



Economic Impact Study of Snowmobiling in Fernie

Prepared for the Fernie Snowmobile Association

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Executive Summary

Fernie, situated in the Rocky Mountains, is a community of over 5,000 residents¹ located within the traditional lands of the Ktunaxa First Nation. It is on Highway 3 in southeastern BC's Elk Valley near the Alberta and US borders.

Fernie is known for its abundant snow and recreational opportunities, including snowmobiling. To understand the impact and importance of this activity, the Fernie Snowmobile Association ("FSA") engaged MNP LLP ("MNP") to assess the contributions that snowmobiling makes to the economy of the Fernie area in the 2018/19 season.²

Contributions of Snowmobiling to Fernie's Economy

Snowmobiling creates vibrant experiences for residents and tourists, jobs in support sectors, and revenue for local businesses.³ This recreational activity impacts Fernie's economy in the following ways:

- Expenditures of snowmobile tourists.
- The operations of snowmobile rental and guiding operators, and powersport dealers.
- The activities of the FSA.

Table A below shows the total estimated economic impacts of snowmobiling in Fernie, comprising the economic impacts in these categories. The 2018/2019 snowmobiling season in Fernie was estimated to have generated approximately:

- \$7.3 million in direct economic output and \$11.6 million in total economic output.
- \$2.97 million in direct GDP and \$5.58 million in total GDP.
- \$0.6 million in direct revenue for all three levels of government and \$0.96 million in total government revenue.
- 53.7 FTEs of direct employment and 75.5 FTEs of total employment.

The majority of the direct impacts occur in Fernie, while the indirect and induced impacts occur both in Fernie and other parts of BC through supply chains.

¹ Statistics Canada. 2017. Fernie, CY [Census subdivision], British Columbia and East Kootenay, RD [Census division], British Columbia (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017. <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E> (accessed March 8, 2021).

² The 2018/19 season was the latest full season for which a complete set of data were available. The start of the 2019/20 season was delayed due to weather and ended early due to COVID-19 restrictions.

³ Ibid.

Table A: Estimated Total Economic Impacts of Snowmobiling in Fernie, 2018/2019 season (\$ thousands)

	Output	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Impacts of Tourism						
Direct	\$3,760	\$1,200	19.0	\$130	\$100	\$30
Indirect and Induced	\$1,300	\$800	6.3	\$40	\$30	\$30
Total	\$5,060	\$2,000	25.3	\$170	\$130	\$60
Impacts of Rental and Guiding Operators and Powersport Dealers						
Direct	\$3,300	\$1,700	32.5	\$190	\$120	\$20
Indirect and Induced	\$2,600	\$1,600	13.3	\$80	\$60	\$60
Total	\$5,900	\$3,300	45.8	\$270	\$180	\$80
Impacts of FSA's Operations						
Direct	\$270	\$70	2.3	\$4	\$2	\$0
Indirect and Induced	\$360	\$210	2	\$30	\$20	\$10
Total	\$630	\$280	4.3	\$34	\$22	\$10
Total Impacts						
Direct	\$7,330	\$2,970	53.7	\$324	\$222	\$50
Indirect and Induced	\$4,260	\$2,610	21.7	\$150	\$110	\$100
Total	\$11,590	\$5,580	75.5	\$474	\$332	\$150

To provide perspective on the size of the economic impacts of snowmobiling in Fernie, we compared the impacts to those created by the following industries:

- **New Home Construction** – The employment supported by snowmobiling in Fernie in the 2018/2019 season is equivalent to the direct and indirect employment supported by the construction of approximately 30 new homes in BC.⁴
- **Heli and Cat Skiing** – In 2018 there were approximately 118,000 skier days that supported \$164 million in GDP attributable to the heli and cat skiing industry in BC.⁵ The estimated total GDP generated by snowmobiling in Fernie is equivalent to the total GDP supported by approximately 1,300 skier days in the heli and cat skiing industries in BC.

⁴ Will Dunning for the Canadian Homebuilders Association, British Columbia 2019 Economic Impacts of New Home Construction. 2019. Available Here: <https://www.chba.ca/CHBADocs/CHBA/HousingCanada/Information-Statistics/Impacts/1%20British%20Columbia%20Economic%20Impacts%20of%20New%20Home%20Construction%202019.pdf>

⁵ Elevating Adventure, A Three Year Update on the Economic Impact of Helicopter and Snowcat Skiing in British Columbia, 2019. Available here: <http://www.helicat.org/socio-economic>

1 Introduction

Background and Purpose

Fernie is situated in southeast BC in the heart of Canada's Rocky Mountains. Fernie is known for its long winter season because of its abundant snow and recreational opportunities. Along with mining and forestry, tourism plays a significant role in Fernie's economy, and many visitors come for outdoor activities such as hiking, biking, skiing, snowboarding, and snowmobiling.

Snowmobiling draws visitors from both within and outside the province for day trips or longer multi-day trips. Snowmobiling impacts Fernie's economy through a number of pathways, including the expenditures of snowmobile tourists, and the operations of snowmobile rental and guiding operators, powersport dealers, and snowmobile clubs. To further understand this impact, the Fernie Snowmobile Association ("FSA") engaged MNP LLP ("MNP") to conduct a study to assess the contributions that snowmobiling makes to the economy of the Fernie area.

Scope

The scope of the study encompassed developing estimates of the economic impacts of:

- Tourism arising from snowmobiling.
- Services provided by snowmobile rental and guiding operators and powersport dealers.
- The operations of the FSA.

The estimates were developed based on the 2018/2019 season, which was the latest full season for which a complete set of data were available.⁶

Approach

In preparing this report, MNP carried out the following activities:

- Gathered information from the FSA, the BC Snowmobile Federation ("BCSF"), snowmobiling rental and guiding operators and powersport dealers on their activities.
- Developed economic impact models using input-output multipliers published by Statistics Canada.
- Developed economic impact estimates based on the data collected.



⁶ The start of the 2019/20 season was delayed due to weather and ended early due to COVID-19 restrictions.

Structure of the Report

The remainder of the report is organized as follows:

- Section 2 provides an overview of snowmobiling in Fernie.
- Section 3 provides a description of the methodology used to develop estimates of economic impacts.
- Section 4 contains estimates of the economic impacts of snowmobiling in Fernie.

Limitations

This report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or as a substitute for personalized, professional advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from the FSA and the BCSF, primary research and public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions expressed for business or investment decisions and disclaim any liability to any party who relies upon them as such. Before taking any particular course of action, readers should contact their own professional advisor to discuss matters in the context of their particular situation.

Data Sources

Data for the economic impact modelling were obtained from a combination of primary and secondary sources including:

- FSA financial statements.
- Businesses providing services to snowmobilers.
- Statistics Canada, including the Annual Retail Trade Survey, business counts by location, and small business Financial Performance Data.
- A 2019 survey of snowmobilers conducted for the BCSF.

2 Overview of Snowmobiling in Fernie

Fernie is a community of over 5,000 residents⁷ located within the traditional lands of the Ktunaxa First Nation. It is on Highway 3 in southeastern BC's Elk Valley near the Alberta and US borders.

Tourism and Snowmobiling in Fernie

Along with mining and forestry, tourism is an important industry in Fernie and the rest of Elk Valley.⁸ Renowned for its spectacular setting within the Rocky Mountains and place along the Elk River, Fernie draws visitors from around the world to take part in its abundant recreational opportunities, including a range of winter activities.

In 2015, the area attracted approximately 307,000 visitors that spent close to \$100 million⁹ and by 2019, this grew to \$130 million.¹⁰

Economic opportunities related to winter sports stem from Fernie's large tourism draw combined with its long winter season which spans mid-November to mid-April. Snowmobiling, in particular, creates vibrant experiences for residents and tourists, jobs in support sectors, and revenue for local businesses.¹¹

Visitors often describe their Fernie experience as, "*authentic, driven by the century-old downtown, rich history and culture, pristine natural environment, and friendly, down-to-earth community.*"

- Tourism Fernie

Recreational enthusiasts enjoy about 29 feet of snow annually and 160 kilometres of trails, regularly maintained by the FSA, for snowmobiling, sledding, snowshoeing, fat biking, skiing, and snowboarding. Five staging areas, including three welcome centre kiosks, and three day-use cabins act as gateways to all sorts of snowmobiling and other mountain adventures.

⁷ Statistics Canada. 2017. Fernie, CY [Census subdivision], British Columbia and East Kootenay, RD [Census division], British Columbia (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001. Ottawa. Released November 29, 2017. <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E> (accessed March 8, 2021).

⁸ Tourism Fernie.

⁹ Tourism Fernie, Five Year Business Strategy, 2020-2024. https://tourismfernie.com/uploads/listings/92/5-Year-Strategy-2020-2024-Tourism_Fernie-July2019.pdf

¹⁰ Tourism Fernie.

¹¹ Ibid.

Profile of the Snowmobile Industry

Snowmobile users in Fernie are supported by a range of businesses and organizations which comprise the area’s snowmobile industry. These businesses rent and sell sleds, gear, outerwear, and accessories, and offer financing, service, and support. Avalanche courses and guiding services, lessons, and clinics are also available locally. Riders of all levels can take skills-oriented courses focused on improving their ability. Avalanche gear and backcountry information is available in town, along with information on trails, access, grooming, snowmobile events, annual memberships, and trail passes.

Table 1 shows the snowmobile products and services that are provided by Fernie businesses and organizations.

Table 1: Snowmobile Products and Services Provided by Fernie Businesses and Organizations

Product or Service	Number of Businesses and Organizations
Courses, guiding operators	2
Equipment sales and rentals	1
Gear, outerwear, accessories	2
Service/maintenance	1
Trail information and passes	1

About the Fernie Snowmobile Association

The FSA was formed in 1990 as a not-for-profit organization with the mission to maintain, protect, and secure recreational snowmobiling for the future of its community and visitors.¹² It collaborates with other user groups, commercial businesses, and government agencies to ensure balanced land use agreements that contribute to a safe and enjoyable mountain experience for all backcountry users.

Trails

Each season, the FSA maintains over 160 kilometres of trails with a snowcat fleet of 4 grooming machines, 10 staff, and 7,000 hours of volunteer service annually. These trails are situated within one of the most complicated land bases in BC. To use the trails, land use permissions are required



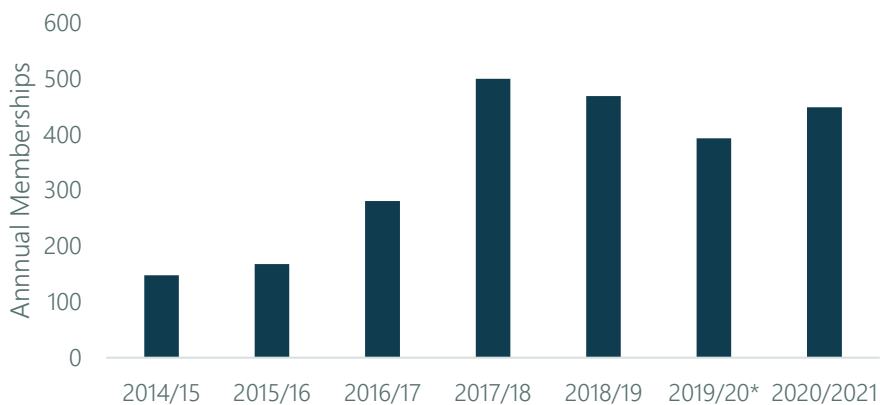
¹² Fernie Snowmobile Association.

from private landowners, Recreation Sites and Trails BC, Forests Lands and Natural Resources Operations, Natural Resources Canada, Ktunaxa First Nations, and Conservancy lands.¹³ Some riding areas sit within areas of special environmental or recreational concern for which government has issued snowmobile exemptions permitting seasonal sledder access, so recreational users can still enjoy the trails.

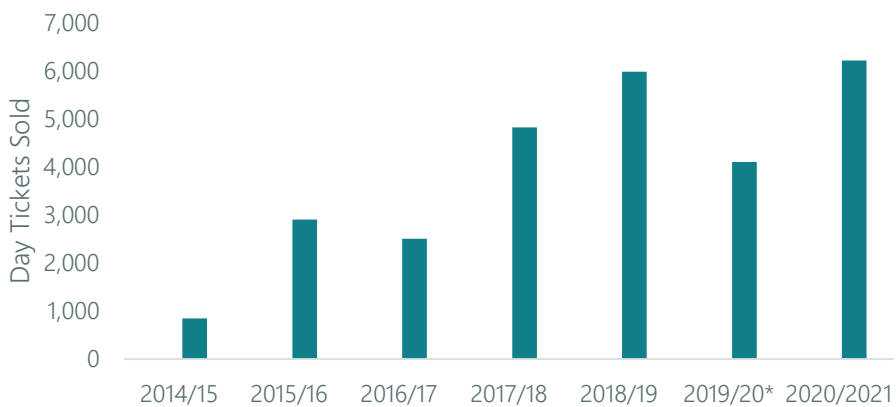
Usage of FSA’s trails has been growing quickly. As shown in Figure 1 between 2014/15 and 2019/20 the number of memberships in the FSA tripled from 148 to 449 and day tickets sold rose from under 1,000 to approximately 6,000.

Figure 1: Annual FSA Memberships and Day Tickets Sold, 2014/15 to 2020/21

Annual Memberships



Day Tickets Sold



*Season start was delayed due to poor weather conditions and ended early due to COVID restrictions.

¹³ Ibid.

Fernie Snowmobile Value Chain

A value chain illustrates the linkages between stakeholders' activities and operations, and other industry sectors. It identifies inputs provided by suppliers, partners, and external service providers, which are used by the stakeholders in their activities and operations.



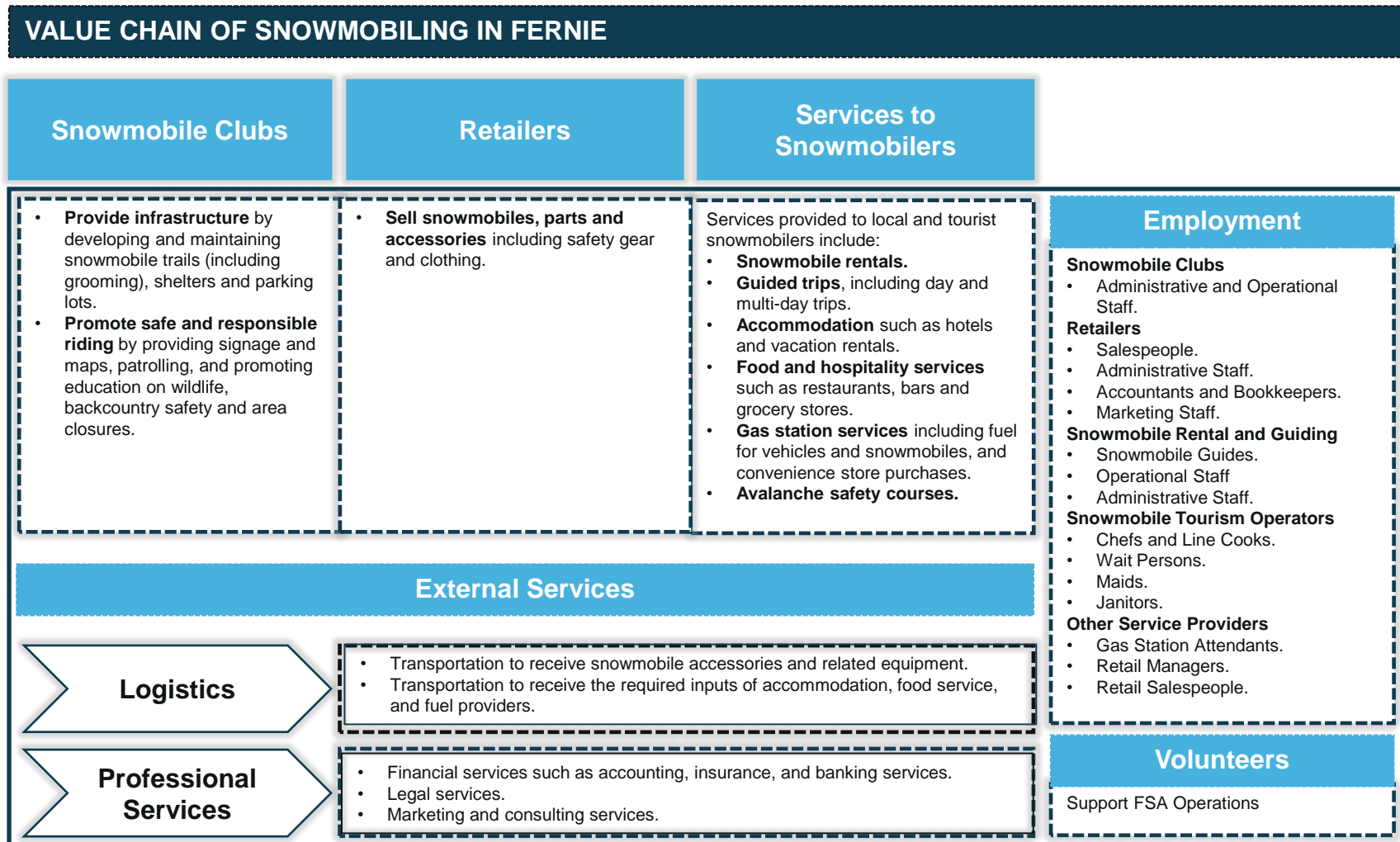
The Fernie Snowmobile Value Chain is shown in Figure 2. Suppliers and

partners in the Fernie snowmobile value chain include snowmobile clubs, snowmobile rental and guiding operators, gas stations, hotels, restaurants and retailers. These organizations support employment in a wide range of occupations, including administrative and operational staff, salespeople, mechanics, accountants and bookkeepers, marketing staff, snowmobile tour guides, chefs and line cooks, wait persons, maids, janitors, gas station attendants, and retail managers and salespeople.

The snowmobile value chain is supported by external services such as transportation and professional services.



Figure 2: Value Chain of Snowmobiling in Fernie



3 Economic Impact Methodology

Economic Impact Methodology

In general, economic impacts are viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, GDP, government tax revenue and employment:

- **Output** is the total gross value of goods and services produced by a given company or industry measured by the price paid to the producer. This is the broadest measure of economic activity.
- **Gross Domestic Product (“GDP”)**, or value added, refers to the additional value of a good or service over the cost of inputs used to produce it from the previous stage of production. Thus, GDP is equal to the unduplicated value of goods and services produced.
- **Employment** is the number of additional jobs created. Employment is typically measured in terms of full-time equivalents (“FTEs”). One FTE may be considered one person-year of employment. That is, one FTE is the equivalent of one person working full-time for a period of one year. For seasonal activities such as snowmobiling, FTEs would underestimate the number of jobs supported during the snowmobile season.
- **Government Tax Revenues** are the total amount of tax revenues generated for different levels of government. Tax revenues arise from personal income taxes, corporate income taxes, taxes on products, and taxes on production. Please note that because tax revenues can frequently change due to modifications in tax policy, the tax revenue impacts in this report are estimates only and subject to change. They should be viewed as approximate in nature.

Economic impacts may be estimated at the direct, indirect, and induced levels.

- **Direct impacts** are due to changes to “front end” businesses that would initially receive operating revenue as a direct consequence of the operations and activities of a facility or industry.
- **Indirect impacts** arise from changes in activity for suppliers of the “front end” businesses.
- **Induced impacts** arise from shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses.

To estimate the economic impacts of snowmobiling in Fernie, MNP employed an input-output methodology that uses economic multipliers published by Statistics Canada. Input-output modeling is a widely-used and widely-accepted approach, making it recognizable by many

different stakeholders and audiences. The structure of the approach also facilitates easy comparisons between reported results for different projects and facilities. An overview of the approach is provided in Appendix A.

4 Economic Impact Analysis

Expenditures associated with snowmobiling in Fernie generate economic impacts through direct expenditures on goods and services, the generation of employment, and the generation of tax revenues for local, provincial, and federal governments. Snowmobiling in Fernie generates economic activity in three main ways:

- **Economic impacts generated by snowmobilers’ activities in Fernie.** This includes expenditures by visitors on fuel consumed on day trips, and accommodation, travel expenses, fuel, food, and retail items purchased on multi-day trips.
- **Economic impacts generated by the activities of rental and guiding operators and powersport dealers.** This includes rental and guiding operators’ and powersport dealers’ expenditures on salaries and benefits, goods, and services.
- **Economic impacts generated by the activities of the FSA.** This includes expenditures by the FSA on salaries and benefits, equipment purchases, fuel, shelter construction and maintenance, and administrative costs, and expenditures by other supporting organizations on salaries and benefits, and goods and services.

Economic Impacts of Snowmobile Tourism in Fernie

In assessing the impacts of snowmobile tourism, it is important to recognize that spending by local residents in a region will have a different impact than spending by visitors to a region.

Expenditure by visitors creates incremental economic activity while expenditure by local residents would likely have occurred in the region regardless of whether it was spent on a snowmobile trip. So, expenditure by local residents is considered to be a reallocation of expenditure rather than an incremental expenditure.

For the purposes of this study, spending on day trips by local residents is considered to be a reallocation of expenditure, while spending on multi-day trips by BC residents and all spending by out-of-province residents is considered to be incremental expenditure.



Snowmobile tourism creates economic impacts in Fernie’s and BC’s economy through visitors’ expenditures on goods and services such as accommodation, restaurants, and the purchase of

retail goods, including snowmobile accessories. These expenditures are in addition to spending by snowmobilers on snowmobile rentals, guides, trail fees, club memberships, and snowmobile parts and repairs, while taking a snowmobile trip.

Local residents account for approximately 17 percent of snowmobiler days in Fernie, while the remaining 83 percent are from visitors to Fernie.

To estimate tourism expenditures attributed to snowmobiling, we used data from the survey of snowmobilers conducted for the BCSF, and data on day pass sales and memberships from the FSA. We estimated that there were 6,000 snowmobile day trips and 2,100 multi-day snowmobile trips taken in the Fernie area in 2018/19. These trips translated in

approximately 15,500 snowmobiler days in Fernie during the 2018/2019 season.¹⁴ This included 2,700 snowmobiler days from local residents, 2,800 snowmobiler days by visitors from other parts of BC and 10,000 snowmobiler days from visitors from out-of-province. Table 2 shows estimated day trips and multi-day trips taken by BC residents (local residents and those from other parts of BC) and visitors from out-of-province.

Table 2: Number of Snowmobile Trips in Fernie and Snowmobiler Days

	Local Residents	Other BC Residents	Visitors from Out-of-Province	Total
Day Trips	2,700	500	2,800	6,000
Number of Multi-Day Trips	0	400	1,700	2,100
Multi-Day Trip Days*	0	2,300	7,200	9,500
Snowmobiler Days	2,700	2,800	10,000	15,500

*Multi-day trip days are based on an average of 4.6 days per multi-day trip.

Table 3 shows average expenditure per snowmobiler on a day trip in Fernie for visitors from other parts of BC and visitors from out-of-province. During a day trip, snowmobilers typically spend money on fuel for the vehicles and snowmobiles, and food and drinks purchased from restaurants, bars, and grocery stores. Visitors from other parts of BC were estimated to spend approximately \$134



¹⁴ One snowmobiler day is one day of trail use. Each day trip accounts for one snowmobiler day while each multi-day trips account for 4.6 snowmobiler days.

on each day trip, while visitors from out-of-province were estimated to spend approximately \$230 on a typical day trip (72 percent more than visitors from other parts of BC).

Table 3: Average Expenditure per Snowmobile Visitor on a Day Trip to Fernie

	Visitors from Other Parts of BC	Visitors from Out-of-Province	Average	Percentage
Fuel	\$85	\$148	\$115	64%
Food	\$49	\$82	\$65	36%
Total	\$134	\$230	\$180	100%

Source: BCSF Survey of Snowmobilers

Table 4 shows estimated average expenditure per snowmobiler on a multi-day trip to Fernie. Expenditure on accommodation and food and drinks purchased from restaurants and grocery stores accounted for the largest share of total trip expenditure (52 percent). Expenditure on fuel for the sleds and fuel used for travelling to and from the trailhead accounted for 23 percent of total expenditure, followed by travel expenses to get to and from Fernie (18 percent), and retail purchases such as gifts, accessories, and souvenirs (7 percent). Total average expenditures by visitors from other parts of BC on a typical multi-day trip were approximately 10 percent higher than expenditures by visitors from out-of-province.

Table 4: Average Expenditure per Snowmobiler on a Multi-Day Trip to Fernie

	Visitors from Other Parts of BC	Visitors from Out-of-Province	Total	Percentage
Accommodation	\$415	\$373	\$382	26%
Food	\$427	\$370	\$382	26%
Fuel	\$367	\$321	\$330	23%
Travel Expenses	\$203	\$275	\$260	18%
Retail Items	\$155	\$88	\$102	7%
Total	\$1,567	\$1,427	\$1,456	100%

Source: BCSF Survey of Snowmobilers

Table 5 shows snowmobilers' estimated expenditures incurred by category. In the 2018/2019 season, total tourism related expenditure by snowmobilers in Fernie was approximately \$3.76 million. Of the total expenditure, approximately 18 percent was attributable to visitors from other parts of BC and the remainder was attributable to visitors from out-of-province.

Table 5: Estimated Expenditures by Snowmobilers in Fernie, 2018/2019 season (\$ thousands)

Category of Expenditure	Visitors from Other Parts of BC	Visitors from Out-of-Province	Total
<i>Day Trips</i>			
Food	\$20	\$230	\$250
Fuel	\$40	\$420	\$460
Total	\$60	\$650	\$710
<i>Multi-Day Trips</i>			
Food	\$170	\$630	\$800
Fuel	\$150	\$540	\$690
Accommodation	\$170	\$630	\$800
Travel Expenses	\$80	\$470	\$550
Retail Items	\$60	\$150	\$210
Total	\$630	\$2,420	\$3,050
<i>Total</i>			
Food	\$190	\$860	\$1,050
Fuel	\$190	\$960	\$1,150
Accommodation	\$170	\$630	\$800
Travel Expenses	\$80	\$470	\$550
Retail Items	\$60	\$150	\$210
Total	\$690	\$3,070	\$3,760

Table 6 shows the estimated economic impacts of snowmobile tourism based on the expenditures in Table 5. In the 2018/2019 season, snowmobile tourism in Fernie was estimated to have generated approximately:

- \$3.76 million in direct economic output and \$5.06 million in total economic output.
- \$1.2 million in direct GDP and \$2.0 million in total GDP.
- \$0.26 million in direct revenue for all three levels of government and \$0.36 million in total government revenue.
- 19.0 FTEs of direct employment and 25.3 FTEs of total employment.

The majority of the direct impacts occur in Fernie, while the indirect and induced impacts occur both in Fernie and other parts of BC through supply chains.

Table 6: Estimated Economic Impacts of Snowmobile Tourism in Fernie, 2018/2019 season (\$ thousands)

	Output	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$3,760	\$1,200	19.0	\$130	\$100	\$30
Indirect and Induced	\$1,300	\$800	6.3	\$40	\$30	\$30
Total	\$5,060	\$2,000	25.3	\$170	\$130	\$60

Economic Impacts of Snowmobile Rental and Guiding Operators and Powersport Dealers in Fernie

Snowmobile rental and guiding operators and powersport dealers impact Fernie’s economy through expenditures on goods and services, the employment of staff, and the generation of tax revenues for different levels of government.

Table 7 shows the estimated economic impacts of Fernie’s snowmobile rental and guiding operators and powersport dealers. In the 2018/2019 season, the activities of these businesses were estimated to have generated approximately:

- \$3.3 million in direct economic output and \$5.9 million in total economic output.
- \$1.7 million in direct GDP and \$3.3 million in total GDP.
- \$0.33 million in direct revenue for all three levels of government and \$0.53 million in total government revenue.
- 32.5 FTEs of direct employment and 45.8 FTEs of total employment.

The majority of the direct impacts occur in Fernie, while the indirect and induced impacts occur both in Fernie and other parts of BC through supply chains.

Table 7: Estimated Economic Impacts of Snowmobile Rental and Guiding Operators and Powersport Dealers in Fernie, 2018/2019 season (\$ thousands)

	Output	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$3,300	\$1,700	32.5	\$190	\$120	\$20
Indirect and Induced	\$2,600	\$1,600	13.3	\$80	\$60	\$60
Total	\$5,900	\$3,300	45.8	\$270	\$180	\$80

Economic Impacts of the FSA

The FSA impacts Fernie’s economy through its expenditures on goods and services, and the generation of tax revenues for different levels of government. To estimate the economic impacts of the FSA, we used information provided by the FSA on revenues and expenditures in the 2017-2018 and 2018-2019 snowmobile seasons.

Table 8 shows the estimated operating expenditures incurred by category. In the 2018/2019 season, total expenditures by the FSA were approximately \$242,000.



Table 8: Estimated Expenditures of the FSA, 2018/2019

Category of Expenditure	Expenditure
Trail Grooming and Equipment	\$139,700
Wages	\$41,300
Fees, Licensing and Insurance	\$23,800
Contracted Services	\$18,900
Other	\$18,900
Total	\$242,600

Source: FSA Financial Statements for the year ending September 30, 2019

Table 9 shows the estimated economic impacts of the FSA based on the expenditures in Table 8. In 2018/2019, the FSA and supporting organizations was estimated to have generated approximately:

- \$0.27 million in direct economic output and \$0.63 million in total economic output.
- \$0.07 million in direct GDP and \$0.28 million in total GDP.
- \$0.006 million in direct revenue for all three levels of government and \$0.66 million in total government revenue.
- 2.3 FTEs of direct employment and 4.3 FTEs of total employment.

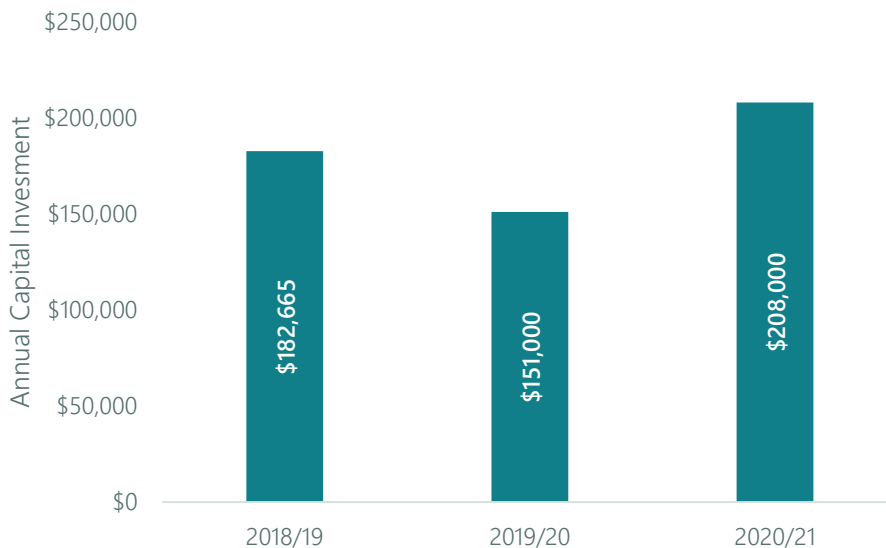
The majority of the direct impacts occur in Fernie, while the indirect and induced impacts occur both in Fernie and other parts of BC through supply chains.

Table 9: Estimated Economic Impacts of the FSA and Other Supporting Organizations, 2018/2019 season (\$ thousands)

	Output	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$270	\$70	2.3	\$4	\$2	\$0
Indirect and Induced	\$360	\$210	2	\$30	\$20	\$10
Total	\$630	\$280	4.3	\$34	\$22	\$10

In addition to its operating expenditures, the FSA spent between \$100,000 and \$200,000 per year on infrastructure between 2018/2019 and 2020/2021 (see **Figure 3**). This includes grooming equipment, construction of warming huts, kiosks, and signage.

Figure 3: Annual Capital Investments, 2018/19 to 2020/21



Total Economic Impacts of Snowmobiling

Table 10 shows the total estimated economic impacts of snowmobiling in Fernie, comprising the economic impacts in each category above.

The 2018/2019 snowmobiling season in Fernie was estimated to have generated approximately:

- \$7.3 million in direct economic output and \$11.6 million in total economic output.
- \$2.97 million in direct GDP and \$5.58 million in total GDP.
- \$0.6 million in direct revenue for all three levels of government and \$0.96 million in total government revenue.
- 53.7 FTEs of direct employment and 75.5 FTEs of total employment.

The majority of the direct impacts occur in Fernie, while the indirect and induced impacts occur both in Fernie and other parts of BC through supply chains.

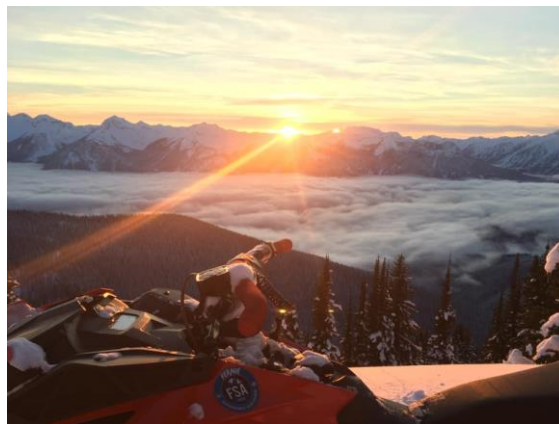
Table 10: Estimated Total Economic Impacts of Snowmobiling in Fernie, 2018/2019 season (\$ thousands)

	Output	GDP	Employment (FTEs)	Federal Tax	Provincial Tax	Municipal Tax
Direct	\$7,330	\$2,970	53.7	\$324	\$222	\$50
Indirect and Induced	\$4,260	\$2,610	21.7	\$150	\$110	\$100
Total	\$11,590	\$5,580	75.5	\$474	\$332	\$150

Industry Comparisons

To provide perspective on the size of the economic impacts of snowmobiling in Fernie, it is useful to compare the impacts with those created by other industries. Two examples of other industries are new home construction and heli and cat skiing.

- **New Home Construction** – The employment supported by snowmobiling in Fernie in the 2018/2019 season is equivalent to the direct and indirect employment supported by the construction of approximately 30 new homes in BC.¹⁵
- **Heli and Cat Skiing** – In 2018 there were approximately 118,000 skier days that supported \$164 million in GDP attributable to the heli and cat skiing industry in BC.¹⁶ The estimated total GDP generated by snowmobiling in Fernie is equivalent to the total GDP supported by approximately 1,300 skier days in the heli and cat skiing industries in BC.



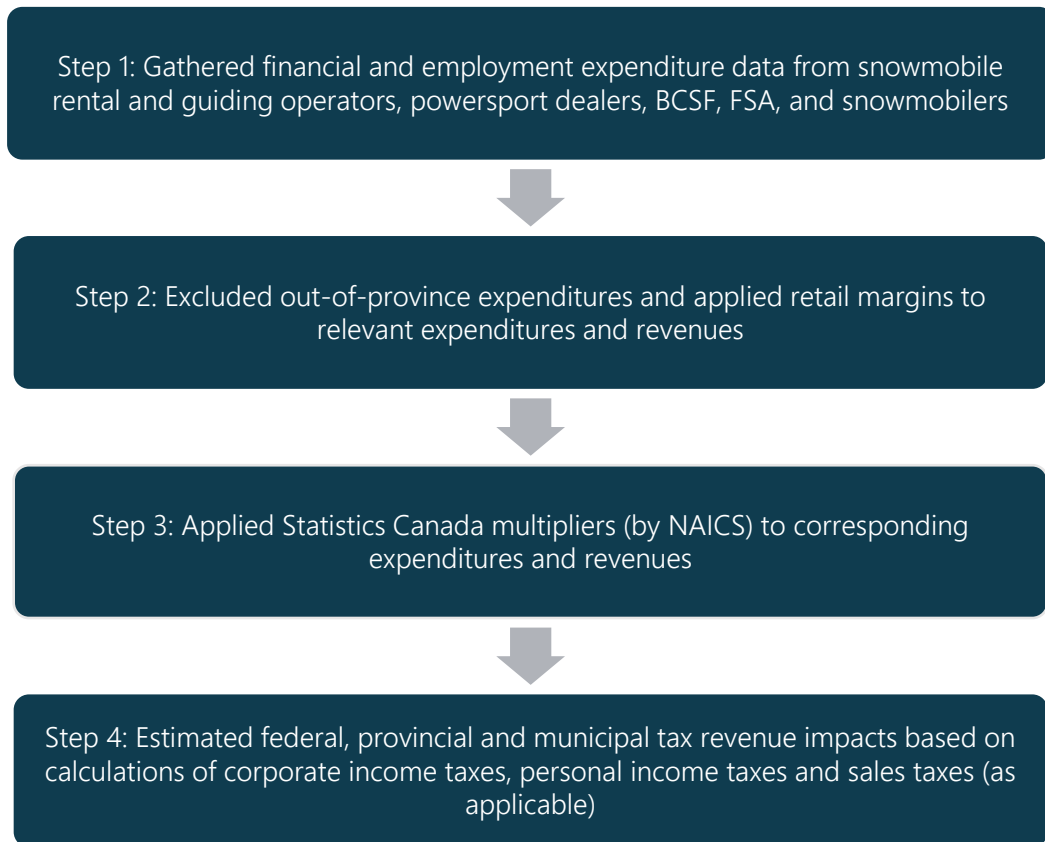
¹⁵ Will Dunning for the Canadian Homebuilders Association, British Columbia 2019 Economic Impacts of New Home Construction. 2019. Available Here: <https://www.chba.ca/CHBADocs/CHBA/HousingCanada/Information-Statistics/Impacts/1%20British%20Columbia%20Economic%20Impacts%20of%20New%20Home%20Construction%202019.pdf>

¹⁶ Elevating Adventure, A Three Year Update on the Economic Impact of Helicopter and Snowcat Skiing in British Columbia, 2019. Available here: <http://www.helicat.org/socio-economic>

Appendix A: Economic Impact Approach and Assumptions

Approach

A step-by-step overview of our approach to estimating the economic impacts of snowmobiling in Fernie and BC is provided below.



Assumptions

The analysis presented in this report is based on several key assumptions. The main assumptions are presented below.

- The economic output of the FSA was estimated based on the financial statements for the 2018/2019 season (defined as the period starting October 1, 2018 to September 30, 2019).
- The economic output of snowmobile rental and guiding operators and powersport dealers in Fernie was estimated based on data collected from snowmobile rental and guiding businesses, and powersport businesses in Fernie.

Appendix B: About MNP

For over 60 years, MNP has proudly served and responded to the needs of clients in the public, private and non-profit sectors. Over this time, we have grown to more than 80 offices and 5,000 team members across Canada. In BC, this includes over 1,000 team members in 20 offices. Today, MNP is one of the largest and fastest growing business consulting and chartered accountancy firms in Canada.

Consulting Services

Our industry-leading consultants have worked with a diverse range of organizations and industries across Canada and around the world. Our extensive and successful history includes working in the agriculture, manufacturing, utilities, and public sectors to help our clients overcome challenges, improve business performance, and achieve strategic growth.

Our business consulting team brings a full suite of services and expertise to ensure organizations fully leverage their assets and achieve their goals in the most effective and efficient manner.

Our diverse consulting services include:

- Economic Impact
- Economic Outlook
- Operations and Management Consulting
- Regional Economic Development Strategies
- Feasibility Studies
- Housing Needs Assessments
- Assistance with Grant Applications/Government Funding
- Investment Attraction Strategies
- Labour Market Assessments





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