment figures are generally more understandable by the public than more abstract measures, such as economic output or GDP. Employment figures also have the advantage of being a more accurate measure, both because the firms are more likely to provide data on employment (as opposed to information on revenues, wages and other monetary amounts), and because there is less chance of double counting economic activity.

The economic impact study then assesses the indirect and induced (or “multiplier”) employment supported by Tofino’s tourism related activities, as well as economic activity in terms of economic output and GDP using Statistics Canada’s economic multipliers. The tax revenues generated annually by the tourism sector are also estimated.

Surveyed Direct Employment

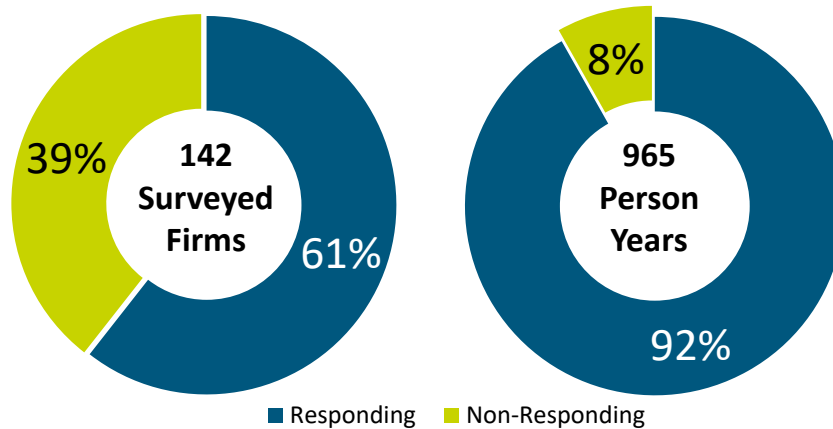
Accommodations and Other Tourism Industries Employment Survey

Employment at accommodation providers, the destination marketing organization, attractions and other tourism service providers was measured by surveying 142 related businesses and organizations. Of the 142 surveys e-mailed, 86 firms replied resulting in a response rate of 61%.²³ The employment associated with the responding firms accounts for 92% of the total 965 person years estimated for the surveyed firms.

The list of businesses surveyed was developed using a stakeholder contact list provided by Tourism Tofino. This list was supplemented with additional tourism-related businesses and organizations identified by InterVISTAS using desk research. Surveys were completed online and Tourism Tofino staff provided assistance with the survey follow-up via e-mail to prompt non-responding firms to complete the survey. The employment survey was conducted from July through December 2018, and results reflect employment as of 2018. A summary of the response rate and the amount of employment that is covered by responding firms is provided in **Figure A-1**.

²³ Excludes surveys sent out to food/beverage and retail firms, as well as an additional 120 accommodations properties added to the analysis following the conclusion of the e-mail survey campaign.

Figure A-1: Response Rate for Tofino Tourism Sector Employment Survey



Inferring Direct Employment

For surveyed firms that did not respond to e-mail or telephone calls, employment and other metrics were conservatively estimated using a proven and accepted methodology. This includes referencing the survey results for firms of similar business types and sizes.

Following the conclusion of the survey campaign, a list of additional accommodations providers was shared with InterVISTAS, for which an employment estimate was made using the methodology outlined above. Employment was “inferred” for firms that did not respond to the survey.²⁴ For Tofino’s tourism sector direct employment, 8% of total direct surveyed employment was inferred. Including the non-surveyed accommodation firms, approximately 12% of total direct employment was inferred.

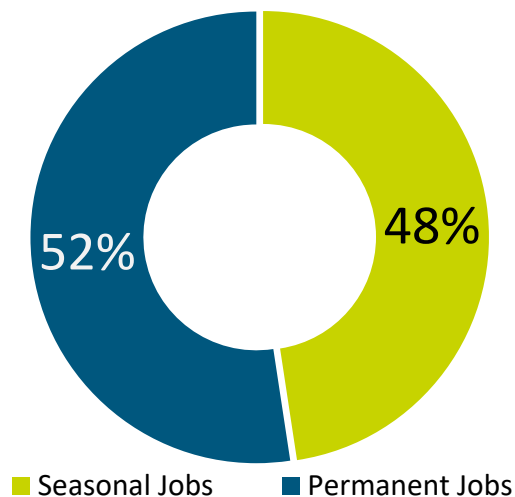
²⁴ The methodology employed in this study to infer for non-respondents is also used by the federal government for estimating the national income and product accounts.

Jobs versus Person Years

Traditionally, one measures employment by the number of jobs. However, when part-time and/or seasonal workers are used, this can be a misleading measure resulting in an overstatement of economic impact. Whenever possible, employment impacts are measured both in terms of the number of jobs and the number of person years (or Full-time equivalents, FTEs).²⁵

Based on surveyed direct jobs, approximately 52% of tourism-related employment in Tofino are permanent positions, while 48% of tourism jobs are seasonal positions. **Figure A-2** shows the permanent and seasonal components of employment attributable to tourism operations in Tofino. Approximately 46% of the permanent positions are full-time positions. Similarly, over 39% of the seasonal jobs consist of full-time positions. The breakdown of permanent and seasonal jobs by full-time and part-time positions is presented in **Figure A-3**.

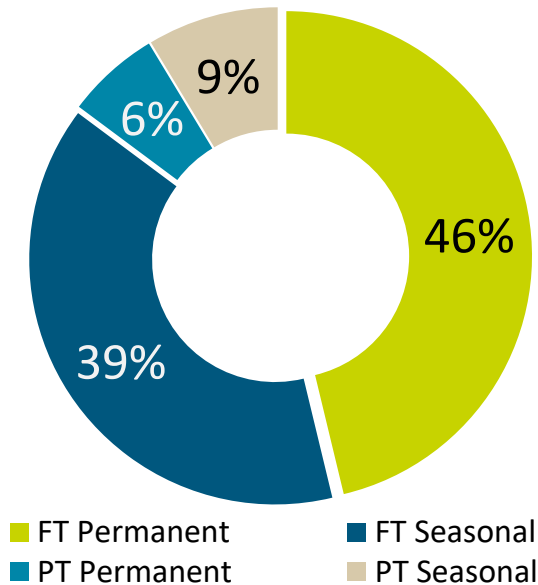
Figure A-2: Permanent vs. Seasonal Tourism Employment in Tofino



Note: This chart is based on surveyed direct jobs only.

²⁵ One person year is equivalent to 1,832 hours of work. See **Appendix C** for a detailed calculation of the number of hours per person year. 1 person year (PY) is equal to 1 full time equivalent (FTE).

Figure A-3: Full-Time vs. Part-Time Tourism Employment in Tofino



Note: This chart is based on surveyed direct jobs only.

Categories of Economic Impact

As discussed in detail in **Section 1.3**, the three major components of economic impact of this study are classified as *direct*, *indirect* and *induced* impacts, which collectively capture how the economic impact of Tofino’s tourism industry contributes to the local and provincial economy.

Multiplier Economic Impacts

Measurement of indirect and induced economic activity is difficult. While it might be possible to conduct a survey of such employers, the survey would need to cover thousands of firms for indirect employment. For induced employment, the entire economy would need to be scrutinised. In addition to the time and financial resources needed to conduct such surveys, the quality of responses would be suspect.

As an alternative to costly and inaccurate surveys, indirect and induced effects are typically measured by the use of economic multipliers.²⁶ Multipliers are derived from economic, statistical, and/or accounting models of the general economy. They come in a variety of forms and differ greatly in definition and application. Thus, great care must be exercised in choosing the appropriate set of multipliers to use. In addition, the use of multiplier analysis is limited by a number of factors, these being:

- the accuracy of the structure and parameters of the underlying model;

²⁶ The multipliers used for the analysis are based on Statistics Canada economic multipliers for British Columbia from the 2010 Interprovincial Input-Output model, the most recent data available. These multipliers were updated with Consumer Price Indices to account for inflation.

- the level of unemployment in the economy;
- the assumption of constant returns to scale in production;
- the assumption that the economy's structure is static over time; and
- the assumption that there are no displacement effects.

Multiplier impacts (indirect and induced) must be interpreted with caution since they may be illusory when the economy experiences high employment and output near industry capacity. When they are reported, it is recommended that the reader should be aware of the limitations on the use of multipliers. Mindful of these limitations, this study has undertaken multiplier analysis to estimate indirect and induced employment.

Other Economic Impacts: Economic Output and GDP

In addition to employment, the economic impact of the tourism industry can be measured in terms of the dollar impacts on the economy.

The two most common measures of economic contribution (in addition to employment) are *gross domestic product* (GDP) and *economic output*. Economic output roughly corresponds to the gross revenues of goods or services produced by an economic sector, while GDP measures only *value-added* revenues. As such, GDP removes the revenues to suppliers of *intermediate* goods and services and only includes the revenue from value-added production. Alternatively, economic output adds all revenues at each stage of production together as a measure of total production in the economy. Economic output will usually be greater than GDP (also termed value-added).

To estimate economic output for a sector, one might add up the gross revenues of the various firms in that sector. However, to find GDP for a sector, care must be taken to avoid double-counting. The revenues of one firm providing service to another are not incremental GDP. For example, in the automobile sector, one cannot add the value (gross revenue) of a finished auto to the value of the tires. The tires are already included in the value of the automobile.

One approach to measuring economic output and value-added is to ask firms in a survey to provide information on their gross revenues, payments to suppliers, etc. However, there are several problems with the approach. First, it is much too expensive to capture all of this information in a survey. Second, the double counting problem makes this approach impractical.

An alternative is to infer economic output and GDP for an economic sector from employment data using economic multipliers and ratios. Statistics Canada produces economic multipliers and ratios for Canada, and these are more cost effective and more accurate than obtaining the data from surveys. This method, using Statistics Canada economic multipliers and ratios for Canada, is the approach adopted here.²⁷

²⁷ The multipliers used for the analysis are based on Statistics Canada economic multipliers for British Columbia from the 2010 Interprovincial Input-Output model, the most recent data available. These multipliers were updated with Consumer Price Indices to account for inflation.

Visitor Intercept Survey

Tourism Tofino commissioned InterVISTAS Consulting to design and conduct a visitor intercept survey program in 2018. The survey collected information on Tofino visitor characteristics, travel and accommodation choices, participation in activities and attractions, as well as visitors' expenditure on categories such as accommodation, food and beverage, and participation in activities and attractions. The survey was conducted in 2018 between June 11th and September 9th 2018.

The survey was designed to record information on a range of topics and allow for comparisons of key variables to be made with the Spring and Autumn 2016 visitor surveys that were previously conducted by Tourism Tofino and are not directly comparable to the 2018 visitor intercept survey, while being concise enough to avoid partial completeness. The survey design and methodology was agreed with Tourism Tofino before interviews were conducted.

Visitors were interviewed at both beach and village locations in Tofino. In total, 1,486 visitor interviews were conducted between June and September.

The visitor profile generated by this survey was used to estimate the total visitation to Tofino (see **Section 3**) and the total annual expenditure and economic impact of visitors to Tofino (see **Section 4**).

Visitor Volume to Tofino

The total number of individual visitors to Tofino was primarily estimated by drawing on findings from the visitor intercept survey and paid accommodation monitoring data provided by Tourism Tofino. The estimate and underlying assumptions were validated by drawing on comparisons to monitoring data held by Destination British Columbia, District of Tofino and AirDNA data.

The approach to estimating the total individual visitor volume to Tofino was undertaken in steps, as set out below.

1 – Validating accommodation provider database

Tourism Tofino's accommodation monitoring data provides a near comprehensive assessment of the total accommodation stock in Tofino, including the capacity of each accommodation provider. Extensive desk research was undertaken by Tourism Tofino and InterVISTAS to identify and validate the capacity of each known accommodation provider in Tofino, which was cross referenced to the responses provided by accommodation businesses in the employment survey. This database was the foundation for estimating the total visitor volume to Tofino.

The database records the capacity of 214 accommodation providers in Tofino (85 of which are members of Tourism Tofino). In total the 214 accommodation providers have a capacity of 1,692 units and an estimated 2,280 bedrooms. This includes the following types of paid accommodation:

- Bed & breakfast
- Campground / RV park
- Hostel

- Hotel / motel / resort / lodge / inn
- Vacation rental home / condo (includes Airbnb, VRBO, private rentals etc.)

2 – Calculating maximum theoretical capacity of accommodation providers

The starting calculation for estimating visitor volume is to calculate the maximum monthly theoretical capacity of each accommodation provider. The second stage requires making adjustments to reflect average lengths of stay and seasonal occupancy levels. The maximum monthly theoretical capacity of each accommodation provider is based on the recorded number of bedrooms, campsites or units and the expected occupancy for each type of accommodation. These assumptions are set out in **Table A-1** below.

Table A-1: Accommodation maximum theoretical capacity assumptions

Accommodation type	Occupancy level	Assumption
Bed & breakfast	1.9 people per bedroom	Assumed occupancy level = 2 less percentage share of 1 person groups staying in B&Bs, hotels, motels, resorts, lodges, inns*
Campground / RV park	3.3 people per campsite	Average party size of visitors staying at campground / RV parks*
Hostel	1.0 person per bed	Occupancy ratio of 1 person to 1 bed
Hotel / motel / resort / lodge / inn	1.9 people per bedroom	Assumed occupancy level = 2 less percentage share of 1 person groups staying in B&Bs, hotels, motels, resorts, lodges, inns*
Vacation rental home / condo (Airbnb, VRBO, private rental etc.)	4.2 people per unit	Average party size of visitors staying at vacation rental accommodation*

Source: InterVISTAS visitor survey and calculations. * Derived from the visitor intercept survey

The maximum theoretical capacity of each accommodation provider is calculated on a monthly basis so that accurate seasonality changes can be made. It assumes that unique visitors stay in each available bed / bedroom / campsite / unit every night of the month. For example, the maximum theoretical capacity of a hostel with 100 beds in July is calculated as follows:

1.0 person per bed x 100 beds x 31 days = 3,100 maximum theoretical capacity in July

3 – Adjustment for average lengths of stay

After calculating the maximum theoretical capacity of each accommodation provider, adjustments are made to account for the average number of nights that visitors stay for. To account for seasonal change this is calculated drawing upon information from the 2018 InterVISTAS intercept survey, conducted between June and September 2018, and Tourism Tofino's Spring 2016 and Autumn 2016 Visitor

Profiles.²⁸ These information sources provide average lengths of stay for each accommodation type for every calendar month with the exception of January, which used an average of the spring and autumn stay length. The Spring 2016 survey overlapped with the 2018 survey period in the month of June, and so the model used an average of the visitor stay length from these two sources for the month of June. The same approach was applied to September where the 2018 and Autumn 2016 survey periods overlapped.

Average lengths of stay vary across the different accommodation types and across the calendar year. They range from 2.8 nights in the months February to May for visitors staying in hotels / motels / resorts / lodges / inns, provided by the Spring 2016 visitor profile, to 4.2 nights in July and August for visitors staying in vacation rental homes / condos, provided by the 2018 intercept survey. The average length of stay data was used to calculate the maximum number of individual visitors staying at each accommodation provider, assuming that each bed / bedroom / campsite / unit was filled every night by visitors staying for the average number of days in each accommodation type. For example, the occupancy of a hostel with 100 beds in July is calculated as follows:

3,100 maximum theoretical capacity in July / 2.8 average no. of nights stayed in hostels = 1,107 unique visitors staying for the average number of nights

4 – Adjustment for monthly accommodation occupancy levels

Information provided by Tourism Tofino was used to make adjustments to individual visitor volumes based on monthly accommodation occupancy levels. This information was primarily derived from AirDNA data extracted in November 2018 and an October 2018 STR report. The data was used to further adjust the number of individual visitors estimated at each accommodation provider, to account for less than 100% occupancy levels. **Table A-2** below summarises the monthly occupancy levels used for each accommodation type.

Table A-2: Monthly occupancy level by accommodation type

Month	Hotels / motels / resorts / lodges / inns	Vacation rental homes / condos	Bed & breakfasts, campgrounds & RV parks, hostels
January	37.3%	37.5%	37.4%
February	60.5%	45.0%	60.6%
March	63.9%	59.0%	67.2%
April	63.9%	57.5%	73.7%
May	68.8%	75.0%	80.2%
June	80.2%	82.5%	85.5%
July	94.5%	96.0%	97.7%
August	98.3%	96.0%	99.0%
September	84.4%	87.5%	91.1%

²⁸ Tourism Tofino (2016) Spring 2016 Visitor Profile, Tourism Tofino (2016) Autumn 2016 Visitor Profile

Month	Hotels / motels / resorts / lodges / inns	Vacation rental homes / condos	Bed & breakfasts, campgrounds & RV parks, hostels
October	72.2%	60.0%	75.0%
November*	61.1%	45.0%	64.7%
December*	45.2%	45.0%	49.2%

Source: Tourism Tofino monitoring data, November 2018 AirDNA data and October 2018 STR Report
* 2017 data

For the example of a 100 bed hostel with 1,107 unique visitors staying in July, the number of visitors is reduced to 97.7% to reflect that an average of 2.3% of beds are unoccupied, totalling 1,082 unique visitors. This was the final step in estimating the total volume of visitors staying in Tofino in paid accommodation which is summarised in **Table A-3**. Additional calculations were then made to estimate the volume of visitors to Tofino staying in unpaid for accommodation, such as staying with friends and family, and day visitors.

Table A-3: Estimated total annual visitor volume to paid accommodation

Accommodation type	Estimated total annual visitor volume
Bed & breakfast	12,600
Hostel	6,900
Vacation rental home / condo (Airbnb, VRBO, private rental etc.)	82,600
Campground / RV park	112,200
Hotel / motel / resort / lodge / inn	178,000
Total paid accommodation	392,300

Source: InterVISTAS calculations. Note data are rounded

5 – Calculating volumes of day visitors and visitors staying in unpaid accommodation

Day visitors and visitors staying in other types of accommodation were estimated based on their representation in the visitor intercept survey and weighted to the total volume of visitors staying in paid accommodation categories, as set out in **Table A-3**.

This stage of the calculation included an uplift to account for a market segment of visitors staying in campgrounds / RV parks that were ‘car camping’ or wild camping. Of the surveyed visitors staying in campgrounds / RV parks, 35% reported they did not spend any money on accommodation but reported expenditure on other categories such as food and beverage and visiting attractions. Each respondent in this segment of the visitor profile reported that their top reason for visiting Tofino was to surf, and each of them participated in surfing / stand up paddle boarding as an activity during their trip. These visitors travel to Tofino to surf, often on opportunistic visits based on conditions²⁹, and often do not stay in formal accommodation. As such it was decided to uplift the estimate of visitors staying in campgrounds / RV

²⁹ 58.9% of these visitors stayed for shorter trips of up to 4 nights, compared to 48.3% of all visitors.

parks to account for this market segment. This visitor segment was estimated based upon the ratio of non-paying campers to paying campers (54.1%); an estimated 60,700 annual visitors.

Table A-4 summarises the representation of day visitors and visitors staying in other types of accommodation based on the weighted party size captured in the visitor intercept survey and the estimated total annual visitor volume.

Table A-4: Estimated total annual volume of day visitors and visitors staying in non-paid accommodation

Visitor type	% responses by party size	Estimated total annual visitor volume
Home of a friend or family member	8.3%	49,900
Second home	2.4%	14,500
Non-paying campers	54.1% (of visitors staying in paid campgrounds / RV parks)	60,700
Other accommodation	0.8%	5,100
Day visitors	12.8%	76,600
Total non-paid accommodation and day visitors	N/A	206,700

Source: InterVISTAS calculations

Limitations

The estimate of total annual individual visitor volume to Tofino draws on a number of data sources spanning different times periods and with different survey design. While significant effort has been made to validate the input data and underlying assumptions to the visitor volume model, consideration should be made of a number of factors where improvements can be made to subsequent estimates.

1. The model draws upon data sources conducted in different time periods, based on the availability of data. In particular the Spring and Autumn 2016 visitor profile information are dated in comparison to the recent InterVISTAS intercept survey. Additionally, information from Tourism Tofino and AirDNA on occupancy levels for different accommodation types draws upon 2017 and 2018 data to provide a full calendar year. Therefore the model should be considered a best available estimate of individual visitor volume to Tofino, drawing upon the most recent information sources to consider seasonality patterns. New data may provide grounds to increase or decrease the estimated total individual visitor volume to Tofino. For example, the model currently relies on an average length of stay recorded in the Spring and Autumn 2016 visitor profiles for the month of January, as no other information was available.
2. Analysing the accommodation database involved extensive data cleaning and validating from multiple information sources to ensure that all known cases of double counting were removed from the database. This included information from Tourism Tofino and District of Tofino. In most cases double counting arises where vacation rental properties are listed on multiple platforms, including independent websites, local Tofino companies advertising multiple accommodation providers' properties and Airbnb. While significant effort has been made to remove double counting and develop a comprehensive database of available accommodation in Tofino it is possible that the actual number

of accommodation providers, and thus the capacity for visitors, may be higher or lower. A recent study commissioned by the Hotel Association of Canada estimated that Airbnb accommodation accounts for an average of 18% of the hotel room inventory across Canada, though it ranges from 5% in Regina to 48% in Montreal.³⁰ In the accommodation database used to calculate visitor volume to Tofino the capacity of vacation rental homes / condos accounts for 47% of the capacity of hotels / motels / resorts / lodges / inns.

3. Occupancy information specific to campgrounds / RV parks, bed & breakfasts and hostels was unavailable, and therefore proxy information was used from Tourism Tofino's STR data. It is anticipated that the occupancy levels for these accommodation types is likely to be different to hotel occupancy levels on which the data is based, especially campgrounds and RV parks during winter months. No data is currently available to estimate this.
4. The estimate of day visitors and visitors staying in non-paid accommodation assumes that these market segments follow the same seasonality patterns as visitors staying in paid accommodation. This is because the basis for the model is to estimate visitors staying in paid accommodation first and to estimate other visitors based on their weighting in the intercept survey.
5. Capacity of accommodation providers is mostly informed by the visitor intercept survey and average party sizes for visitors staying at campgrounds / RV parks and vacation rental homes / condos. Adjustments for seasonal changes in party size were not possible due to the limited availability of data being solely captured by the 2018 visitor intercept survey. Subsequent surveying could be used to capture such data.

Visitor Spending Impacts

Non-local travellers spend money in the local economy when they visit Tofino – on accommodations, taxis, recreation, food and beverage, entertainment, etc. By bringing money into a region and spending it there, visitors exert an immediate and direct impact on the local economy. This study includes an estimate of the economic impact of non-local, non-accommodation and non-entertainment visitor spending.³¹

The estimated visitor spending and associated economic impact draws upon the spending behaviour captured in the visitor intercept survey and the estimated total individual volume of visitors to Tofino. Visitor spending was compared to benchmarks provided by Destination British Columbia and the 2016 Spring and Autumn visitor profiles, previously collected by Tourism Tofino. It is worth noting that the estimate of visitor spending in Tofino is based upon data captured during the summer of 2018 and does not capture any seasonal change that may occur. Additional seasonal survey samples are required to assess whether there are changes to visitor spending habits at different times of the year.

³⁰ CBRE (September 2017) An Overview of Airbnb and the Hotel Sector in Canada – A Focus on Hosts with Multiple Units

³¹ Visitor spending estimates included in the analysis do not include amounts spent on accommodations and entertainment in order to avoid double counting of employment already taken into account in the employment survey of tourism related employers, including accommodation providers and attractions. Visitor spending includes expenditure on retail, food & beverage and local transportation within Tofino.

Tax Impacts

Tourism activity in Tofino generates tax revenues. This includes revenues received by federal, provincial and municipal levels of government. The tax revenue contributions to the federal, provincial, and municipal levels of government that are associated with Tofino's tourism industry are also estimated. This includes taxes paid by employers and employees (such as payroll taxes) and an estimation on municipal taxes paid. Estimated tax revenues are for calendar year 2017, using tax rates for that year in the computations.

Appendix B: Tax Revenues Attributable to Tourism Employers and Employees in Tofino

Introduction

This appendix describes the employment and other assumptions on which tax revenues calculations are based. As well, the approaches used to estimate employer and employee contributions to local, provincial and federal governments are presented. All estimates are for the 2017 calendar year.

Some of the taxes pose conceptual questions about how much, or if any, tax revenue from a particular source should be attributed to tourism businesses in Tofino. These questions are highlighted and simplifying assumptions are put forth.

Employment Generated and Supported by Tourism Activity

The tax calculations in this report are separated into two - the tax revenue contributions of employers and employees in accommodation providers and tourism service providers; and, the contributions of visitors. This appendix focuses on the analysis of taxes paid by employers or employees.³² The total direct employment, in jobs, used for the calculations of the tax revenue paid by employers and employees is 2,670 jobs (rounded). The total direct payroll is estimated at \$60 million.

Personal Income Tax (Federal and Provincial)

Tax base and rates. Under the *Income Tax Act* federal income tax is paid on taxable income at a rate that increases with taxable income.

Provincial income tax was formerly calculated as a percentage of federal tax, but most provincial governments have begun collecting taxes on a sliding scale.

Estimation Method and Results

Because the tax rate is progressive, the tax paid by a group of employees depends on the distribution of wages among those employees. Unfortunately, the distribution of annual wages is not known and average wages must be used. Each employee is assumed to pay tax as a single tax filer. Estimated income tax payable is \$3.3 million in federal tax and \$1.3 million in provincial tax.

³² See **Appendix C** for details on the analysis of taxes paid by visitors to the Tofino area.

Table B-1: Personal Income Tax Revenues

Job Type	Jobs	Average Payroll	Payroll (\$k)	Average Income Tax Rates (%)		Estimated Income Tax (\$000)	
				Federal	Provincial	Federal (\$000)	Provincial (\$000)
Accommodations Sector Only	1,237	\$ 21,205.83	\$26,241.44	5.3%	2.1%	\$1,380.23	\$560.18
Other Tourism Related Businesses - Attractions, etc.	378	\$ 22,889.82	\$8,648.64	5.3%	2.1%	\$454.90	\$184.62
Non-local Visitor Spending - Food/Beverage Only	841	\$ 22,894.87	\$19,259.74	5.3%	2.1%	\$1,013.01	\$411.14
Non-local Visitor Spending - Retail Only	201	\$ 26,751.28	\$5,387.64	7.2%	2.7%	\$390.03	\$147.08
Non-local Visitor Spending - Local Transportation	10	\$ 55,327.42	\$553.27	11.6%	4.5%	\$64.30	\$24.85
TOTAL	2,668		\$60,090.74			\$3,302.47	\$1,327.87
					Average Tax Rate	5.5%	2.2%

The average tax rates used are derived from the more detailed calculations of taxes payable shown in **Table B-2**. In those calculations, assumptions have been made about income from non-employment sources, tax deductions from income (e.g. RPP and RRSP contributions), and tax credits applied against tax otherwise payable (e.g. CPP, EI and charitable contributions). Average credits are calculated from Revenue Canada, *General Income Tax Forms, 2017*.

Table B-2: B.C. Single Tax Filer Income Tax Calculation – 2017

BC - British Columbia Single Tax Filer Income Tax Calculation																
Income																
Employment	\$ 15,000.00	\$ 20,000.00	\$ 25,000.00	\$ 30,000.00	\$ 35,000.00	\$ 40,000.00	\$ 45,000.00	\$ 50,000.00	\$ 55,000.00	\$ 60,000.00	\$ 70,000.00	\$ 80,000.00	\$ 90,000.00	\$ 100,000.00	\$ 70,000.00	\$ 100,000.00
TOTAL	\$ 15,000.00	\$ 20,000.00	\$ 25,000.00	\$ 30,000.00	\$ 35,000.00	\$ 40,000.00	\$ 45,000.00	\$ 50,000.00	\$ 55,000.00	\$ 60,000.00	\$ 70,000.00	\$ 80,000.00	\$ 90,000.00	\$ 100,000.00	\$ 70,000.00	\$ 100,000.00
Deductions																
RSP	\$ 30.78	\$ 37.25	\$ 51.42	\$ 88.57	\$ 157.01	\$ 269.35	\$ 426.97	\$ 641.38	\$ 790.26	\$ 1,001.35	\$ 1,289.01	\$ 1,785.15	\$ 2,563.75	\$ 2,615.71	\$ 1,890.15	\$ 2,615.71
RPP	\$ 154.62	\$ 198.04	\$ 239.84	\$ 322.95	\$ 427.87	\$ 534.97	\$ 704.94	\$ 948.18	\$ 1,214.39	\$ 1,650.15	\$ 2,126.57	\$ 2,310.11	\$ 2,968.68	\$ 3,770.06	\$ 2,310.11	\$ 3,770.06
Carrying Charges	\$ 68.50	\$ 52.12	\$ 49.25	\$ 60.40	\$ 83.30	\$ 109.32	\$ 149.40	\$ 196.64	\$ 229.97	\$ 281.77	\$ 338.90	\$ 435.99	\$ 582.53	\$ 567.06	\$ 435.99	\$ 567.06
Union	\$ 114.79	\$ 99.93	\$ 103.60	\$ 113.33	\$ 128.47	\$ 145.30	\$ 160.08	\$ 203.34	\$ 234.27	\$ 258.53	\$ 297.14	\$ 353.24	\$ 420.94	\$ 506.85	\$ 297.14	\$ 506.85
TOTAL	\$ 368.69	\$ 387.44	\$ 444.11	\$ 585.25	\$ 796.64	\$ 1,058.93	\$ 1,441.39	\$ 1,989.55	\$ 2,468.89	\$ 2,991.79	\$ 3,751.61	\$ 4,884.48	\$ 6,535.90	\$ 7,459.67	\$ 3,751.61	\$ 7,459.67
Taxable Income	\$ 14,631.31	\$ 19,612.56	\$ 24,555.89	\$ 29,414.75	\$ 34,203.36	\$ 38,941.07	\$ 43,558.61	\$ 48,010.45	\$ 52,531.11	\$ 57,008.21	\$ 66,248.39	\$ 75,115.52	\$ 83,464.10	\$ 92,540.33	\$ 66,248.39	\$ 92,540.33
Credits																
Basic Federal	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00	\$ 11,809.00
Basic Provincial	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00	\$ 10,412.00
CPP	\$ 690.18	\$ 617.57	\$ 599.31	\$ 667.61	\$ 809.83	\$ 920.08	\$ 1,097.76	\$ 1,309.02	\$ 1,514.03	\$ 1,657.14	\$ 1,778.75	\$ 1,845.27	\$ 2,003.30	\$ 2,051.85	\$ 1,778.75	\$ 2,051.85
EI	\$ 346.98	\$ 286.08	\$ 261.58	\$ 282.49	\$ 328.89	\$ 368.39	\$ 432.81	\$ 509.67	\$ 568.01	\$ 603.14	\$ 630.45	\$ 641.66	\$ 689.02	\$ 693.56	\$ 603.14	\$ 693.56
Charity	\$ 10.97	\$ 22.78	\$ 34.71	\$ 48.67	\$ 64.90	\$ 76.76	\$ 86.81	\$ 99.03	\$ 113.29	\$ 124.36	\$ 142.08	\$ 168.87	\$ 191.26	\$ 213.44	\$ 142.08	\$ 213.44
Fed. Total	\$ 12,857.13	\$ 12,735.43	\$ 12,704.61	\$ 12,807.77	\$ 13,012.63	\$ 13,174.23	\$ 13,426.37	\$ 13,726.73	\$ 14,004.33	\$ 14,193.65	\$ 14,360.28	\$ 14,464.80	\$ 14,692.58	\$ 14,767.84	\$ 14,360.28	\$ 14,767.84
Prov. Total	\$ 11,460.13	\$ 11,338.43	\$ 11,307.61	\$ 11,410.77	\$ 11,615.63	\$ 11,777.23	\$ 12,029.37	\$ 12,329.73	\$ 12,607.33	\$ 12,796.65	\$ 12,963.28	\$ 13,067.80	\$ 13,295.58	\$ 13,370.84	\$ 12,963.28	\$ 13,370.84
Federal Tax Credit Rate	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Provincial Tax Credit Rate	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Federal Credits	\$ 1,928.57	\$ 1,910.31	\$ 1,905.69	\$ 1,921.17	\$ 1,951.89	\$ 1,976.13	\$ 2,013.96	\$ 2,059.01	\$ 2,100.65	\$ 2,129.05	\$ 2,154.04	\$ 2,169.72	\$ 2,203.89	\$ 2,215.18	\$ 2,100.65	\$ 2,215.18
Provincial Credits	\$ 579.88	\$ 573.72	\$ 572.16	\$ 577.38	\$ 587.75	\$ 595.93	\$ 608.69	\$ 623.88	\$ 637.93	\$ 647.51	\$ 655.94	\$ 661.23	\$ 672.76	\$ 676.56	\$ 637.93	\$ 676.56
Tax Payable																
Federal - Bracket 1	\$ 2,194.70	\$ 2,941.88	\$ 3,683.38	\$ 4,412.21	\$ 5,130.50	\$ 5,841.16	\$ 6,533.79	\$ 7,278.87	\$ 8,065.60	\$ 8,893.41	\$ 9,762.40	\$ 10,673.69	\$ 11,628.35	\$ 12,629.58	\$ 8,893.41	\$ 12,629.58
Federal - Bracket 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal - Bracket 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal - Bracket 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal - Bracket 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Total	\$ 2,194.70	\$ 2,941.88	\$ 3,683.38	\$ 4,412.21	\$ 5,130.50	\$ 5,841.16	\$ 6,533.79	\$ 7,278.87	\$ 8,065.60	\$ 8,893.41	\$ 9,762.40	\$ 10,673.69	\$ 11,628.35	\$ 12,629.58	\$ 8,893.41	\$ 12,629.58
Basic Federal	\$ 266.13	\$ 1,031.57	\$ 1,777.69	\$ 2,491.05	\$ 3,178.61	\$ 3,865.03	\$ 4,519.84	\$ 5,219.86	\$ 6,104.95	\$ 6,994.36	\$ 8,863.60	\$ 10,665.69	\$ 12,342.98	\$ 14,192.32	\$ 6,104.95	\$ 14,192.32
BC - British Columbia - Bracket 1	\$ 740.34	\$ 992.40	\$ 1,242.53	\$ 1,488.39	\$ 1,730.69	\$ 1,970.42	\$ 2,207.61	\$ 2,007.61	\$ 2,007.61	\$ 2,007.61	\$ 2,007.61	\$ 2,007.61	\$ 2,007.61	\$ 2,007.61	\$ 2,007.61	\$ 2,007.61
BC - British Columbia - Bracket 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 298.96	\$ 641.75	\$ 989.84	\$ 1,334.58	\$ 2,046.07	\$ 2,728.84	\$ 3,055.13	\$ 3,055.13	\$ 989.84	\$ 3,055.13
BC - British Columbia - Bracket 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431.67	\$ 1,234.17	\$ -	\$ 1,234.17
BC - British Columbia - Bracket 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176.16
BC - British Columbia - Bracket 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BC - British Columbia Total	\$ 740.34	\$ 992.40	\$ 1,242.53	\$ 1,488.39	\$ 1,730.69	\$ 1,970.42	\$ 2,306.57	\$ 2,649.36	\$ 2,997.45	\$ 3,342.19	\$ 4,053.68	\$ 4,736.45	\$ 5,494.40	\$ 6,473.06	\$ 2,306.57	\$ 6,473.06
Basic Provincial	\$ 160.46	\$ 418.67	\$ 670.36	\$ 911.00	\$ 1,142.94	\$ 1,374.49	\$ 1,697.88	\$ 2,025.47	\$ 2,359.52	\$ 2,694.68	\$ 3,397.74	\$ 4,075.22	\$ 4,821.64	\$ 5,796.50	\$ 2,359.52	\$ 5,796.50
TOTAL TAX PAYABLE	\$ 426.59	\$ 1,450.24	\$ 2,448.06	\$ 3,402.05	\$ 4,321.55	\$ 5,239.52	\$ 6,217.72	\$ 7,245.33	\$ 8,464.47	\$ 9,689.04	\$ 12,261.34	\$ 14,740.90	\$ 17,164.62	\$ 19,988.81	\$ 9,689.04	\$ 19,988.81
Average Rate of Tax	2.9%	7.4%	10.0%	11.6%	12.6%	13.5%	14.3%	15.1%	16.1%	17.0%	18.5%	19.6%	20.6%	21.6%	15.1%	21.6%
Federal	1.8%	5.3%	7.2%	8.5%	9.3%	9.9%	10.4%	10.9%	11.6%	12.3%	13.4%	14.2%	14.8%	15.3%	10.9%	15.3%
Provincial	1.1%	2.1%	2.7%	3.1%	3.3%	3.5%	3.9%	4.2%	4.5%	4.7%	5.1%	5.4%	5.8%	6.3%	4.2%	6.3%

Corporate income tax (federal and provincial)

All corporations are liable to pay federal income tax under the *Income Tax Act*. The tax rate varies by type and size of company and by province. Provincial governments also levy a corporation income tax on any company having a permanent establishment in that province.

Estimation Method and Results

1. To calculate tax liability precisely is very difficult. It requires knowledge of the total tax base, and the proportion of the tax base attributable to the provinces. Therefore, an approximate method has been used.
2. In British Columbia, the federal corporate income tax collected per employee was \$2,596 and the provincial corporate income tax collected per employee was \$1,688 in 2017.
3. Assuming all companies pay tax at the average rate per employee calculated above, the 2017/18 corporation income tax liability of the tourism employment sector is estimated to be \$6.9 million toward federal revenues and \$4.5 million toward provincial revenues. The estimated total corporate income tax revenue is \$11.4 million as shown in **Table B-3**.

Table B-3: Estimated Corporate Income Tax Paid by Tofino’s Tourism Industry

Government	Revenue (\$ Millions)
Federal	\$6.9
Provincial	\$4.5
Total	\$11.4

Employment Insurance premiums

Tax base and rates. In 2018, employees in Canada paid employment insurance (EI) premiums equal to 1.66% of earnings up to a maximum of \$858.22 per year. (Maximum insurable earnings are \$51,700). Employers paid EI premiums equal to 1.4 times employee premiums.

Estimation Method and Results

The employee premium rate is applied to total payroll costs for employees earning less than \$51,700 per year. The maximum contribution was used for employees earning more than \$51,700 per year. Estimated employee payments were approximately \$1million.

The employer rate is applied to the employee payments. Estimated employer payments were approximately \$1.4 million.

Canada Pension Plan contributions

Tax base and rates. In 2018, employee contributions for the Canada Pension Plan (CPP) were 4.95% of pensionable earnings. Pensionable earnings are actual earnings less \$3,500, to a maximum of \$55,900. The maximum annual employee contribution is \$2,593.80. The employer contribution is the same as the employee contribution.

Estimation Method and Results

The employee contribution rate is applied to average payroll for employees earning less than \$55,900 a year. The maximum contribution was used for employment earning more than the maximum pensionable earnings.

Estimated employer and employee contributions are an estimated at \$3 million each, for a total of \$6 million.

WorkSafeBC contributions

Tax base and rates. Employers in British Columbia are required to make contributions to WorkSafeBC to help offset the cost of on-the-job injuries. Employers are classified into industry groups. The contribution rate for each group is based on the injury costs associated with all companies in that group.³³ The group contribution rate varies widely among industries and provinces. Some major companies are not included in the general “rateable” method of contribution but simply pay the actual cost of their claims plus an allowance for WorkSafeBC administration costs. As it is not generally known which firms contribute in this manner, nor the value of their claims, an estimate based on reported payroll has been made for all firms.

Conceptual issues. It is possible that some companies are self-insured and their payments could be viewed as a business expense rather than a tax. However, we have chosen to include their contribution because they are required to be part of this government-mandated program.

Estimation Method and Results

The contribution rates for each employment classification have been applied to the total payroll for that group. Tourism firms’ employees paid an estimated \$325,700 to WorkSafeBC.

³³ Subject to Experience Rating Adjustment for individual companies.

Property Tax

InterVISTAS used information from the District of Tofino 5 year financial plan (2017-2021) to estimate the proportion of municipally collected tax that is attributable to residential and commercial property owners.³⁴

The proportions of residential and commercial property tax collected outlined in the financial plan were then applied to the District of Tofino 2017 tax revenue to estimate property tax collections. InterVISTAS assumed that approximately 33% of residential property tax collected can be associated with employers in the tourism industry. Additionally, InterVISTAS assumed that approximately 66% of commercial property tax paid is associated with employees in the tourism industry.

³⁴ <https://tofino.civicweb.net/document/64555>

Appendix C: Tax Revenues Attributable to Visitor Spending in Tofino

Introduction

This appendix describes the visitor spending and other assumptions on which tax revenues calculations are based. As well, the approaches used to estimate visitor contributions to local, provincial and federal governments are presented. Tax revenues paid by visitors are based on 2018 visitor spending information, as collected in the visitor spending survey.

Some of the taxes pose conceptual questions about how much, or if any, tax revenue from a particular source should be attributed to tourism in Tofino. These questions are highlighted and simplifying assumptions are put forth.

Spending Generated and Supported by Tourism Activity

The tax calculations are separated into two - the tax revenue contributions of employers and employees in accommodation providers and tourism service providers; and, the contributions of visitors. This appendix focuses on the analysis of taxes paid by visitors to Tofino. Visitors to Tofino contribute to tax revenues through consumption taxes levied on items such as accommodations, food & beverage, retail, transportation and tours/attractions. The contributions of visitors are calculated based on visitor spending data and employment data collected by Tourism Tofino in 2018, which totals over \$221 million.

The following table shows the estimated visitor spending by category and the estimated taxes associated with those expenditures. Visitor expenditures in British Columbia are subject to federal GST of 5% and provincial tax of 7. The provincial tax rate for accommodations specifically is 8%.

	Total Spending (000s)	Federal GST (000s)	Provincial PST (000s)	Total Tax (000s)
Accommodations	\$127,795,525	\$6,390	\$10,224	\$16,613
Food & Beverage (Grocery Stores)	\$34,421,864	Exempt	Exempt	0
Food & Beverage (Restaurants)	\$15,921,458	\$796	\$1,115	\$1,911
Retail	\$13,789,267	\$689	\$965	\$1,655
Local Transportation	\$3,240,625	\$162	\$227	\$389
Attractions	\$25,891,450	\$1,295	\$1,812	\$3,107

Municipal and Regional District Tax (MRDT)

In June 2017, The Province of British Columbia approved an increase in the tax rate on accommodation purchases to 3%, up from 2% in the year prior. InterVISTAS used MRDT revenues from the 2017 District of Tofino Annual Report for this figure, which amounted to nearly \$1.4 million.³⁵

³⁵ <https://tofino.civicweb.net/filepro/document/80622/2017%20Annual%20Report.pdf>

InterVISTAS

a company of Royal HaskoningDHV

Prepared by

InterVISTAS Consulting Inc.

Airport Square – Suite 550
1200 West 73rd Avenue
Vancouver, BC
Canada V6P 6G5

Telephone: +1-604-717-1800
Facsimile: +1-604-717-1818

www.intervistas.com