9.0 Tidal Recreational Fishing Business

The tidal recreational fishing sector in British Columbia has undergone substantial change over the past ten years. Change has occurred in angler demographics, markets, the regulatory environment, and fish stock abundance.

A major competitor in salmon and halibut angling is Alaska. There is potential to learn from the Alaskan experience and, accordingly, some details on Alaskan resource management and angling activity are provided.

9.1 Markets

The 2002 tidal or saltwater recreational fishery in the province involved an estimated 2.1 million angler-days of activity – 1.65 million days of boat-based angling (79%) and 0.45 million days of shore and other land-based angling (21%). Anglers spent an estimated $550 million.

9.1.1 Domestic and Export Markets

Geographical Origin

The BC tidal recreational fishery has both domestic and export components. From a provincial perspective, the domestic component comprises BC anglers, their activity and expenditures, while the export component consists of those anglers travelling from outside the province to fish in BC.

BC residents account for more than three-quarters of tidal angling activity in the province.

The vast majority of BC tidal angling is conducted by provincial residents, who fish twice the days on average than do non-residents (DFO, *2000 Survey of Recreational Fishing in Canada*). Albertans are responsible for approximately two-thirds of other Canadian angling activity. About 70% of non-Canadian angling activity is done by US residents in the I-5 Interstate Highway corridor areas of Washington, Oregon, and California (primarily Washington).

	2000 Tidal Angling in BC		
	Share of Anglers	Share of Angler-Days	Days per Angler
BC Residents	64%	78%	8.6
Other Canadian	13%	8%	4.1
Non-Canadian	23%	14%	4.2

Source: DFO, "2000 Survey of Recreational Fishing in Canada"

The DFO National Survey indicates that the share of anglers from BC has fallen slightly since 1990. This decline reflects an increasing share of angler activity conducted through lodge and charter businesses, which attract more out-of-province anglers.

Boat and Shore-based Angling

The share of shore-based angling has been growing in certain areas.

Traditionally, boat-based angling has formed the vast majority of saltwater angling in BC. However, the share of anglers fishing from shore, pier, or tidal bars has been increasing. In particular, the East Coast of Vancouver Island supports an extensive shore fishery for pink and coho salmon. Many Vancouver area and Fraser Valley anglers fish from river bars on the Fraser River (in tidalwater downstream of the Mission Bridge).

Some of the shore-based angling results from local enhancement efforts. For example, pink salmon are raised as juveniles in netpens at the Campbell River Fishing Pier. They are then released and subsequently return as adults from their ocean migration, to support an extensive fishery at the pier.

Relative to boat-based angling, shore-based angling has several advantages in that it: (1) is much cheaper; (2) does not necessarily demand a lot of skill (e.g., kids can participate); (3) caters more to families; and (4) needs less advance planning. However, chinook is still the focal point of saltwater angling in BC, and chinook fishing requires the use of boats in deep water and substantial angler skill.

Marketing Activities of Lodges and Charters

Many lodge and charter operators have developed websites to reach and recruit potential customers. Some have print and telephone contact with clients, while most still attend trade shows during the January to March period. However, repeat business and "word-of-mouth" remain key to industry success.

Competition

Alaska and other recreational activities are the main competition for BC tidal angling.

The BC tidal recreational fishery competes with many other endeavours, since angling expenditures and time reflect discretionary dollars that have many other alternative uses, including:

- other saltwater angling (Alaska, California, Florida, Mexico);
- freshwater angling (BC and other Canadian, lower 48); and
- other outdoor recreation (golf, ecotourism, etc.).

Tidal angling is one of a suite of outdoor recreation activities, some of which are complementary. For anglers interested in salmon and halibut fishing, Alaska is the main competition.

The corporate business or incentive travel market is an important market segment for many lodges. This market faces intense competition from golf and "hot weather" tourist destinations, such as California, Arizona, Mexico, the Caribbean, and Hawaii.

Demographics and Angler Trends

BC's population, now at more than four million people, has grown rapidly, fuelled until recently by immigration. Much of this immigration has come from Asian countries. The population of those born in Canada is aging as the "baby boomer" cohort advances.

Provincial population growth has been concentrated in urban areas of Greater Vancouver, Victoria, and the Okanagan. The population of many other regions has actually fallen since the mid-1990s, with the decline in the resource-based industries of forestry, mining, and commercial fishing. As well, recent immigrants have tended to settle in the larger cities. Thus, British Columbia, like the rest of North America, is witnessing a trend to urbanization.

The decline in resident angling is partly due to immigration, urbanization, and an aging population.

All of these factors – immigration, an aging population and urbanization – have contributed to reduced angling by BC residents. Between 1986/87 and 2002/03, the number of angling licences sold to Canadian residents declined by a third, but the number of non-resident of Canada licences remained essentially the same.

This phenomenon has been experienced in other provinces, and in fact across North America. US-based research on the resident angler indicates that:

- About half of anglers licensed in any given year do not renew their licence the following year.
- Inadequate time is the most frequently cited reason for not fishing more often or at all.
- Spending time with family and friends is the best enticement to get an occasional angler back to the activity.
- Many anglers prefer to fish only a few hours at a time, at a fishing spot within an hour's drive, and with little advance planning.

Promotion, advertising and education can help increase angling activity levels.

The US research also shows that occasional and lapsed anglers are the best targets for promotional and advertising campaigns. In addition, these campaigns need to be combined with education on angling opportunities. Many people, especially urban dwellers, cite lack of information about where to fish and how to catch fish as a constraint to participation.

The Government of Manitoba recently developed an education program aimed at providing information to urban youth on angling opportunities in their backyard. The program included simple measures, such as a map with fishing sites and information on accessing these sites through public transit.

9.1.2 The Cost of Angling

The average cost of an angler-day was estimated at $262 in 2002, a 16% increase over the $226 average cost in 1994. Average costs by type of experience in 2002 were:

- $780 per lodge angler-day ($600 to the lodge, $180 to others);
- $510 per charter angler-day; ($300 to the charter, $210 to others); and
- $190 per independent angler-day (mainly boats and equipment).

For lodge and charter anglers, the above figure includes angler expenditures on travel, meals, accommodation, etc. that do not flow through the till of lodges and charters.

The cost of angling at a lodge can range from $200 to $1,000 per day, depending on the amenities included. Some lodges are located in remote locations and have packages that include air transport from Vancouver and the use of a guide. Others are in a more urban environment and exclude these features. The cost of fishing charters is typically $60 to $90 per hour, with a five-hour minimum.

	Types of Angling			
	Lodges	**Charters**	**Independent**	**All**
1994				
Angler-Days	200,000	150,000	2,350,000	2,700,000
Share of Activity by Non-Canadians	46%	31%	9%	13%
Angler Retail Purchases ($ millions)				
Boats and Equipment	1	1	252	254
Lodges/Charters	94	30	0	124
Other Direct Costs	25	19	189	233
Subtotal	120	50	441	611
2002				
Angler-Days	200,000	100,000	1,800,000	2,100,000
Share of Activity by Non-Canadians	46%	31%	9%	14%
Angler Retail Purchases ($ millions)				
Boats and Equipment	1	1	223	225
Lodges/Charters	120	30	0	150
Other Direct Costs	35	20	120	175
Subtotal	156	51	343	550

Source: GSGislason & Associates Ltd. estimates.

An average BC angler-day cost $Cdn 262 in 2002, compared to Alaska's $US 249 in 2000.

By way of comparison, the average cost of an angler-day in Alaskan tidal waters was $249 US in 2000. It is less costly to fish recreationally in BC, primarily because of the higher cost of travel to Alaska for non-resident anglers. However, the strengthening of the Canadian dollar relative to the US dollar since January 2003 has undermined our cost-competitiveness in attracting US anglers.

9.1.3 Product Quality and Differentiation

The angling outdoor recreation product has two main attributes, fish-related (species, number, size) and aesthetic (natural setting, crowding, etc.).

Fish Attributes

BC as a whole has lower harvest rates than Alaska for salmon and halibut angling.

Alaska appears to have an advantage over BC in harvest rates for salmon and halibut angling. Alaskan tidal anglers average 0.6 salmon, 60% of which are coho, and 0.4 halibut per angler-day (see Exhibit 32). While reliable harvest estimates for the province are not available, the average harvest per angler-day would be much lower in BC, especially for halibut. However, the Queen Charlotte Islands, Prince Rupert, Central Coast, and West Coast of Vancouver Island would have fish populations and harvest rates comparable to those in Alaska. BC coast-wide results are distorted by the substantial decline in activity and success in Georgia Strait since the early 1990s.

BC angler catches and catch rates have increased over the past three years, in response to vastly improved returns of chinook and coho salmon. Queen Charlotte Island lodges report that 2003 had the best chinook fishing in memory.

The province has much better saltwater angling opportunities than Washington State or Oregon. It does have an advantage over Alaska in shore angling, with more gentle sloping and accessible shoreline on saltwater. Both shore fishing and flyfishing are growth segments for angler activity in BC.

Aesthetic Attributes

BC has strong natural attributes for angling, although there is increased crowding in some areas.

British Columbia has relatively undisturbed shoreline, clean water and a wide variety of spectacular vistas relative to the lower 48 states. In particular, the remote areas of the West Coast of Vancouver Island, Central and North coasts and Queen Charlotte Islands are still relatively unspoiled and rival viewscapes in Alaska.

Northern areas such as Prince Rupert are reporting continued angler-growth, in part from anglers seeking less crowded conditions – crowding is becoming an issue in certain locations. Commercial-recreational visual conflicts today are much less than they were ten years ago, due to the substantial downsizing of the commercial fleets (anglers do not like to see commercial boats operating in the area in which they are fishing and vice versa).

Product Differentiation of Lodges and Charters

Lodges and charters try to differentiate themselves on the basis of access to fish or ability to find fish, the environmental setting, and services offered. Some operators include marine mammal and wildlife viewing as an intrinsic part of the client experience. Others set crab and prawn traps to provide a meal for clients.

Packaging of angling and other recreation experience is used for product differentiation.

The packaging of different components of the recreation experience is increasingly popular. Examples of innovative packaging and services by lodges and charters include:

- At least one lodge in Tofino offers a package that includes a pass to Pacific Rim National Park.
- An operator and a local resort offer a combination angling-spa package.
- Several operators offer flyfishing on light tackle (some in high alpine freshwater lakes).
- Fall chum angling packages have developed in the Campbell River area.
- Family and women-only weekends are offered at lodges.
- Combination fishing-golfing packages are being marketed.
- Some packages include very high quality food, with executive chefs and fine wine (at least one lodge has a food and wine festival weekend late in the season).

This trend to packaging is consistent with broad tourism industry trends.

Exhibit 32: The Recreational Fishery in Alaska – A Competitor for Angling Dollars

The Alaska Department of Fish and Game regulates freshwater and saltwater fisheries under one licensing system.

Licensing of Anglers. Anglers aged 16 years and older must be licensed and pay fees: $15 annually for residents of Alaska and $10 to $100 for non-residents ($10 for 1day, $20 for 3 days, $30 for 7 days, and $50 for 7 days, or $100 annually). Anglers fishing for chinook must buy a "King Salmon Tag": $10 for Alaskan residents and $10 (1 day) to $100 (annual) for non-residents. Alaska does not have a sales tax.

Saltwater chinook limits are 2 daily, 2 possession for residents and 1 daily, 1 possession, and 3 annual for non-residents. (Non-residents must keep a chinook harvest record.) Limits for all anglers for other species include: 6 daily and 12 possession for coho; 10 daily and 10 possession for chum, pink, and sockeye in combination; and 2 daily and 4 possession for halibut. Possession limits do not apply to "preserved" fish (e.g., frozen, canned).

Angling Activity. In 2000 there were 458,639 angling licence sales (30% by residents) and 432,300 active anglers.

2000 Activity			Saltwater	Freshwater	Total
Angler-Days			969,700	1,658,100	2,627,800
Harvest	-	chinook	83,400	94,500	177,900
	-	sockeye	25,400	402,700	428,100
	-	coho	363,800	300,900	664,700
	-	pink	105,500	59,300	164,800
	-	chum	28,400	13,400	41,800
	-	halibut	403,300	0	403,300
	-	rockfish	131,700	0	131,700
	-	lingcod	34,800	0	34,800
	-	razor clams	879,300	0	879,300
	-	trout & char	22,600	221,800	244,400
	-	Arctic grayling	0	28,800	28,800
	-	Northern pike	0	18,100	18,100
Angler Expenditures $ millions US			241	334	575

Requirements for Fishing Guides. All fishing guide businesses, saltwater and freshwater, are regulated:

- Guide businesses must register annually (at no cost, but must have a $50 Alaska Business Licence).
- Fishing guides must register annually (at no cost), and may only guide as an employee of a registered fishing guide business.
- Each vessel used in guiding must be licensed by the Commercial Fisheries Entry Commission ($20 fee if under 25', $50 fee if 25' to 50').
- Guides operating motorized vessels must obtain a Coast Guard operator's licence – a so-called "6 Pack" Licence – and be enrolled in a random drug-testing program.
- Every operator of a saltwater guide vessel must obtain a logbook and submit reports weekly (with non-compliance punishable by a fine).

In 2002, there were 1,350 registered saltwater fishing guide businesses, 1,882 licensed saltwater guide vessels, and approximately 2,200 registered saltwater guides in Alaska.

9.2 Government Policies and Regulations

The federal government, through DFO, has responsibility for licensing and regulation of saltwater (tidal) angling in British Columbia. The provincial government is responsible for licensing and regulation of the freshwater fishery.

9.2.1 Resource Access

Licensing But No Limited Entry

All anglers must be licensed, and observe catch limits (daily, possession, and in some cases annual), seasons, fishing area and gear, and other restrictions. Anglers who are 16 years and older pay fees. There are no restrictions or limited entry on how many licences can be sold, how many individuals can fish recreationally, and how many angler-days can be expended.

Allocation Policy

The recreational sector has priority access to chinook and coho.

In 1999 DFO gave the recreational sector priority access over the commercial sector to chinook and coho salmon, and gave the commercial sector priority access to sockeye, pink, and chum salmon (DFO, *Salmon Allocation Policy,* 1999). The priority recreational access is to "directed fisheries on chinook and coho salmon" after priority access for First Nations food, social, and ceremonial needs have been addressed. In addition, the policy provides anglers with "predictable and stable fishing opportunities for sockeye, pink, and chum" capped at 5% of the combined recreational-commercial harvest of each of these species. In October 2003 the Minister of Fisheries and Oceans announced that a 12 percent catch "ceiling" of the total commercial – recreational allowable catch for halibut will be allocated to the recreational sector.

Recreational fishermen in certain areas are increasingly targeting crabs and prawns, species that are very valuable to the commercial fishery and of increasing value to the recreational fishery. Intersectoral conflicts are looming for shellfish species. Increasingly, people are discussing and debating the pros and cons of formal allocation and/or limited entry to recreational fisheries, especially in the case of high value fish and shellfish species.

Regulatory Uncertainty

In the mid-to-late 1990s, poor ocean survival of salmon stocks led to decreased angler access to salmon, as DFO restricted both angling catch limits and designated angling areas. For example, in June 1999 "red" and "yellow" fishing zones were announced to protect threatened coho stocks. A lack of clarity in newspaper articles and other mass media about salmon stocks and areas with restrictions caused confusion in the marketplace and further exacerbated a difficult situation.

The potential for abrupt regulatory changes continues to threaten industry activity.

Over the past several years, DFO has provided some early signals to industry that the regulatory environment, in terms of catch limits and allowable fishing areas, will remain stable. This stability contrasts with the considerable confusion and misinformation characterising the angler marketplace in the late 1990s. However, it is still possible that untimely regulatory changes, in response to conservation concerns, could undermine industry marketing efforts and angler confidence.

One current area of concern is the sockeye fishery targeted at Fraser River stocks. In some years, recreational fishing for Fraser River sockeye has been subject to abrupt closures. Industry reports that these last-minute closures have made the fishery difficult to market to clients. In some cases, DFO, in the name of fairness or parity, closes all commercial, aboriginal and recreational Fraser River fisheries together, regardless of their differential impacts on stocks (see Case Study 9).

9.2.2 Regulation and Fees

Regulation of Anglers

DFO offers a variety of licences, with all licence fees subject to 7% GST. A Salmon Conservation Stamp ($6 plus GST) must be affixed to licences held by anglers wishing to retain salmon.

	Resident of Canada	Non-Resident
Annual	$21.00	$101.00
1-Day	$5.25	$7.00
3-Day	$11.00	$19.00
5-Day	$16.00	$32.00

Chinook limits are 2 daily, 4 possession, and an annual possession limit varying from 15 to 30 depending on the area. The combined catch limit for all salmon is 4 daily, 8 possession. Coho restrictions apply to many areas, for example, in 2003 only hatchery fin-clipped coho may be retained in Georgia Strait and only after July 1 (August 1 in 2002). Only barbless hooks can be used when fishing for salmon. The limit for halibut coastwide is 2 daily and 3 possession. There are special rockfish protection areas and limits.

BC has lower licence and salmon stamp costs than Alaska.

Compared to Alaska, the costs of licences and salmon stamps are generally lower and chinook limits are more generous, but other salmon and halibut limits are less generous in British Columbia (see Exhibit 32).

Regulation of Lodges and Charters

Lodges and charters are more heavily regulated in Alaska.

There is no specific regulation of fishing lodges and charters in BC other than those requirements that apply to businesses in general (e.g., a business licence), Canadian Coast Guard Safety regulations for vessels, and Transport Canada regulations for operators of vessels (forthcoming). In contrast, Alaska requires registration of fish guiding businesses and guides, licensing of vessels used by fishery guides, a US Coast Guard operator's licence ("6 Pack" licence), and random drug testing for guides. In addition, operators of saltwater guide vessels must submit weekly logbooks of catch and effort, with non-compliance punishable by a fine.

In BC, it appears that with the substantial decline in guides over the 1990s and increasingly stringent safety regulations, guiding has become more professionalized. Consumer confidence with respect to quality and safety of service does not seem to be out of step with other hospitality sectors. Furthermore, a review of the pros and cons of guide licensing conducted two decades ago found no compelling reason to license angling guides (Marvin Shaffer & Associates Ltd. *Charterboat and Guide Survey: Preliminary Policy Report*, 1981). In contrast, Peter Pearse recommended that businesses who provide vessels with guides for recreational fishing should be required to obtain a licence and licensees should be required to maintain a catch logbook (Peter Pearse, *Turning the Tide: A New Policy for Canada's Pacific Fisheries,* 1982).

Case Study 9: Recreational Fishing in the Fraser River and Tributaries

Background. In the early 1990s, the Fraser River was opened for sockeye, pink and chum salmon angling after being closed to fishing for these species since the 1950s. Also in the 1990s, coho started to withdraw from Georgia Strait and several restrictions were placed on angling in Washington State.

An Increase in Angling. As a result of increased opportunities in the Fraser River System and reduced opportunities elsewhere, there has been a large rise in recreational angling on the Fraser River mainstem and its major tributaries, the Vedder–Chilliwack and the Harrison. (It took some time for anglers to experiment and learn techniques to catch sockeye.) In particular, a large spike in activity takes place in the mainstem during the August run of sockeye through the system. Angling occurs from both boats and shore.

	Angler-hours	Harvest				
		Chinook	Sockeye	Coho	Pink	Chum
Fraser Mainstem (July - Aug)						
1986	214,900	3,600	0	100	0	0
1997	260,900	1,700	30,500	0	500	0
1999*	21,800	100	1,900	0	0	0
2002	343,800	3,700	122,900	0	0	0
Vedder-Chilliwack (Sept - Nov)						
1986	166,400	400	0	2,400	0	0
1998	291,000	12,700	0	6,200	0	4,300
2002	288,300	12,800	400	10,100	0	3,500

** River closed to angling for much of the period*

Source: DFO

The river fishing environment allows more selective angling targeted at specific stocks and species than is possible in many saltwater locations. That is, the river can be open to angling when saltwater areas are closed. In addition, the 1999 DFO Salmon Allocation Policy, which gave the recreational sector priority access over the commercial sector to chinook and coho, has helped spur angling activity in the region.

Abrupt Closures in Some Recent Years. Angling activity and success is predicated on run size, water levels, and regulatory clarity. In some recent years such as 1999, the Fraser River has been closed to sockeye angling, with no notice to anglers. This has impeded both guide businesses and independent anglers from planning their activities, and has had a severe impact on overall angler activity. In contrast, in 2002 there was a large run of sockeye and the river remained open to angling during the run's peak. The result was a record angler harvest of more than 120,000 sockeye in the Fraser River.

Other Advantages of River Angling. Angling in the Fraser system has other advantages over saltwater angling in that it is less expensive and, in the case of shore or bar fishing, can entail more of a social or family experience. The Fraser system is also easily accessible to the large and growing population of the Lower Mainland.

Guide licensing is not a BC priority, but can enhance catch monitoring.

However, as discussed below (Section 9.6), there is a need to improve the catch reporting of all sectors in the BC recreational fishery, including that of lodges and charters. Registration and/or licensing of guides can enhance catch reporting.

Alaskan authorities report that the registration and associated logbook program for guides enhances catch reporting for the angling sector – see Section 9.6 to follow. Alaskan authorities also indicate that state visitor and tourist bureaus often have links to the Alaska Department of Fish and Game (ADFG) guide registry on its website, a feature that promotes business development. Guide businesses showing a guide registration card typically receive a 10% discount, as a courtesy on their supply purchases from retail outlets.

Licence Vendors

Licence vendors are dissatisfied with the flat $1 commission paid by the federal government on all tidal angling licence sales – it does not adequately compensate for the time and effort required to process a licence purchase. As a result, several businesses have stopped selling tidal angling licences altogether, or refuse to accept credit cards for licence purchases (e.g., the transaction fee charged to the vendor by the credit card company on a $101 non-resident annual licence sale will exceed the $1 commission). The repercussion is reduced availability of licences to potential anglers and somewhat decreased angler participation.

9.2.3 Incentive Programs and Subsidies

No incentives have targeted the recreational sector since the late 1990s.

There are currently no subsidy programs directed at the BC recreational fishery and its lodge and charter components. Following DFO's conservation plan announcements in 1998, the federal government launched an adjustment and transition program for the commercial and recreational salmon sectors. The program for recreational businesses involved low interest loans to lodge and charter businesses. A total of 136 loans amounting to $6.1 million were provided based on applications made prior to May 15, 1999. Some sport fishing lodges and charters also received loans under the Fisheries Legacy Trust loan fund, another component of the federal adjustment program.

DFO provided funds of $3 -$4 million in the late 1990s to promote recreational fishing in BC. The former provincial agency Fisheries Renewal BC used to provide funding for a marketing program as well.

9.2.4 Federal-Provincial Cooperation

The two senior governments participate in a National Recreational Fisheries Task Group (NRFTG) formed three years ago under the Canadian Council of Fisheries and Aquaculture Ministers (CCFAM). The NRFTG's objectives are to promote recreational fishing, form partnerships and develop better ways to communicate with anglers. It is not clear what progress the Task Group has made.

The provincial government through the BC Ministry of Water, Land and Air Protection, the BC Ministry of Agriculture, Food and Fisheries and the former Fisheries Renewal BC and DFO have provided seed money and support to the Family Fishing Society of BC, a registered non-profit organization, to promote a family fishing weekend in June.

The results of federal-provincial cooperative efforts are unclear.

In the late 1990s, the provincial and federal governments, together with industry and other stakeholders, cooperated on a strategic planning exercise for the tidal recreational fishery (J Paul & Associates, *BC's Tidal and Anadromous Sport Fishery: Strategy* *and Action Plan*, 1998). The resulting report identified 18 proposed initiatives and 49 action items under three broad goals: sustained and restored resource use, enhanced recreational fishing experience and economic development. Little progress on implementing the action plan has occurred.

In 2001 DFO announced a new policy framework for recreational fisheries in Canada (DFO, "Recreational Fisheries in Canada: An Operational Policy Framework", 2001). The policy focuses on three themes – partnership, citizen engagement, and community stewardship – and creates five guiding principles:

- recreational fishing is a socially and economically valuable and legitimate use of fishery resources;
- DFO is responsible for providing sustainable recreational harvesting opportunities as part of integrated management plans;
- recreational harvesters have responsibility for shared stewardship for resource conservation and enhancement;
- mechanisms for federal/provincial cooperation in areas of shared jurisdiction will be established and strengthened; and
- DFO has a leadership role to coordinate policies/programs with the federal government which relate to recreational fishing.

BC is the only province or territory with separate licensing systems for freshwater and saltwater angling. The federal and provincial governments have had some discussion on the benefits of adopting a single, integrated licensing system.

In Alaska, ADFG has sole responsibility for management of both saltwater and freshwater angling. The Department's Sport Fish Division recently developed a strategic plan for its management of recreational fisheries (ADFG, *Division of Sport Fish Strategic Plan: Responsible Management of Alaska's Recreational Fisheries in the 21st Century*, 2003). The plan has a mission statement, four broad goals, 22 specific objectives, 122 key strategies, and 20 desired outcomes. Accountability is key to achieving its goals, so that a performance measurement system is an essential feature.

9.2.5 Government Funding of Recreational Fisheries Management

Recreational fisheries management is understaffed and underfunded in BC relative to Alaska.

DFO staffing of tidal recreational fisheries management comprises at most ten person-years. These positions include a Recreational Fishing Coordinator who has no staff reporting to him except an administrative person, a couple of fish licensing personnel in Vancouver, and two to four people in BC regional offices reporting to Area Managers. The current Recreational Fishing Coordinator is seconded each summer (peak angling season) to chair the Pacific Salmon Commission and its management of the commercial salmon fishery. The Department used to have a Sport Fishing Ombudsman, but this position was deleted in the late 1990s.

While recreational licence fees bring in $6 to $7 million annually to the federal treasury, these monies are deposited in the general Consolidated Revenue Fund and are not earmarked for recreational fisheries programs. DFO does fund a variety of recreational creel surveys that in total cost more than $1 million.

In Alaska, on the other hand, the ADFG has a formal Division of Sport Fish, established in 1951, with an annual budget of approximately $30 million. Nearly all these funds are derived from user-pay services, including the sale of fishing licences, stamps, and sport fishing-related equipment and fuel (subject to an excise tax). The Division is staffed by about 160 permanent full-time employees, with an additional 240 seasonal and temporary positions.

9.2.6 Aboriginal Issues

Despite increased aboriginal participation, land claim uncertainty has constrained industry investment.

Uncertainty over the resolution of aboriginal land claims has stifled investment in BC's lodge and charter sectors. In addition, some operators report attempts by aboriginal groups to charge a per guest "head tax," to allow the operator to guide guests in what is claimed to be traditional territory. This practice, as well, has reduced investment and, in some cases, has restricted the range of operations.

At the same time, the recreational fishery has seen the launch of several native owned and operated lodges, such as the Nisga'a lodge on the Nass River. Some operators have also been working with aboriginal interests to initiate joint ventures, hire local aboriginal workers, or incorporate an aboriginal theme or experience into their fishing packages.

9.3 Human Resources

Human resources are an important issue for all tourism, hospitality, and outdoor recreation sectors. Many lodge, charter, and angler service businesses, such as tackle shops and motels, are owner-operator or family businesses.

9.3.1 Labour Utilization and Wages

Recreational employment was 3,590 person-years in 2002, with wage earnings totalling $125 million.

Recreational fishing in tidal waters occurs year-round, although the peak activity period is May through September. Most of the jobs in the recreational fishery are seasonal. In 2002 the labour profile for the total industry was as follows:

	Jobs	Employment* (PYs)	Wages and Benefits ($ millions)
Lodges*	1,820	820	29
Charters*	750	300	10
Other	4,670	2,470	86
Total	7,240	3,590	125

** exclude jobs, person-years (PYs) employment and wages associated with angler expenditures that do not flow to the operator (included under "other").*

Hired guides in lodge or charter businesses earn $20 to $25 per hour. Guides at remote lodges, where the operator also provides room and board, make less. Certain high paying jobs, such as lodge manager and executive chef, provide higher earnings than guiding. In contrast, dockworkers and housekeeping staff at lodges earn substantially less than guides, and often the minimum wage of $8 per hour. Gratuities or tips can be a major component of the remuneration to lodge and charter workers, frequently amounting to one-third or more of regular wages.

9.3.2 Skilled Labour, Recruitment, and Training

As with most jobs in the tourism and hospitality sector, the work requirements are: the ability to work hard, have the right attitude and be attentive to customer service. During the short summer season, in some cases, there is competition with other seasonal employers for labour. Typically, lodge and charter businesses train their workers on-the-job.

In Campbell River, an experienced guide does teach a short introductory course on guiding, through the local community college. Lodges may sponsor staff to take First Aid, MED (Marine Emergency Duties), or tourism hospitality courses, if the course is directly related to the business.

Generally, recruitment and training are not a problem for angling businesses.

The summer season for guiding is a good fit for younger people, especially students, who like to fish. Some individuals guide in the summer and work in the ski business during the winter. It appears that there are no serious recruitment and training issues. Many lodges report that they have long-time staff who return every year.

However, lodges also report that they have experienced challenges in recruitment, training and the performance of former resource industry workers in adapting to a service industry. For this reason, some lodges prefer to use workers from Vancouver or Victoria, to staff field positions in their northern lodges.

9.3.3 Management and Labour Environment

There are no unions in BC's lodge and charter businesses. Negotiations over wages, benefits, and working conditions are an individual matter. There do not appear to be serious labour-management issues, in part because of the owner-operator and family nature of many businesses.

9.4 Investment and Financing of Lodges and Charters

9.4.1 Investment Levels and Viability

Investment Level

Lodges can require investment of 1.2 to 2 times annual revenues.

Very little information is available on the investment base in the lodge and charter sectors. Information from the Queen Charlotte Islands fishing lodge study (summarized in Case Study 10), and other sources suggests that the original cost investment typically ranges from 1.2 to 2 times annual revenues. Total lodge and charter revenues were estimated at $150 million in 2002, composed of $120 million for lodges and $30 million for charters. This implies an investment base of $180 to $300 million at original cost.

Viability

The financial targets for earnings on adequate return on investment are even more problematic. Again, the only reliable information is for the Queen Charlotte Island (QCI) lodge industry, where it appears the appropriate financial targets are 15% earnings before interest, taxes, depreciation, and amortization (EBITDA). This translates into a 5% profit before taxes but after interest and depreciation. The remote lodges need a relatively high (90%) occupancy level, due to the high share of fixed costs, such as air charter, in their cost structure.

Case Study 10: Queen Charlotte Islands Fishing Lodges – A High End Niche Product

The Setting. The Queen Charlotte Islands (QCI), or Haida Gwaii by their aboriginal name, is a pristine wilderness area. The region is sparsely populated, and is renowned worldwide for its magnificent vistas, unspoiled shoreline and position as the centre of Haida culture. Anglers can fish an abundance of large, trophy-size chinook and coho salmon, other salmon (pink, sockeye, chum), halibut, lingcod, and rockfish. Outstanding angling opportunities, combined with the magnificent setting, means that recreational fishing lodges can provide a world-class destination attraction. The high quality niche product allows lodges to charge in excess of $2,500 per angler for a 3-5 day fishing trip, which includes air transport from Vancouver, lodge meals and accommodation, fishing gear, boat and motor use, and access to a guide if desired. More than half of the lodge client base comes from outside Canada.

Profile. The QCI fishing lodge sector has grown since 1994 in terms of number of operations, client base, and revenues. Lodge revenues, at $38 million in 2002, were 67% greater than their 1994 level. Significant factors underlying the activity and revenue growth are the current healthy fish populations and DFO's 1999 Salmon Allocation Policy, which gave the recreational sector priority access over the commercial sector to chinook and coho.

Total QCI Lodge Sector	1994	2002
No. of Operations	13	18
No. of Overnight Clients	10,600	13,300
Revenues	$22.8 million	$38.0 million
Wage Bill and Benefits	$5.5 million	$9.3 million
Jobs	375	520
Employment Person-Years	180	245
Original Cost Investment	$32 million	$48 million
Local QCI Content		
Local Wage Bill	$0.3 million	$1.6 million
Other Local Expenditures*	<$1.5 million	$4.5 million
Local Jobs	35	115
Local Employment Person-Years	15	50

** Includes non-wage operating and capital expenditures.*

Local jobs and the local wage bill have tripled since 1994. Several lodges have made a concerted effort to hire local residents and to train some for management positions. Many of the local employees are aboriginal people.

The QCI lodges have cooperated with DFO for many years on a lodge logbook program and on the Haida Watchman Program to record angler catches. Co-management has been practiced.

Business Environment. There is modest potential for business growth, but occupancy levels already exceed 90%. The industry met its financial targets in 2002, which was probably the best financial year since 1994. However, the QCI lodge sector is still a high-risk, high cost industry that operates in a very competitive environment. It is also subject to regulatory and aboriginal land claims uncertainty and faces several daunting cost pressures (e.g., air charter, insurance), as well as the rise of the Canadian dollar against the US dollar in recent months.

Source: GSGislason & Associates Ltd., "The Queen Charlotte Islands Fishing Lodge Industry", 2003.

Financial targets of 15% and 25% of earnings before interest, depreciation, and taxes typify lodges and charters, respectively.

In 2002 the QCI lodge industry as a whole just exceeded these financial targets, but there was considerable variation in performance. For most lodges, 2002 saw the best business in several years. For lodges outside the QCI, we suggest that the operations just met their financial targets in 2002 (perhaps a higher 20% EBITDA since they would have lower fixed costs but also lower occupancy rates); that is, they earned a normal profit.

Charter operators typically need a 25% EBITDA, since their investment base is a higher multiple of revenue than many lodges. (A new 24-foot covered boat and motor can cost $40,000 or more.). The fishing charter industry coast-wide just met this target in 2002.

9.4.2 Access to Financing

Financing sources for the recreational fishery are wide-ranging.

There is a wide range of financing for lodge and charter businesses. Some operations are owned by forestry, retail or other concerns and rely on the parent company for financing. Most, however, are stand-alone businesses.

Some operators indicate that a proven track record and a viable business plan are enough to get non-recourse financing from banks, credit unions, or the Community Futures network. The latter lend on the basis of cash flow, rather than security. According to other operators, any business associated with the fishery, recreational or commercial, is perceived as high risk, such that lending institutions will not provide financing unless a home or other external asset is available as security.

9.4.3 Research and Development

Coordinated R&D efforts are limited.

The level of coordinated research and development for the recreational sector appears to be minimal. Industry participants are fiercely independent and reluctant to cooperate with one another on any level. Several tackle manufacturers on Vancouver Island have developed new products, exporting them throughout North America.

9.4.4 Overall Investment Climate

Considerable investment uncertainty remains.

The overall investment climate for lodges and charters is still tenuous, in spite of substantially better fishing in recent years. While investment prospects are much better than in the late 1990s, considerable uncertainty remains as a result of the potential for changes in government regulations and the lack of clarity surrounding land claims settlement.

9.5 Supply Chain Issues and Services

9.5.1 Resource Capability

The recreational fishery will be affected by the same resource and environmental issues as the commercial fishery, including application of the precautionary approach, global warming, the Wild Salmon Policy, and the Species at Risk Act (SARA). The priority access to chinook and coho by the recreational sector has helped immensely in at least two ways. First, it has provided more fish to anglers and allowed angling to continue when the commercial fishery for coho has been closed. Second, it has allowed lodges and charters to market this priority access to potential customers.

9.5.2 Other Goods and Services

Access to goods and services are generally not a constraint.

Apart from some specialized boating, equipment and bait distributors, the supply sector generally is not dedicated to the recreational fishery. Rather, it serves a multitude of customers. There are some custom fish processing facilities, such as St. Jean's in Nanaimo and SeaPak in Masset, that specialize in processing sport-caught fish (e.g., freezing, smoking, canning, vacuum packing). There appear to be no serious logistical issues except in isolated cases, such as accessing fuel in remote lodges.

9.6 Catch Monitoring

Catch Monitoring and Sustainability

Catch monitoring is a cornerstone of sustainable fisheries in today's environmentally conscious world. DFO has no formal system for estimating recreational harvest and effort (angler-days) on a coast-wide basis. DFO Pacific Region does not have readily available estimates of annual angler effort and harvests, for the whole coast, on its website or at its regional headquarters. This is especially a problem for shellfish and groundfish species.

DFO Pacific Region can produce in-house estimates from a combination of creel surveys, logbooks and judgement. However, these estimates do not necessarily cover all areas of the coast, all months and all types of angling (e.g., shore as well as boat-based angling), and, more importantly, they vary widely in precision and accuracy.

While the Georgia Strait Creel Survey has been ongoing since 1980/81, the survey procedures are not necessarily consistent from year to year. In addition, due to budgeting constraints, the monthly and geographic coverage has been curtailed in recent years. The survey also does not cover shore and pier-based angling. The survey does, however, provide useful trend information – see section 8.

Some of the logbook information is very good, such as that from the Queen Charlotte Islands lodge logbook program, but in many other cases the information is incomplete or suspect. DFO does not report on the coast-wide results of the logbook program – that is, the number of lodges or charters, response rate, harvest by species and angler-days.

DFO has no comprehensive system for reliably estimating angler effort, harvest, and releases on a coast-wide basis.

DFO Ottawa conducts a mail survey of recreational licence holders every five years, the last one being in 2000. However, the mail survey results for harvest are substantially higher than the DFO Pacific in-house estimates. DFO Ottawa and Pacific-Region do not agree on which is the more reliable source.

As well, none of these sources provides reliable estimates of released fish. Monitoring of the commercial fishery is moving towards monitoring total removals, including discards, through on-board observers or electronic monitoring programs. It is likely that there will soon be a need to provide reliable estimates of released fish for the recreational fishery, in order to address sustainability issues.

Catch Monitoring and Allocation

Formal allocation between recreational and commercial interests, as recently announced for halibut, requires rigorous and defensible catch monitoring for both interests. The commercial sector currently has a higher and more comprehensive level of monitoring for most fisheries than does the recreational fishery.

BC recreational harvests generally impact fish resources less than do BC commercial harvests. Nevertheless, the recreational sector still needs reliable catch monitoring to demonstrate that it is operating within its allocation targets and is operating sustainably. Catch monitoring requirements in the future for all fisheries sectors likely will be more stringent.

Licence fee increases are proposed for the recreational fishery, with the additional monies being directed to resource management, including better monitoring systems. However, under Federal Treasury Board policy it is very difficult to earmark any licence fees.

The Alaskan Situation

Alaska's catch monitoring system allows it to better gauge the sustainability of the fishery.

Alaska has a highly superior harvest monitoring system for its recreational fishery. The state has mandatory registration and logbook programs for saltwater fishing guides, and conducts targeted creel surveys.

Most importantly, for over 25 years Alaska has implemented an annual detailed (48-page) mail survey, with 20,000-plus completions, that provides reliable harvest information for several hundred regions/locations. The ADFG crosschecks the results of this detailed survey with creel survey and guide logbook program results. Substantial error checking and editing of responses occurs. Department ADFG biologists in the regions review the preliminary results as part of their core responsibilities. In short, the ADFG treats the recreational fishing survey as a very important component of its mandate and resource management activities.

9.7 Industry Liaison and Relationships

9.7.1 Industry Associations

Sport Fishing Advisory Board

Several industry associations represent angler interests.

The Sport Fishing Advisory Board (SFAB) provides advice to the Minister of Fisheries and Oceans on recreational fishing issues. The Board consists of commercial business interests as well as individual anglers not affiliated with a recreational fishing business. The latter form the majority. Both the federal government (DFO) and the provincial government participate. There are regional committees that report to the main Board.

The SFAB has worked closely and diligently with DFO on regulatory and policy issues. In fact, the SFAB model, with Northern and Southern Board components, is being copied by DFO in its recent overhaul of commercial salmon fishery advisory processes. The SFAB is effective because it represents all recreational interests and has the respect of governments.

Sport Fishing Institute

The Sport Fishing Institute (SFI) is an advocacy organization representing several lodges, charters, equipment and bait wholesalers, and other interests. In recent years, the SFI, through a partnership with DFO and the Province, has organized broad-based marketing campaigns related to the BC recreational fishery. The campaigns have included advertising, attending trade shows, and bringing in travel writers to BC.

In addition, during the last two years, the SFI has worked with Tourism BC and its regional representatives to design and disseminate advertising publications on saltwater and freshwater businesses.

The BC Wildlife Federation

Membership of the BC Wildlife Federation (BCWF) consists of 30,000 hunters and anglers in the province. Most of the latter are freshwater anglers. The BCWF is a conservation organization.

Local Associations

Several communities, such as Prince Rupert, Campbell River, and Victoria-Sooke, have local guide associations. There are also a variety of local angling associations or clubs that provide and maintain public boat ramps, undertake enhancement efforts, and promote special angling events.

9.7.2 Integration and Strategic Alliances

Strategic alliances among recreational businesses are limited, but increasing.

In general, strategic alliances among recreational fishing interests are few or weak, albeit growing. The small unsophisticated nature of many operations, often family-run, and the fierce independence of operators run counter to cooperation and partnerships among tourism businesses.

Some charter operations do work with bed and breakfast (B&B) operators or local motels to provide an all-inclusive package. As noted earlier, some operations are developing multi-experience packages that link with golf courses, spas, ecotourism operators, and aboriginal interests.

The recreational fishing industry is generally out of step with mainstream tourism marketing and businesses. The SFI notes that angling does not have a high profile in Tourism BC and other provincial tourism initiatives. However, as the joint SFI-Tourism BC advertising initiative shows, some progress is being made.

In addition, little interaction occurs between recreational and commercial fishing interests, despite the obvious commonality of interests and spillover effects between the two. Both sectors rely on access to and use of a publicly managed resource. As the events of the late 1990s demonstrate, issues that may seem far removed from the recreational fishery – notably, the debate over the Pacific Salmon Treaty and the outlook for the commercial fishery – can have profound effects on angler activity. More recently, some operators from North Vancouver Island report a few cancellations due to controversy over salmon farms.

Some progress is occurring. There is increasing coordination between recreational and commercial sectors on common issues such as aboriginal harvest agreements and proposed conservation measures. One QCI fishing lodge that promotes catch-and-release angling is purchasing salmon from commercial trollers, having it custom processed, and then providing the processed fish at no cost to its catch-and-release clients.

Under the *Sport Fishing Recreation Act*, US excise taxes imposed on fishing tackle and fuel are returned to states each year to improve fish habitat, public access to angling, and public education. The monies also helped develop the “Water Works Wonders” campaign to promote angling (see box).

"Water Works Wonders" – A National Effort in the US

The "Water Works Wonders" is a trademarked advertising campaign developed by the Recreational Boating and Fishing Foundation that can be personalized by federal or state agencies, manufacturers, retailers, tourism bureaus, industry associations and others to market angling as a recreational pursuit. The CD toolkit includes magazine, direct mail, newspaper insert, point-of-sale, Internet, television and other material that can be easily customized. Key messages such as a child's plea, "take me fishing", are targeted at seasonal and lapsed anglers, and at promoting a shared family experience. States such as Ohio and Oklahoma that have used the advertising campaign material have shown increases in licence sales.

9.7.3 Public Perception

There is little focussed research on the public's perception of saltwater or tidal recreational fisheries. However, the fact that over 200,000 angling licences are purchased annually by Canadian residents does indicate a significant interest in, and support for, the recreation activity. It is also noteworthy that many anglers and angler associations are the backbone of volunteer habitat improvement efforts along coastal BC.

Environmental issues are influencing public perceptions of the recreational fishery.

Nevertheless, the public perception of all BC fisheries, including the recreational fishery, can be influenced by environmental issues and debate. The drop in angler licence sales and participation of the late 1990s has abated, perhaps indicating an increase in support for tidal angling.