Part D. Recreational Fishery Assessment

8.0 RECREATIONAL FISHING INDUSTRY PROFILE

Angling in tidal waters or saltwater is a form of outdoor recreation. Most anglers fish not only to harvest fish but also to enjoy the broader recreational experience – the "expectation and opportunity" of angling.

A wide diversity of experiences can be created by combining equipment, services, time, location and other factors. Angling techniques include trolling, mooching, jigging, and casting with bait, lures, and flies. While boats are commonly used, fishing may also take place from a pier, shore, or beach.

8.1 The Recreational Fishing Business

8.1.1 Nature of the Business

Recreational fishing is a service industry focused on the broader angling experience.

The recreational fishery is a service industry that is focused on producing the angling experience. For individual anglers, the quality of the angling experience is affected by fish availability, fishing success rates, fish species and size, and several non-fish related factors, such as the environmental setting, congestion, and camaraderie with other anglers. Three separate components to the experience can be identified:

- **catching of fish** – regardless of whether or not the fish is harvested;
- **harvesting of fish** – for those anglers who choose to do so; and
- **aesthetic experience** – derived from the natural environment.

Given these distinct components, angling activity is measured not in units of fish caught or harvested, but in "angler-days" – defined as one angler fishing for any part of a single day. The fact that angling entails more than harvesting fish explains why anglers are willing to spend much more on gear, transportation, and other goods and services than the cost of purchasing the equivalent weight of fish in the retail market. It also explains why anglers can enjoy a fishing experience even if they catch no fish or do not eat the fish they catch.

8.1.2 Industry Elements

Recreational fishing services are provided by lodges, charters, and anglers themselves.

Anglers may access a range of services to enhance their experience, or they may rely on their own resources. Despite its diversity, recreational experience can be classified into the following major categories:

- **Lodges** typically offer all-inclusive packages comprising accommodation, meals, boat and fuel, fishing equipment, and sometimes a fishing guide who navigates and assists in catching fish. Lodge packages are often three to five days in duration.
- **Charters** are angling packages that include boat, equipment and guide, but no accommodation or meals. Charter packages generally last for one day or a half-day. There are however, charter operations that in concert with accommodation facilities offer two to five day packages.
- **Independent** anglers are responsible for their own fishing gear, boat and fuel, accommodation, meals, and transportation.

Lodges and charters (producers) provide packages to sell the fishing experience to anglers (consumers). In contrast, the independent angler produces the experience for his or her own immediate consumption. An individual may fish on their own for certain fishing trips but also may utilize guides (charter services) or frequent lodge facilities on other trips. Some anglers have their catch custom processed, packaged, or shipped by air.

8.2 Industry Profile

There are currently about 125 fishing lodges, 500 charters, and 330,000 licensed tidal anglers in British Columbia. (These figures exclude recreational activity in freshwater.) Many fishing guides who work for lodge or charter operations are self-employed. Most charter operations comprise a single owner-operator guide. Substantial numbers of fishing gear stores, air charter companies, boat dealers, tackle and bait distributors, and other businesses also serve the recreational sector.

8.2.1 Regulation

DFO and MAFF regulate the BC tidal recreational fishery.

The federal government, through DFO, regulates the BC tidal recreational fishery, issuing licences and setting licence fees, daily and annual catch limits, and season and area gear restrictions for anglers. Recreational fishing lodges that provide processing services to their guests must comply with DFO and MAFF processing requirements.

The number of recreational fishing licences generally grew from the mid-1980s through the early 1990s, declined in the late 1990s, and remained relatively constant since 1998 (see Exhibit 28). Sales of annual licences have declined by more than a half since the mid-1980s, with short-term (1 to 5 day) licences comprising an increasing share of total licence sales.

Although there are no licensing requirements for lodges and charters other than those for a normal business (e.g., a business licence), and for individuals piloting boats (e.g., Transport Canada authorization), there are numerous environmental criteria and lease and assessment fees levied on lodges.

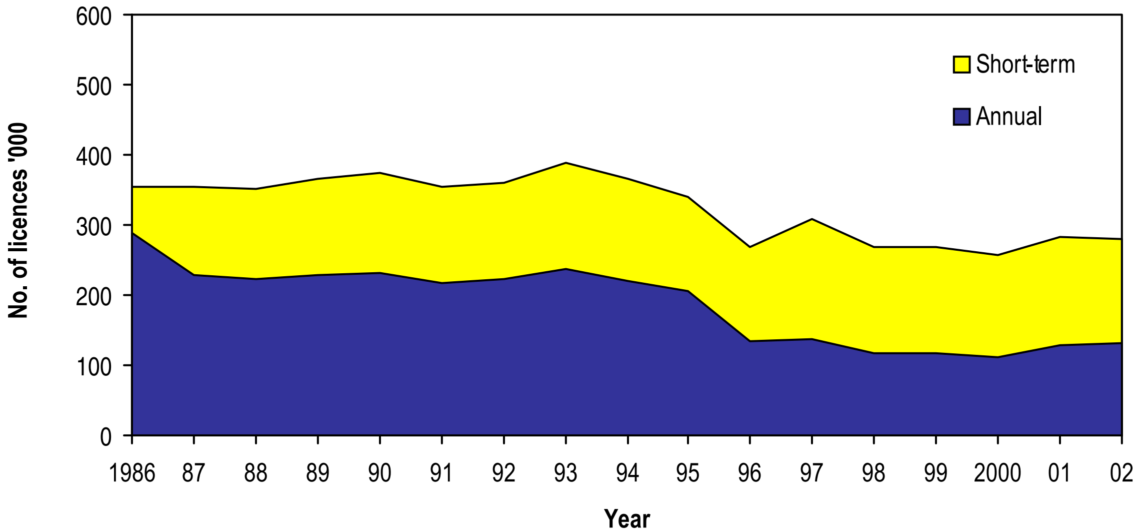
8.2.2 Industry Structure

The recreational fishing industry consists primarily of a large number of small businesses.

The recreational fishery and its businesses comprise part of the broader outdoor recreation and tourism sectors. The recreational fishing business, like the tourism sector as a whole, is composed of thousands of relatively small, independently owned, often family-run businesses. Many of these businesses, such as sporting good stores, motels and marinas, earn only part of their revenue stream from anglers.

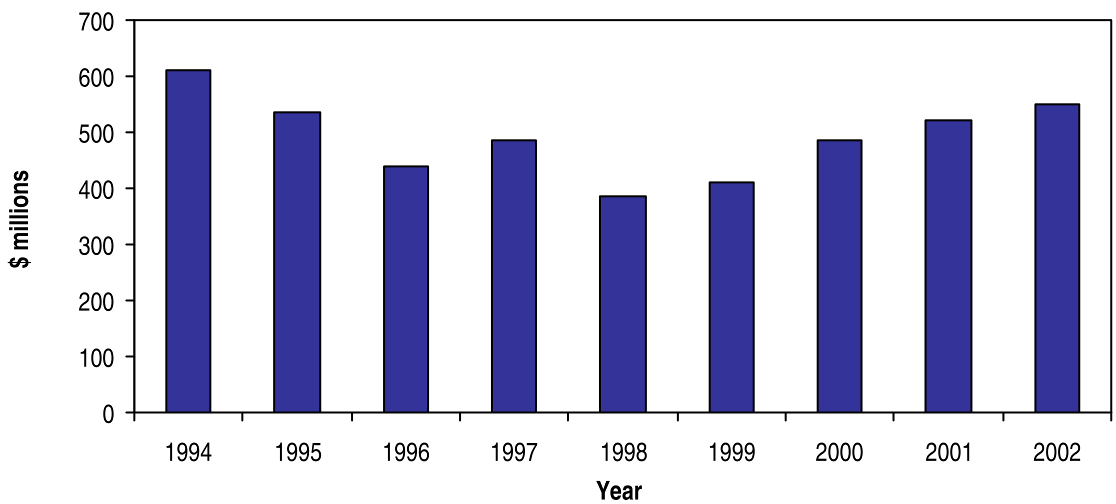
Fishing lodges and charters focus on angler clientele. There are a few large companies that own several lodges or operate several charter boats, but no one company represents 15% or more of the revenue base of the sector. Some fishing lodges are owned by large forest companies, retail conglomerates, or other "deep pocket" concerns, and do not necessarily operate as a stand-alone business.

Exhibit 28: BC Tidal Recreational Fishing Licence Sales to Adults – 1986/87 to 2002/03



Note: Short-term is 1 to 5 day licence.
Source: DFO

Exhibit 29: BC Tidal Angling Expenditures



Source: GSGislason & Associates Ltd. estimates.

8.2.3 Industry Revenues

A Decline in Revenue

Angler expenditures fell during the late 1990s (see Exhibit 29). From $611 million in 1994, total expenditures dropped to below $400 million in 1998, before rebounding to $487 million in 2000 and an estimated $550 million in 2001. The lodge sector has fared better than the charter and independent angling sectors in maintaining and growing its revenue base. For example, demand by corporate groups, a key component of the lodge sector's client base, remains strong.

After falling in the late 1990s, angler expenditures have rebounded with improved stocks and less restrictive regulations.

The decline experienced in the late 1990s reflected a combination of factors, including the weak economy, forest sector business closings and layoffs, changing demographics, stock reductions of chinook and coho salmon, and associated regulatory restrictions. In addition, the late announcements and uncertainty surrounding the more restrictive regulations undermined the "expectation and opportunity" to catch fish. The recent rebound in expenditures reflects improved stock abundance, a return to less restrictive regulations, more timely announcements by DFO regarding regulations, and favourable policy initiatives.

The 2002 tidal recreational fishery generated 2.1 million angler-days of activity and an estimated $550 million in sales – $120 million to lodges, $30 million to charters, and $400 million to boat and equipment dealers, accommodation facilities, and various other retail businesses. (These sales figures include applicable sales taxes.)

The Strait of Georgia

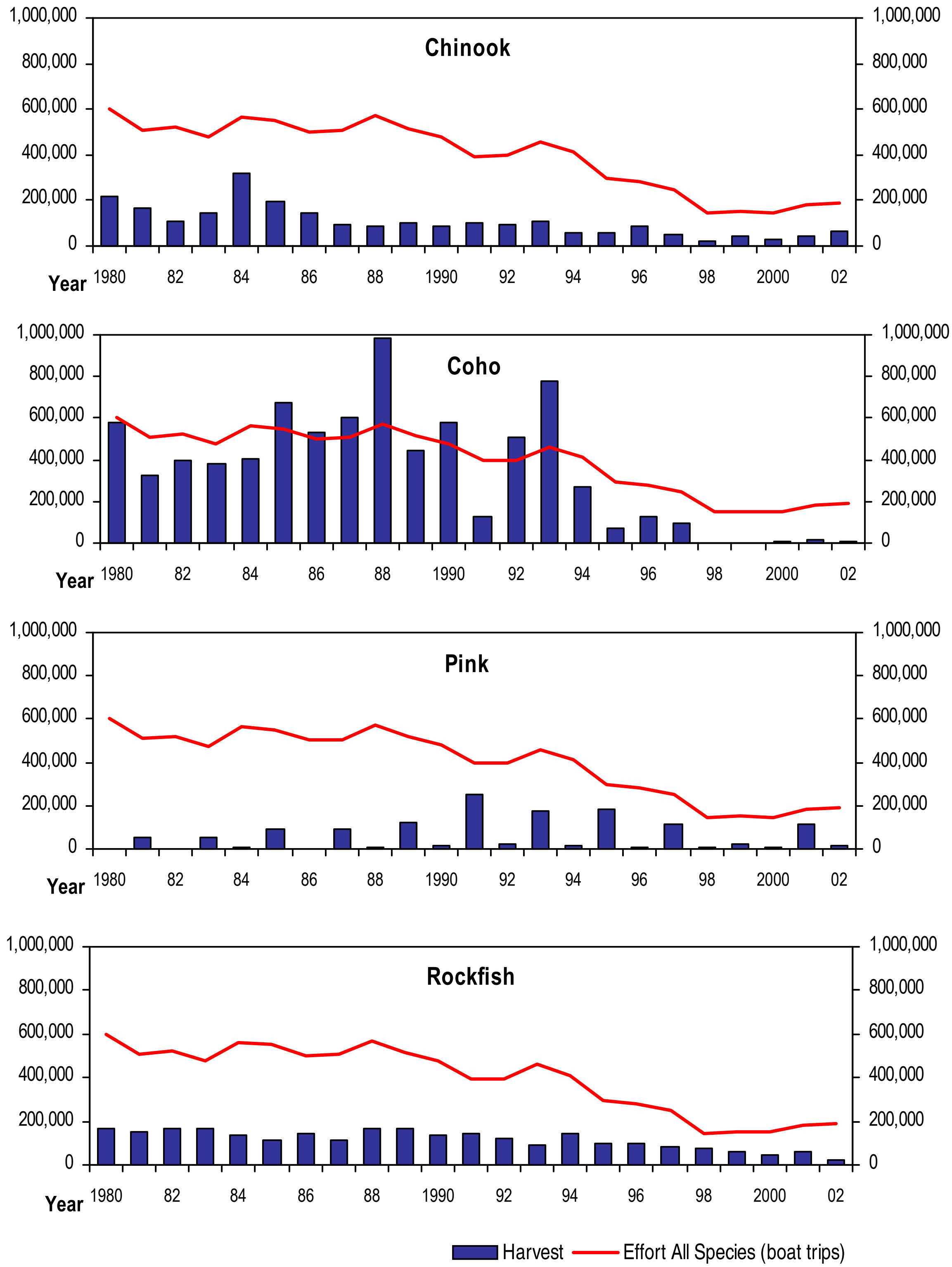
While Georgia Strait traditionally provided one-half or more of coast-wide angling effort, today its share is only one-third. Part of this decline in importance is due to expansion of angling on the West Coast of Vancouver Island (WCVI) and in the Central and North Coasts and the Queen Charlotte Islands (QCI). The main factor, however, is a reduction in fishing quality in the Strait, specifically for coho.

Declining coho stocks are largely responsible for reduced angling activity in the Georgia Strait

Coho populations, in general, declined during the late 1990s (see Exhibit 30). Also, since the early 1990s, the coho that normally migrate through Johnstone Strait to Georgia Strait during the summer months have moved into the West Coast of Vancouver Island. As a result of this outside coho distribution and fishing closures for wild coho, coho fishing effort and catch in upper Georgia Strait have fallen drastically. Recreational coho harvests exceeded 500,000 fish annually during much of the 1980s, but coho harvests in recent years have been less than 10,000 fish.

With respect to other species, Georgia Strait as a whole has experienced a two-thirds decline in angler effort and catches for chinook over the past two decades. In contrast, angler harvests of pink, chum and sockeye salmon have increased over the same period. Catches of rockfish and lingcod have declined dramatically in response to regulation changes. As in the case of the commercial fishery, recreational pink salmon catches demonstrate a profound annual pattern, with catches in odd-numbered years much higher than in even-numbered years.

Exhibit 30: Georgia Strait Recreational Catch & Effort May to September – 1980 to 2002



Source: DFO Georgia Strait Creel Survey and GSGislason & Associates Ltd.

Exhibit 31: Estimated Employment & Wages in BC Tidal Recreational Fishing 2002

No. of Operations		**Employment by Type (PYs)**	
Lodges	125	Lodges	820
Charters	500	Charters	300
Angling Licences	333,800	Other	2,470
		Total	3,590
Employment Measures			
Jobs	7,240	**Aboriginal Share of Employment**	3%
Employment (PYs)	3,590		
		Wage Payments	
Employment by Region (PYs)		Wages & Benefits	$125 million
Queen Charlotte Islands	100	Wages per PY	$34,800
North Coast↓	220		
Central Coast	65		
North Vancouver Island	210		
Mid Vancouver Island	615		
South Vancouver Island	255		
Upper West Coast Vancouver Island	60		
Lower West Coast Vancouver Island	430		
Victoria & Area	415		
Sunshine Coast	110		
Vancouver & Other	1,110		
Total	3,590		

Notes:
1. *PYs is person-years.*
2. *Region is region of worker residence not the region where the angling activity occurs.*
3. *Aboriginal share of employment is approximate.*

Source: GSGislason & Associates Ltd. estimates.

8.2.4 Employment and Wages

Employment and average earnings are estimated at 3,590 person-years and $34,800 per PY, respectively.

In 2002 the recreational fishing sector had an estimated 7,240 jobs and 3,590 person-years (PYs) of employment. Most recreational fishing jobs are seasonal in nature (see Exhibit 31). The wage and benefits bill of this employment is estimated at $125 million in total, or $34,800 per PY.

8.2.5 Regional and Aboriginal Participation

Recreational fishing jobs and employment occur throughout the province. (Employment area in Exhibit 31 refers to a worker's region of permanent residence.)

Jobs are concentrated on Vancouver Island and the Lower Mainland, with some growth in aboriginal participation.

The Lower Mainland has a relatively large 30% share of total employment for several reasons: many of the boat and equipment dealers reside there; anglers spend money in the Vancouver area in transit to their fishing location; and a large number of the seasonal jobs at lodges are staffed by Vancouver and Victoria area residents (often university students).

The aboriginal share of employment is estimated at 3%. This share has been growing, with the launch of several aboriginal-owned lodges and increased aboriginal hiring among businesses. For example, some lodges in the Queen Charlotte Islands have made a concerted effort to hire Haida Gwaii workers (GSGislason & Associates Ltd. "The Queen Charlotte Islands Fishing Lodge Industry", 2003).