GROUND FEASIBILITY: ANAL

ON PRINCE EDWARD ISLAND, CANADA

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ABSTRACT

A STUDY TO DETERMINE THE CHARACTERISTICS,
THE PRIVATE AND PUBLIC SECTOR PARTICIPATION
AND AN OVERALL PRIVATE CAMPGROUND
FEASIBILITY ANALYSIS FOR THE
CAMPGROUND INDUSTRY ON
PRINCE EDWARD ISLAND
CANADA

By

Frederick John Galloway

Specific issues and problems are currently under review in the campground industry of the Province of Prince Edward Island. However, there appears to be a definite gap in practical knowledge on the industry which could be utilized in these discussions and problem resolution processes. Therefore, this study has a set task to generate basic data on the industry and its characteristics as a means of assisting in developing a more accurate delineation of the industry and policy parameters.

The study focuses on investigations of, 1) the roles of the public and private sector in the campground industry related to size, services offered beyond the campsite, locational distribution, fee schedules and occupancy rates; and

2) an overall statement of the general feasibility of a private campground operation based on the generated data and conclusions on the tourist industry in general and the campground segment specifically.

The data developed in the study is a series of compilations, comparisons and analyses generated from associated studies completed on Prince Edward Island and segments of the campground industry in other provinces of Atlantic Canada. Also incorporated are documents and files from private operators and public agencies involved in the campground industry on Prince Edward Island.

The findings and conclusions developed from this study indicate that the campground industry tends to be concentrated in the central portions of the Island. The operating season was found to be around three months in length resulting a short income recovery time frame. Other characteristics were that campgrounds tended to be small in size, generally between sixteen and fifty campsites and that the strong majority of campsites were of the unserviced type.

Another set of characteristic conclusions were that private campgrounds generated around 6 to 7 percent return on investment before taxes under very restrictive conditons and that the bulk of the revenue production came from services rendered beyond the campsite.

In relation to public and private roles it was found that private sector ownership dominated the campsites offering services. Also, the private sector tended to concentrate on services beyond the campsite which generate income such as grocery stores, while the public sector dominated non-incoming generating services such as kitchen shelters.

Locationally, the private sector was concentrated in the central portions of the Island while the public sector tended to locate in the extremity areas. These experienced a much lower tourist visitation rate.

In regards to occupancy rates, the private sector campgrounds were substantially lower in occupancy than the campgrounds in the Prince Edward Island National Park but did substantially better than the provincial campgrounds. Therefore, in relation to the question of closing public campgrounds in order to aid the private sector, it appeared that this action would have limited value if the provincial facilities were terminated. However, closure of federal camping facilities would definitely aid the private sector in Tourist Areas 4 and 6.

Fee schedules tended to be very similar, Therefore this factor negates the claim of uncompetitive fee schedules in relation only to marketability and not profitability.

The last conclusionary area relates to private campground feasibility. Feasibility appeared to be extremely limited. Any endeavour, in order to attain a limited level of success, would have to be highly conditioned in its location, size, services and so forth. The conditions appeared so restrictive that profits can only be achieved if all conditions combine favorably. If any of the essential elements become inadequate or are not present, a loss situation is very probable.

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CHAPTER I

STUDY DEVELOPMENT

Prince Edward Island is Canada's smallest Province. It encompasses approximately 2,184 square miles of relatively gentle rolling land in the Gulf of St. Lawrence.[1] A population of 113,000[2] people are mainly dependent on fishing and agricultural resources for their economic lifeblood.

One of the predominant natural features are sandy beaches which are often touted as the warmest beaches north of the Carolinas.[3] Another is the rural tradition of the culture and the historical resources, based on its early settlement (circa. 1450) and multiple ownership by France, England and now as a member of Canadian federalism.[4] A third significant feature is the fishing villages and the coastal relationships associated to the sea-oriented segment of the society.

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1. Travel Industry Branch, The Canadian Tourism Facts Book, 1972, (Ottawa, Ontario: Office of Tourism, Department of Industry, Trade and Commerce, 1972), pg. 48.

2. Premier Alex. B. Campbell, Discovering Prince Edward Island, (Charlottetown, P.E.I.: Department of Environment and Tourism, 1973), pg. 1.

3. _________, Chilton Beach Campground Brochure, (Summerside, P.E.I.: Morrison Developments Limited, 1972), pg. 2.

4. _________, Charlottetown, Prince Edward Island, Charlottetown, P.E.I.: Greater Charlottetown Area Chamber of Commerce in Co-operation with the Department of Environment and Tourism, 1973), pg. 1.

In the last few years tourism has become an increasing strength in the economic mix of the Island. Many reasons can account for this occurance. The completion of the Trans Canada Highway and the American Interstate system have increased access. The rise of federalism as a concept in Canada due to the separatist elements in Quebec, has generated great publicity that may have resulted in a wider awareness of Atlantic Canada. Changes in key factors such as increased mobility, more free time, notions of more disposable income, larger population and greater urbanization of the population have possibly resulted in the general increases in the tourist industry in Canada. This has been indicated by the Canadian Tourism Facts Book, 1972.[5] Therefore, Prince Edward Island could be benefiting from these social and economic transitions evident in Canadian society.

Tourism on Prince Edward Island has increased significantly between 1965 and 1973. The actual increase is estimated at 119.84 percent from 247,000 tourist visits in 1965 to an estimated 543,00 visits in 1973. In terms of tourist parties the increase is even more pronounced at a 135.68 percent increase. This is due to a decrease in the average party size factor.[6]

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5. op. cit., Travel Industry Branch, pg. 44.

6. ______, A Comparison of Tourist Data Between 1965 and 1971, (Charlottetown, P.E.I.: Department of Environment and Tourism, September, 1972), pg. 1

In terms of dollars, expenditures in 1971 by tourists on Prince Edward Island was in excess of $12,000,000.00, of which 25.8 per cent or $3,112,800.00 was for accommodations.

There are many components to a tourism system when considered in its service context. One of the primary ones is accommodations; their variety, condition, location and services. A 1971 study indicated that approximately 40 per cent of all tourist parties preferred campground facilities as their choice of accommodation while visiting Prince Edward Island.[8] This makes campgrounds the single largest accommodations category in relation to tourist accommodation preferences. Therefore, since campgrounds are a major element in the tourist plant, it deserves attention and focus so that it is sustained in a successful operational state necessary to insure the stability and positive impact of one of the basic elements involved in the tourist industry. Knowledge of the campground industry and the problems and issues perplexing it are then critical concerns for many people, both those who derive their livelihood and general well-being from campground operations, and the campers who use the facilities. The result is that the problems and issues are not confined to select groups or areas but have far reaching effects.

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7. ibid., pg. 2.

8. ibid., pg. 7.

In the past few years the private compground industry has confronted the Provincial Government of Prince Edward Island with some issues related to the general camping industry of the Island. Some of these issues are the role of the public sector in the provision of campground facilities, pricing and competitive discrepencies between the public and private sectors, the regulation of private roadside advertising and directional signs, incentives and growth in the industry and a whole milieu of smaller related issues.

However, what becomes quickly apparent when one is involved in some of these discussions is that few people, if any, are cognizant of what the characteristics of the industry are, what role each sector performs, or the general overall feasibility of a private campground. Few could tell much beyond their own operation. Questions such as what percentage of facilities are public, what the locational distribution of facilities and what the average fee structures are, could probably not be answered effectively by many. Even basic questions such as how many campgrounds and campsites are in operation on Prince Edward Island are generally unknown.

Questions on the business aspect such as how many campers visited the Island, where did they go and what did they participate in, would bring greatly diverse responses.

It seems rather amazing that the private sector, and in some instances even the public sector, appear to be so unfamiliar with many of the basic components of their industry.

Issues raised by the private sector may well be valid in that they represent concerns they feel are as affecting them as a group or individually. However, the value of many of their justifications and concepts is suspect as little or no research has been centered on any of the supply contexts of the campground industry on Prince Edward Island, particularly in relation to the private sector.

Many of the issues discussed relate to demands for policy from the Provincial Government, however how does a group accurately propose policy and later implement it without some sound foundational analysis of what exists or what is occurring? The old adage of 'think before you speak' in one respect seems appropriate, as one should know the industry before one puts forth change considerations or policy. Not only does this procedure add validity and justification, but possibly more importantly, it adds credibility which in many senses goes a long way further when dealing with a diverse group of people.

This study was thus motivated by the apparent gap of practical information and knowledge about the campground industry on Prince Edward Island.

B. STUDY PURPOSES

The purposes of this study are several-fold. First it has been designed to generate an inventory of basic current data on the campground industry of Prince Edward Island. This purpose is associated to present-day needs to know and better understand the industry and its characteristics so that knowledgeable and substantially accurate discussion and sentiment can prevail in relation to policy formulation and future developments.

A second purpose is to utilize the generated inventorial data so as to delineate and analyze characteristics and patterns that are prevalent.

The third purpose is to determine from the data the current roles and impact level of the private and public sectors in the campground industry on Prince Edward Island. This is a contemporary issue of some magnitute on the Island as it was in Michigan and is in respect to Canada's National Park campgrounds and the Provincial campgrounds in Alberta. In sequence to the above three examples, the public sector has shifted their role to less profitable types of campground operations, implemented a moritorium on future development of campgrounds while the private sector in Alberta has recommended a complete discontinuation of public involvement.

The final purpose is to project from the data the potential feasibility of a private campground operation under currently operative conditions on Prince Edward Island.

C. PROBLEM STATEMENT

The problems this study addressed itself to are threefold. First it was decided to investigate the current state of the campground industry in some of its selected characteristics, the intent being to determine what currently exists in the industry and any trends and associations that prevail. This would form a synthesized information resource that could be utilized as primary data in decision making, policy formulation and feasibility determining situations.

The second problem area was to determine the current levels of participation and related characteristics of the public and private sectors of the campground industry on Prince Edward Island.

The third problem area was to utilize the generated data so as to investigate the potential feasibility of developing a private campground operation on Prince Edward Island.

D. SUBPROBLEMS

The subproblems delineated from the threefold problem statement were as follows:

1. To complete an analysis of the current campground industry on Prince Edward Island by compiling an inventory and determining the following characteristics: number of campgrounds and campsites, campsite types, locational distribution and services offered beyond the campsite.
2. To determine the participation level of the private and public sectors in the campground industry on Prince Edward Island and the following characteristics: number of campgrounds and campsites, services, fee structures, percentage occupancy, campground size and locational distribution.

3. To determine the apparent size and volume characteristics of the camping market, tourist travel patterns, motivational considerations, participation activities and tourist origins as they relate to Prince Edward Island's tourist industry.
4. To determine the financial feasibility of a private campground operation based on consideration of financing sources, capital development costs and income potential.
5. To determine the extent and potential effect of government regulations and involvement on and with the private campground sector.
6. To examine the potential effect certain contemporary, high impact variables may have on the campground industry.
7. To analyse the data and conclusions so as to develop a statement on the overall feasibility of a private campground operation if it were to be undertaken in the relative time frame of this study.

E. HYPOTHESES

Some hypotheses have been developed for this study. They are directly related to three of the current controversies. The first is the closure of public camping facilities as requested by the private sector. The second is allowing the development of new campsites which is a concern of the industry in regards to a potential oversupply situation. The third relates to a claim by some private operators of unfair pricing by the public sector. A final hypothesis has been developed which relates to the feasibility of a private campground on Prince Edward Island and therefore, is one of the basic questions in all the issues and conflicts that currently prevail.

1. That if the publicly operated campgrounds were to be closed, private campgrounds would then attain near capacity occupancies.
2. That public campgrounds assess a lower user fee than private camping operations resulting in an uncompetitive pricing situation.
3. That the capacity of the campground industry on Prince Edward Island has been met and therefore room exists for expansion of the industry related to the supply of campsites.
4. That if current conditions in the camping industry continue to prevail on Prince Edward Island, then a private campground operation is a feasible entity.

F. NEED AND SIGNIFICANCE OF THE STUDY

This study derives its significance from the emerging nature of the private campground industry in general and its relation to the development of tourism on Prince Edward Island specifically.

Since the Island is currently intensely involved in this type of activity, it is necessary that feasibility studies be furnished so as to assist in the planning and implementation of any overall provincial government plan designed to maximize the tourist resources and capabilities of the Island.

In this regard, this study serves as one research component, implemented in laison with other research activities, to develop a solid information base which will assist in generating an overall tourist development plan. It will also formulate aids for provincial government officers who provide technical assistance and advice to individuals contemplating entry into the private campground business or expansion of their present facilities. Lastly, it could assist the provincial government in creating policy relevent to the roles of the two sectors in the provision of campsites and their services.

Since little research has been completed on this topic in Canada, and especially in Prince Edward Island, the need parameter is both obvious and essential.

G. BASIC ASSUMPTIONS

In the design, analysis and conclusions of this study report, some basic assumptions have been incorporated. They are:

1. That the number of camper parties and volume of camper/nights will not decrease below the 1973 levels but will either remain constant due to a plateauing in the overall industry or will increase due to either freer access to the Island or a general rise in the industry as a whole.

2. That the basic attractant resources now functioning in this tourist market will continue in their appeal and useability, therefore, creating no dramatic resource decline in the general tourist industry.
3. That the provincial government will continue to furnish the bulk of all off Island tourist and travel publicity while the private campground operators will continue to be responsible for the more localized publicity.

H. LIMITATIONS

Certain limitations exist in relation to this topic which have some direct and indirect effect on this study and any attempt to implement its findings and conclusions.

1. That data relevant to the private sector in relation to occupancy rates, capital input costs and other pertinent areas is generally limited over the macro scope. Data is available, however, on a few operations.

   In relation to the public sector, excellent data is available on the three National Park camping facilities due to the annual monitoring of their usage via the National Parks, Statistical Reference on Visitation, the User and Use of Canada's National and Historic Parks.

   However, data on provincially operated facilities is not as complete in relation to accuracy and the number of facilities upon which data are generated.

2. Information on the number of sites, types and quality of services and exact locations of other campgrounds as listed in the official government publications is not always totally free of operator bias. Generally, this is in terms of quality of the listed descriptions or services rather than their authenticity.

I. DEFINITION OF TERMS

Prince Edward Island - the smallest Province of Canada, located in the Gulf of St. Lawrence just north-east of the New Brunswick shoreline. An area traditionally based economically on agriculture and fishing, but today pushing forward with a strong tourist development program. It is connected to the mainland by one year round ferry between Borden, P.E.I. and Cape Tormentine, New Brunswick, and one seasonal ferry between Wood Island, P.E.I. and Caribou, Nova Scotia.

Private Campground - a campground facility completely owned and operated by either private individuals or a private business entity.

Percentage Occupancy - the percentage of campsites rented for a defined period of time such as day, week, month or season in relation to the number of campsites available for rent during the same period of time.

Public and Private sector roles - policy or courses of action upon which each sector will concentrate their efforts, i.e. the public sector concentrates mostly on primitive type sites.

Three-way Hookup - a campsite containing electric, water and sewer installations at the actual site.

Two-way Hookup - a campsite that has only two of the three common services at the actual campsite, generally the electric and water services.

Unserviced Site - a campsite having none of the three common services at the actual site.

Camper Night - refers to the occupancy of one campsite, one night by one camping party. A camper party is one or more campers on the same campsite.

Overcapacity - refers to situations where a campground has registered more camping parties for a single night than it has designated campsites.

Designated Campsite - a campsite which is marked by distinguishable boundaries, is numbered and meets current provincial government regulations.

Services Beyond the Campsite - services such as grocery stores, canteens, gift shops and recreational facilities and equipment which are not basic to the physical campsite and its preparation.

J. DATA SOURCES

The informational and data sources for this feasibility study analysis are outlined below with a general outline of each primary source.

1. Department of Environment and Tourism, Government of Prince Edward Island.

- tourist visitation statistics
- private and provincial campground information and data

2. Parks Canada
   - National Park campground statistics
   - study of private campgrounds in Atlantic Canada
3. Canadian Government Travel Bureau
   - statistics on travel in Canada and its provinces and on private campgrounds in Canada
4. Publications by university research and extension units and private organizations on campground design, development, operations and financial considerations.
5. Morrison Development Ltd. of Summerside, Prince Edward Island who have recently developed a major campground complex and for whom the author has been employed. They are the source of development and financial data for this study.

CHAPTER II

RELATED RESEARCH

The state of related research for camping is extensive. Studies are being continually generated by public agencies such as the National Park Service, state and provincial agencies and university research units throughout North America.

The thrust of this research and statistical compilations tend to be of a similar pattern. That is, they are user characteristic or demand orientated. This trend has developed to service the marketing questions required to initiate adequate supply and service demand functions so as to satisfy the needs of the spiralling market population.

The National Park Service of Canada's annual Campground Statistics and User Characteristic Study probably epitomizes this research pattern by generating data on each National Park each year.

This research pattern focuses on user elements as it surveys user preferences, tendencies and demands, and then develops appropriate recommendations for design, development and operational considerations. However, little research is being generated that examines the owner-operator or that analyses the current supply component in depth so as to investigate what is available in differing services. This also speaks for comparative analysis of private and public sectors.

This type of information would appear to be critical in initiating and developing policy for the whole industry.

On Prince Edward Island itself, limited research is available that directly relates to this study area. Certain consultant studies have been produced over the years which have been highly related to tourism in general and specifically to facilities development. However, campgrounds are generally glanced over very quickly because of the standard norm of government dominance. Therefore, expansion of overcrowded public campgrounds and the location of new ones related to new sets of concept development plans is generally recommended. Little is said of the private sector because the thrust of these studies has been a government desire to disperse the tourist industry over the whole Island thereby de-emphasizing its current centralized tendency. Most operators or potential operators in the private sector know where the market area is situated and know that to locate in some of these study areas is economically unfeasible. Government then, if intent on its dispersion policy, must plant the seed or generate the basic facilities themselves. This has resulted in the dominant government role that is generalized in such reports as the West Prince County Tourism Study.

In Canada as a whole, little research is being delinated on role policy between government and private sectors in camping mainly due to the size of the other provinces and the enormous number of camping facilities of all types that exist in those areas. Also, camping has been generally recognizeable as a government provision. It is only in recent years that discussion has developed on the role policy issues with any concerted emphasis on the capability of the private sector.

Another element in the lack of related studies is that most of the other Provincial Park systems incorporate hundreds of campgrounds, dispersed over their whole area. To close such systems is not politically feasible or opportune at this point in time.

In relation to overall feasibility, a study in 1972 by Dr. Eugene Dice of the Co-operative Extension Service of Michigan State University, In The Private Campground Industry - A Study of Expenditures and Management, examined 100 of the 346 private campground operations in the Sate of Michigan. He found the following topic related results.

> The rapid growth of the industry and the use-rate on sites already in operation suggests that the industry may be reaching a point of overbuilding. Potential investors should be aware of the increasing competitiveness within the industry. An important consideration is the fact that the Michigan State Parks Division has decided its expansion will be in rustic campgrounds, thus allowing the private sector to provide the more-modern, convenience types of camping facilities.
>
> Unless combined with other income-producing, camping-related services, privately owned campgrounds usually do not offer significant returns on investment.
>
> Campground owners need to fully exploit mid-week and off-season use of existing campsites in preference to expanding as a way to improve net income.

> Increased income opportunities exist in establishing different fees for choice sites and charging higher fees during peak-use periods.[9]

These findings indicate a move by government to initiate action that will reduce its overall role, also suggesting that private campground businesses strive towards greater utilization of current capacity rather than expand present facilities. The key conclusion, however, is that by itself, a campground has limited viability as a business proposition and thus should be developed as a component of a larger business complex of some sort.

A study in 1973 by Tim O'Riordan of Simon Fraser University for Parks Canada entitled The Private Campground Industry in Atlantic Canada, came to somewhat the same conclusion. O'Riordan interviewed forty-one private campground operators in the Provinces of Nova Scotia, New Brunswick and Prince Edward Island who were located close to National Parks. He found that campground managers generally viewed campsite revenues at less then 25 percent of total revenue. A few showed higher expectations, however 73 percent noted the 25 percent or less expectation.[10]

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9. Dr. Eugene Dice, In The Private Campground Business - A Study of Expenditures and Management, (East Lansing, Michigan: Co-operative Extension Service, Michigan State University, 1973), pg. 12.

10. Tim O'Riordan, Private Campground Industry of Atlantic Canada, (unpublished study completed for Parks Canada, 1973), pg. 13.

Other O'Riordan conclusions cover topics from occupancy levels to capital costs and dealt with feasibility concepts throughout its analysis section.

Other relevant studies come from the Department of Environment and Tourism of the Prince Edward Island Provincial Government. In 1965 they contacted Acres Ltd. of Toronto, Ontario to complete a tourist characteristic study. In 1971 the Department completed its own Tourist Exiting Survey. The results of both were compared in a report titled A Comparison of Tourist Data Between 1965 and 1971.

Some of the major findings showed that tourist visitation had increased 60.44 percent between 1965 and 1971 and that total tourist expenditures by those travelling by automobile was over $12,000,000.00 in 1971, up 110.4 percent from 1965.[11] It also concluded that 39.9 percent of tourist parties preferred campgrounds as their form of accommodation during their visit to the Island.[12] This resulted in campgrounds being the largest accommodation preference category, over 10 percentage points higher then the second ranked motel group.

Also of note was that sightseeing was the primary reason for visiting the Island as indicated by 71 percent of the respondents.[13] No other reason ranked close.

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11. op. cit., A Comparison of Tourist Data Between 1965 and 1973, pg. 3.

12. ibid., pg. 7.

13. ibid, pg. 8

Two studies from Parks Canada were significant to this topic. The first is the annual Statistical Reference on Visitation, The User and Use of Canada's National and Historic Parks. This report allowed analysis of all National Park facilities and recreation units for Atlantic Canada from 1969 to 1972. It showed that visitation to Prince Edward Island National Park and use of its campgrounds was extremely heavy, with the campgrounds at 97.8 percent occupancy in July and August.[14]

The second study was a 1971 User Characteristic Study on Prince Edward Island National Park. It contains a complex and detailed compilation of data on the characteristics of the users visiting this park.

For the inventory and variable analysis components of this study, it has been found that related topic resources are limited. Also in relation to analysis of the determinent variables for success, much has been written on the topic. "How do" books are plentiful in respect to designing, constructing and operating a private campground. The Ontario Government's Campsites and Trailer Parks is one example. Several U.S. Extension Services have published similar materials. The University of Vermont's Planning Tomorrow's Campground is another example. A series of Extension publications from Michigan State University deals with economic and managerial concerns in the private campground industry.

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14. Park User Research Section, 1972 Statistical Reference on Visitation, The User and Use of Canada's National Parks, Volume V: Atlantic Canada, (Ottawa, Ontario: Planning Division, National Parks Service, 1973), pg. 108.

All these publications are of great benefit to this study. However, local variables, influencial only in Prince Edward Island, will have a strong effect on this segment of the study. The fact that the study deals with an Island in an economically dispersed area of Canada are two influences. The traditional land based nature of the people is also a strong variable. Other factors such as the centralized effect of the overall tourist industry and its strong dependence on the beaches, the water and the uniqueness of the people are all influencing variables that will be important in the final outcome and which result in de-emphasizing the generality of these other manual types of publications. However, their recommendations and findings will be of assistance to delineate the key variables found to be most apparent and necessary in successful private campground operations in Prince Edward Island.

In relation to methodology, research documents and feasibility studies were of interest. Most feasibility studies examined generally did not involve the detail perceived as necessary for this topic and usually involved some set variables such as the land or location being already acquired or designated. Some also had selected size and type parameters.

The common approach seems to be some form of systems analysis whereby the author(s) examine critical variables in association with the objectives and set parameters of their study.

Some variables are typically included in most studies of this type whether for campgrounds or ice arenas. These are market potentials and characteristics, transportation, revenue production, financial feasibility, physical description and competitive factors.

These are all practical and necessary, but the actual formats and their title descriptions vary tremendously. Most of these were typically incorporated in this study and typically, the format and title delineation will be uncommon to most other feasibility type studies.

CHAPTER III

METHODOLOGY

A METHOD

The technique used in this study was basically a system analysis approach whereby key variables were examined individually. Collectively the analysis constituted investigation of the relevant issues and problem areas outlined by the hypothese and subproblem units of this study.

The variables examined were:

1. locational distribution - this was studied in relation to campground and campsite numbers, campsite type, ownership and services beyond the campsite. This was utilized to depict the locational variability of the industry.
2. campsite type and services beyond the campsite - the emphasis on this element was to determine the types of services and their frequency in relation to ownership and location and which ones would probably have to be included in new facilities so as to be competitive.
3. seasonability - to determine the length of the operating potential revenue production and industry stability.
4. size - to determine size by the number of campsites. This indicated what viable units should include and any differences between public and private ownership.

5. fee structure - to determine the current competitive fees and fee systems so as to generate a competitive feasibility projection and to determine any differences between the public and private sectors which is a major issue in the industry component of this study.
6. income generation - to determine sources of income and their significance so as to project on financial feasibility and indicate what should be anticipated.
7. capital development costs - to determine what the average cost per campsite has been, then to develop a cost projection for the construction of a new operation.
8. percentage occupancy - this was utilized to determine what a new operator could potentially expect in usage levels and therefore, what probable income generation would occur. On the macro scale this element was utilized to indicate the current capacity of the industry and the current occupancy level so as to determine if expansion of the industry is necessary and potentially viable.
9. profit - to determine profitability of campground operations in relation to the data gathered in the study and in relation to size.
10. Provincial Government - to examine the involvement of this level of government in relation to design and operations regulations and their potential impact.

11. public/private sector - to examine and determine the levels of involvement, characteristics and impact of these two sectors on and in the campground industry.
12. feasibility - to determine from the data, the general probable feasibility of developing a private campground operation on Prince Edward Island.

These are the major viables. Their sequential appearance in the analysis differed somewhat from this listing. The principle forms of investigation utilized in the study were description, analysis and discussion.

B. PROCEDURES

The procedures utilized to generate the data and the succeeding investigations were of two types. The primary procedure was the compilation of statistical data from the results of secondary sources which were associated or relevant to the study. The other method was informal interviews and observations by the author as a member of the private campground industry in Prince Edward Island.

The basic descriptive data was compiled from the 1973 Campsites, Trailer Parks and Picnic Grounds In Prince Edward Island booklet which listed and described all campgrounds in Prince Edward Island. From the descriptions, the number and types of sites, location and services were excerpted and statistical manipulation followed.

Data related to the tourist industry was utilized to first show the size parameter of the industry, market characteristics and to ascertain the size and occupancy levels of the campground industry.

Financial data was developed from a study by Tim O'Riordan on Private Campgrounds in Atlantic Canada and from the files of Morrison Developments Ltd. Little statistical compilation was required except for comparisons and percentage representations.

Data and information for the sources of financing and Provincial Government regulations sections were compiled from literature, legislative documents and interviews. These procedures involved no statistical compilations as they were more discussion and information intensive.

The last area of data requirement was to determine the volume of the camper-night consumption. Since the camping industry is a function of the tourist industry, tourist data from a study entitled Comparison of Tourist Data Between 1965 and 1971 was utilized to generate the data because a factor for campground preference as an accommodation unit was available. This allowed development of capacity analysis.

CHAPTER IV

ANALYSIS AND DISCUSSION

A. Analysis of the Campground Industry on Prince Edward Island as of 1973

1. Inventory of Campgrounds and Their Services

In order to establish some of the key characteristics inherent in the campground industry of Prince Edward Island, some basic inventorial data must be tabulated and analyzed. Table 1 represents a simple inventory of what currently exists in relation to number of campgrounds and types of campsites.

TABLE 1

CAMPGROUND AND CAMPSITE TYPES FOUND ON PRINCE EDWARD ISLAND

Number of Campgrounds	72	
Number of Campsites	5,980	
	No.	Per cent
Number and per cent of campsites with three-way services	1,332	22.27
Number and per cent of campsites with two-way services	764	13.76
Number and per cent of campsites unserviced	3,884	64.95

Compiled from the <u>1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I.</u> booklet

This general inventory indicates that there are close to 6,000 campsites in 72 campgrounds, averaging 83 campsites per campground.

The dominant campsite is the unserviced type, with campsites having two or more services available representing approximately 35 per cent of all designated campsites.

The average campground would thereby consist of 83 sites with 18 being fully serviced, 11 two-way serviced and 54 unserviced.

Table 2 depicts the type of services beyond the campsite being offered to the camping public visiting Prince Edward Island. It was found that few service types were commonly available. One that is, is the presence of a beach on site or a beach nearby, or a swimming pool on site. It was found that 87.44 per cent of the campgrounds offered one of these three service types.

Other services that were found to be commonly available are the presence of a grocery store, laundromat, fishing, (either arranged or on site), clam digging, sports equipment, playgrounds, fireplaces or barbecues, kitchen shelters and dumping station.

2. Inventory of Campgrounds and Services in Relation to Island Location

The location of a camping facility on Prince Edward Island is an important consideration due to the Island's diverse tourist offerings. Examples of this are the excellent beaches located on the North Shore versus areas

TABLE 2

NUMBER AND PERCENT OF CAMPGROUNDS OFFERING SERVICES BEYOND THE CAMPSITE BY SERVICE TYPE

Service Type	No.	Per cent
Grocery store	30	41.67
Canteen	16	22.22
Gift shop	10	7.72
Laundromat	43	59.72
Restaurant	6	8.33
Licensed lounge	3	4.16
Swimming pool	4	5.55
Beach on site	39	54.17
Beach near site	20	27.77
Boat rentals	4	5.55
Horses on site	14	19.44
Fishing arranged or on site	39	54.17
Clam digging	23	31.94
Reception building	14	19.44
Sports equipment	19	26.39
Playground	52	72.22
Fireplaces or barbecues	52	72.22
Kitchen shelters	35	48.61
Dumping station	48	66.67

Compiled from <u>1973 Campsite, Trailer Parks And Picnic Grounds in P.E.I.</u> booklet inland, dominated by agricultural use or lying fallow in marsh as at Miscouche, just west of Summerside.

To delineate locational comparison, this study utilized the nine Tourist Areas that constitute the geographical divisions of the Prince Edward Island Tourist Association. Their boundaries are established on the common identity the members feel and select, and often relate to natural boundaries or attractants such as the beaches at Cavendish (area 4); or single entity relationship such as the urban centre of Charlottetown (area 7). Figure 1 displays these Tourist Areas.

Table 3 illustrates the locational relationships of camping facilities on Prince Edward Island. This table shows that there are dominant locational patterns in the campground industry on Prince Edward Island. Areas 4 and 6 are by far the largest in terms of the number of campgrounds and campsites in an area. Together they represent 40.28 per cent of all the campgrounds and 54.76 per cent of all campsites. Areas 4 and 6 surround the two units of Prince Edward Island National Park and this indicates somewhat the apparent concentration of camping facilities around this Park which receives in excess of two million user visits annually.[15] The primary attractant is the twenty-five miles of almost continuous sand beach along the Gulf of St. Lawrence coast.

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15. H. Seville, Visitor Attendance Statistical Reference Paper, (Ottawa, Ontario: Planning Division, National and Historic Parks Branch, 1972), pg. 1

Prince Edward Island

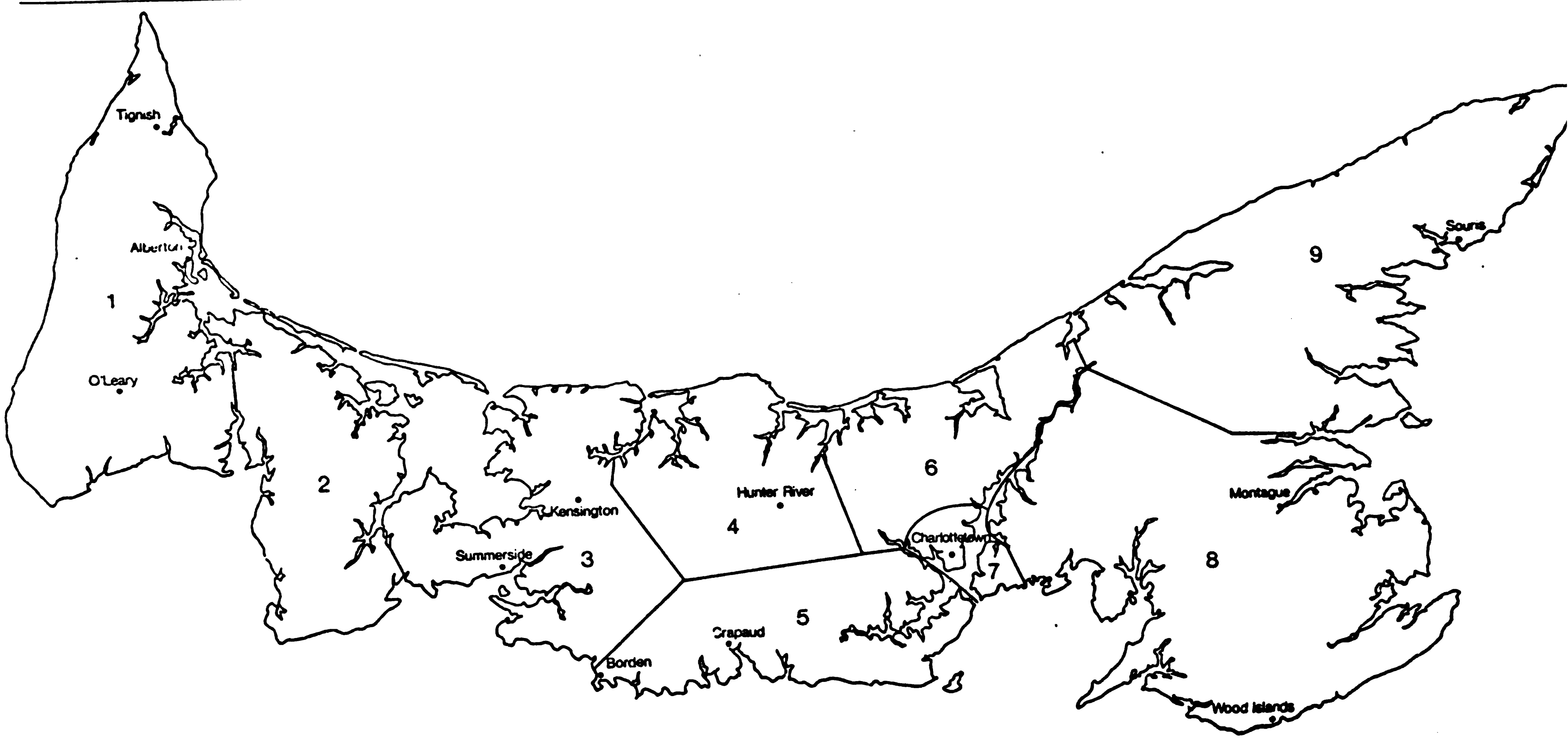

TABLE 3

LOCATIONAL DISTRIBUTION OF CAMPGROUNDS AND CAMPSITE TYPES ON PRINCE EDWARD ISLAND BY TOURIST AREA

Tourist Areas

	1		2		3		4		5		6		7		8		9	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
Number of campground	6	8.30	1	1.39	9	12.50	12	16.67	9	12.50	17	23.61	1	1.39	10	13.89	7	9.72
Number of campsites	328	5.48	60	1.0	869	14.53	1766	29.53	681	11.54	1509	25.23	10	.17	420	7.02	333	5.59
Number of three-way hookups	76	5.70	24	8.80	72	5.40	497	37.31	186	13.96	443	33.26	10	.75	0	0.0	24	11.81
Number of two-way hookups	32	4.19	0	0.0	240	31.41	140	18.32	58	7.59	156	20.42	0	0.0	82	10.73	61	7.98
Number of unserviced campsites	220	5.66	36	.92	557	14.34	903	29.06	445	11.48	911	23.45	0	0.0	338	8.70	248	6.38

Compiled from the 1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I. booklet

Another pattern can be discerned from Table 3. The Campground industry seems to be chiefly concentrated in four of the tourist areas which constitute the central portion of the Island. Areas 3, 4, 5 and 6 represent 87.50 per cent of the total number of campgrounds and 80.68 per cent of all campsites.

These four tourist areas contain 90 per cent of all three-way hookups, while areas 4 and 6 alone comprise 70.57 per cent of this campsite type. Of the two-way hookup compsites, 77.74 per cent lie within these four tourist areas. As for unserviced sites, 78.33 per cent of them are in the centre four tourist areas while areas 4 and 6 contain 52.51 per cent.

Some obvious patterns therefore emerge on the locational distribution of the campground industry which can be described as having three patterns. First, Tourist Areas 4 and 6 contain 40 per cent of all campgrounds and over 50 per cent of the campsites indicating the dominant role of the National Park and its beaches.

The second pattern shows that the four centrally located Tourist Areas, 3, 4, 5 and 6, represent the bulk of the industry with over 87.5 per cent of all campgrounds and 80 per cent of all campsites.

In contrast, the extremeties of the Island have less than 20 per cent of the campgrounds and campsites and are therefore not areas greatly involved in camping services. This could be a function of their greater distance from the ferry terminals, lack of development of cities and services or a poor land base, such as the large expanses of marsh or poor vegetation growth.

Table 4 represents the locational distribution of campground services beyond the campsite for the campground industry of Prince Edward Island. It indicates an uneven mix of service distribution by location. Areas 2, 7 and 9 are definitely weak in comparison to the other areas, particularily in the sphere of larger service units such as grocery stores, gift shops, canteens, etc.

Areas 4 and 6 which are the two largest areas, appear to have a low service level in relation to beaches on site. However, in these two areas most of the beach frontage is controlled by Prince Edward Island National Park and therefore, many of the facilities in this area can only note a beach nearby.

Again Tourist Areas 3, 4, 5 and 6 appear to dominate the service type units, particularily in the larger units such as grocery stores, gift shops and so forth. Area 6 however, which was the second largest area in campsites and largest in the number of campgrounds, does not appear to sustain this type of influence in relation to these large service units. It still out-distances the five extremity areas which again appear to be limited in services offered as they were in the provision of basic

TABLE 4

SERVICES OFFERED BEYOND THE CAMPSITE IN EACH TOURIST AREA BY NUMBER AND PERCENTAGE OF CAMPGROUNDS HAVING EACH SERVICE TYPE IN EACH TOURIST AREA

Tourist Areas

Service Type	1		2		3		4		5		6		7		8		9	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
Grocery store	0	0.0	0	0.0	5	55.56	8	53.33	7	77.77	7	41.18	0	0.0	2	20.0	1	14.29
Canteen	2	33.33	0	0.0	1	11.11	5	33.33	4	44.44	2	11.76	0	0.0	2	20.0	0	0.0
Gift shop	0	0.0	0	0.0	1	11.11	3	20.00	4	44.44	1	5.88	0	0.0	1	10.0	0	0.0
Laundromat	2	33.33	0	0.0	4	44.44	9	60.0	7	77.77	13	76.74	0	0.0	5	50.0	2	28.28
Restaurant	1	16.67	0	0.0	0	0.0	3	20.0	2	22.22	0	0.0	0	0.0	0	0.0	0	0.0
Licensed lounge	1	16.67	0	0.0	0	0.0	1	6.67	1	11.11	0	0.0	0	0.0	0	0.0	0	0.0
Pool	0	0.0	0	0.0	0	0.0	2	12.74	1	11.11	1	5.88	0	0.0	0	0.0	0	0.0
Beach on site	5	83.33	1	100.0	7	77.77	4	26.67	7	77.77	6	35.29	0	0.0	8	80.0	5	71.43
Beach nearby	0	0.0	0	0.0	2	22.22	8	53.33	1	11.11	6	35.29	1	100.0	1	10.0	1	14.29
Boat rentals	0	0.0	0	0.0	0	0.0	0	0.0	2	22.22	2	11.76	0	0.0	0	0.0	0	0.0

"TABLE 4 (cont'd.)."

Tourist Areas

Service Type	1		2		3		4		5		6		7		8		9	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
Horses on site	0	0.0	1	100.0	1	11.11	6	40.0	0	0.0	3	1.76	0	0.0	3	30.0	0	0.0
Fishing arranged or on site	2	33.33	1	100.0	4	44.44	11	73.33	6	66.67	13	76.74	0	0.0	1	10.0	3	42.86
Clam digging	1	16.67	1	100.0	1	11.11	5	33.33	3	33.33	3	1.76	0	0.0	8	80.0	1	14.29
Recreation building	0	0.0	0	0.0	1	11.11	4	26.67	2	22.22	5	29.41	0	0.0	1	10.0	1	14.29
Recreation program	0	0.0	0	0.0	0	0.0	2	12.74	2	22.22	3	1.76	0	0.0	0	0.0	1	14.29
Sports equipment	0	0.0	0	0.0	3	33.33	6	40.0	1	11.11	7	41.18	0	0.0	2	20.0	2	28.38
Playground	5	83.33	1	100.0	7	77.77	10	66.67	6	66.67	8	47.06	0	0.0	9	90.0	6	85.71
Fireplaces	6	100.0	1	100.0	5	55.56	10	66.67	6	66.67	10	58.82	0	0.0	10	100.0	6	85.71
Kitchen shelter	5	83.33	1	100.0	5	55.56	3	20.0	4	44.44	7	41.18	1	100.0	4	40.0	3	42.86
Dumping station	0	0.0	1	100.0	9	100.0	9	60.0	6	66.67	10	58.82	0	0.0	9	90.0	7	100.0

Compiled from 1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I. booklet campsites. This indicates that many of these operations are low capital facilities which is probably a function of low consumption and limited revenue production. The result is fewer and smaller campgrounds.

The laundromat, some relationship to water, fireplaces or barbecues, playgrounds, kitchen shelters and dumping stations appear to be generally provided facilities across all Tourist Areas, though their presence appears somewhat more frequent in the four dominant tourist areas.

Table 4 therefore, enforces the emerging concept that the campground industry in campsite volume, level of services and assumed capital input levels is more concentrated in the four central tourist regions.

In respect to location, campground size is outlined in Table 5. From this table it was seen that Tourist Areas 4 and 6 have all the campgrounds with more then 200 campsites. Also evident is that the 16 to 50 campsite category has the greatest frequency in six of the nine Tourist Areas. Of the three which differ, two areas, 2 and 7, have only one campground each, and the third, area 3, has the largest frequency in the 101 - 150 campsite category. The 16 - 51 category ranks second.

Also of significant note, and consistent with the findings to this point, is the fact that all campgrounds in excess of 100 campsites are located in the four tourist areas sited in the centre of Prince Edward Island.

TABLE 5

LOCATIONAL DISTRIBUTION OF CAMPGROUNDS BY SIZE CATEGORIES IN EACH TOURIST AREA

Tourist Areas

Size Categories	1		2		3		4		5		6		7		8		9	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
15 or less	0	0.0	0	0.0	1	11.11	1	8.33	0	0.0	0	0.0	1	10.0	2	20.0	0	0.0
16 - 50	4	66.67	0	0.0	2	22.22	4	33.33	4	44.44	8	47.06	0	0.0	5	50.0	5	71.43
51 - 100	2	33.33	1	100.0	0	0.0	2	16.67	3	33.33	2	11.76	0	0.0	3	30.0	2	28.57
101 - 150	0	0.0	0	0.0	5	55.56	1	8.33	1	11.11	5	29.41	0	0.0	0	0.0	0	0.0
151 - 200	0	0.0	0	0.0	1	11.11	0	0.0	1	11.11	1	5.88	0	0.0	0	0.0	0	0.0
201 - 250	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
251 - 300	0	0.0	0	0.0	0	0.0	2	16.67	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
301 & over	0	0.0	0	0.0	0	0.0	2	16.67	0	0.0	1	5.88	0	0.0	0	0.0	0	0.0

Compiled from the 1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I. booklet

This once again brings out the concentration of the industry in this area of the Island.

3. Campgrounds as a component of a larger Tourist Accommodation Operation

In this relationship it is found that twelve operations, or less than 17 per cent, are part of a larger tourist complex.[16] Several types prevail. They are operations with a motel, ones with cabins or lodges, ones attached to a day use recreation area and one which was part of a mobile home court.

The public campgrounds are all components of larger park complexes that offer picnic areas, beaches, open space, trails and so forth. Only one, Brudenell, offers other accommodations in the form of cabins. This is a resort complex and also has an eighteen hole golf course.[17]

Campground operations of the private sector, therefore, tend to be single entity accommodation operations.

4. Summary

In summary, the descriptive analysis indicated the following about the campgrounds on Prince Edward Island as it currently exists.

a) The industry as a whole tends to concentrate in the four central Tourist Areas, particularily

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16. ______, *1973 Campsites, Trailer Parks and Picnic Grounds in Prince Edward Island*, (Charlottetown, P.E.I.: Department of Environment and Tourism, 1973).

17. *ibid*, pg. 13

areas 4 and 6. This, plus other locational results, suggests strongly that these four Tourist Areas are the primary ones, especially in relation to camping demand and consumption of a higher level of campsite types and services beyond the campsite.

b) Several services beyond the campsite were found to be somewhat common. Playgrounds and fireplaces or barbecues were found in almost 75 per cent, while dumping stations, laundromats, beach on site and fishing were all in 50 and 66 per cent of the campgrounds. Services such as a gift shop, licensed lounge, swimming pools and boat rentals all ranged below 10 per cent.

c) That the size of the campgrounds in relation to the number of campsites offered is dominated by the 16 - 50 campsite category with over 50 per cent of all campgrounds having less than 50 campsites. Also the private sector tends to have larger campgrounds, these being located in the central portion of the Island, primarly Tourist Areas 3, 4 and 6.

d) That private camping facilities generally are not part of a larger tourist operation but tend to be single entities in themselves. Less than 25 per cent do not conform to this pattern while all the public facilities are components of larger outdoor recreational facilities.

B. Public and Private Sector Participation in the Campground Industry of Prince Edward Island

In Prince Edward Island, as in most provinces in Canada and states in the United States, campground facilities are offered by both the public sector and private enterprise.

1. Ownership Distribution of Campgrounds and Campsites

In 1973 the National Parks Service of Canada, the Prince Edward Island Department of Environment and Tourism and an assortment of independent, private operators constituted the ownership make-up of the industry. Table 6 indicates that relationship.

The ownership distribution indicates that the private operators control almost 70 per cent of the campgrounds and 71.67 per cent of the actual campsites. It can be stated therefore, that the private sector is the primary supply force on the Island.

In relation to the type of campsites being offered, the private sector nearly monopolizes the three-way, fully serviced campsites and controls slightly over three quarters of the campsites containing two services (water and electric).

The unserviced campsites again are mostly in the realm of the private sector but the margin of ownership at this level is somewhat less than the two previously mentioned, being about 64 per cent of all unserviced campsites on the Island.

TABLE 6

OWNERSHIP DISTRIBUTION OF CAMPGROUNDS AND CAMPSITE TYPES ON PRINCE EDWARD ISLAND

	National Park Service Campgrounds		Provincial Park Campgrounds		Private Ownership Campgrounds		Total
	No.	Per cent	No.	Per cent	No.	Per cent	
Number of Campgrounds	3	4.16	19	26.39	50	69.44	72
Number of Campsites	609	10.18	1,085	18.14	4,286	71.67	5,980
Three-way	92	6.91	24	1.80	1,216	91.29	1,332
Two-way	0	0.0	176	24.04	588	76.96	764
Unserviced	517	13.31	885	22.79	2,482	63.90	3,884

Compiled from the 1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I. booklet

From this tabulation it can be stated that the private sector apparently tends to be more concentrated in the areas of serviced campsites versus unserviced even though they are substantially represented in this area also. The analysis indicates that the public sector has primarily remained in the unserviced campsite supply area as 82.76 per cent of their campsites are of this type compared to 57.91 per cent in the private sector.

The objective functions for these two forms of campground ownership are obviously different. The private sector is profit motivated while the public sector must consider such diverse functions as equal opportunity for all Islanders, the use of such facilities as a means of partially alleviating certain regional disparities and lastly, political considerations. Therefore, the purpose for involvement is somewhat different and these differences can be reflected in the distribution of camping facilities on Prince Edward Island.

Table 7 depicts the private/public campground distribution on the Island by Tourist Area. Since National Park Campgrounds exist in only areas 4 and 6 and Provincial Park campgrounds exist in all areas except 4, 5 and 7, no overlap occurs between them in any tourist area. Therefore, no distinction was made in this table in separating National and Provincial camping facilities. They were classed as public campgrounds.

Table 7 indicates that a distinctive pattern of distribution by ownership does exist. As can be surmised, public camping facilities are in the majority in Tourist Areas 1, 2 and 8 and almost equal in 9. These four Tourist Areas comprise the four areas at the extremities of the Island. In contrast, the private sector sustains its heaviest concentration in Tourist Areas 4, 5 and 6. It is also heavily involved in areas 3 and 7. However, the facility in area 7 is a year round mobile home court offering a limited operation to transient camper types. Since this area constitutes the City of Charlottetown and

TABLE 7

PUBLIC AND PRIVATE OWNERSHIP DISTRIBUTION OF CAMPGROUNDS IN EACH TOURIST AREA

Tourist Areas

Ownership	1		2		3		4		5		6		7		8		9	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
Private	2	33.33	0	0.0	6	66.67	11	91.67	8	88.89	15	88.47	1	100.0	3	30.0	4	57.14
Public	4	66.67	1	100.0	3	33.33	1	8.33	1	11.11	2	10.53	0	0.0	7	70.0	3	42.86

Compiled from the 1973 Campsite, Trailer Park and Picnic Grounds in Prince Edward Island booklet this private facility involves only ten campsites, its influence and significance is quite limited in relation to the percentage it represents.

From the private sector results it is evident that this ownership group tends to concentrate in primarily three tourist areas as 68 per cent of the private campgrounds are located there. If area 3 were included, then 80 per cent or 40 of the 50 private campgrounds are sited in the four tourist areas that cover the centre of Prince Edward Island.

Since the number of campgrounds is not necessarily representative of the actual number of campsites that are available, Table 8 illustrates the ownership distribution by tourist areas for individual campsites. It shows that the concentrations outlined in Table 7 are even more intense as 83.41 per cent of all privately owned campsites are located in Tourist Areas 4, 5 and 6, while 97.62 per cent are located in these three areas plus area 3.

Concentration appears to be in the extremities of the Island for the public sector, with the exception of area 9 where the private sector is more significant in relation to numbers of campsites.

The analysis generated from Tables 7 and 8 suggests strongly that private sector development is located in the centre portions of the Island, leaving the other

TABLE 8

PUBLIC AND PRIVATE DISTRIBUTION OF CAMPSITES
IN EACH TOURIST AREA

Tourist Areas

Ownership	1		2		3		4		5		6		7		8		9	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
Private	116	35.37	0	0.0	610	70.20	1766	82.78	618	89.56	1190	78.86	10	100.0	81	19.29	213	63.96
Public	212	64.63	60	100.0	269	29.95	304	17.21	71	10.44	319	21.14	0	0.0	339	80.71	120	36.04

Compiled from the <u>1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I.</u> booklet

tourist areas more or less to the public sector, except in area 9 where again the private operators are more significant. However, their impact there does not in any way correspond to the concentrations found on the central portion of the Island.

2. Fee Schedules For Public And Private Sectors

Another area of private and public sector analysis is fees charged for camping facilities.

TABLE 9

CAMPSITE FEES CHARGED BY THE PUBLIC AND PRIVATE SECTORS

	Unserviced Campsite	Fully serviced Campsite
National Park Campground	\$2.00	\$4.00
Provincial Park Campground	3.00	4.00
Private Campground A) average	2.40	3.90
B) range	1.00 to 3.50	2.50 to 5.00

Compiled from the 1973 Campsites and Trailer Parks and Picnic Grounds in P.E.I. booklet

The results of Table 9 display an interesting situation. That is the fact that public sector prices for camping services, on average, are not as uncompetitive as often is suggested. In fact, on serviced sights, which several private operators note as their bread and butter, the private sector, on average, has a lower fee than the two public agencies.

On unserviced campsites, the private sector charges on average, $.40 more per campsite than the National Park, but $.60 per campsite less than the provincial facilities. The prices again, on average, are interestingly close. However, several conditions are responsible for this. Both public agencies raised their fee schedules in 1972 and the province again raised them in 1973. This was done in response to the private industry which was becoming increasingly concerned over their rising costs, their inability to raise their fees, and the fact that they would become uncompetitive with the public facilities.

The private operators in Prince Edward Island approached the provincial government on this issue in 1972 and 1973 through their newly organized association and individually. In 1972 the Wheelers National Campground Chain submitted a position paper to a National Park's Public Hearing in Calgary, Alberta on this very pricing issue. Representing themselves and other private operators throughout the country, they outlined the problems being faced by the private campground industry. One of their major issues was government subsidization of public campgrounds and the unfair competition this created. This practice, they suggested, threatened ruination of the private campground industry because lower fee prices on public campsites threatened both the role and survival capability of the private operation. They proceeded to suggest that, with more realistic public pricing, the private sector could undertake increasing responsibility for the provision of camping facilities, thereby reducing the role and expenditure requirements of the government. This would also assist in minimizing damage and overuse of public parks due to the dominance and intensity of use resulting from camping, as had been experienced in certain public parks.[18] Apparently their requests met with some action, because prices have risen in the public sector. This action has served to enhance the feasibility of private campgrounds by allowing it to increase fees and still be competitive.

The results of the cursory fee schedule analysis in Table 9 suggests an equivalancy that possibly did not exist before. The lower private sector figures are due to averages which include smaller, out of the way campgrounds which tend to have lower fees, lowering the schedules in their average context. Therefore, the range column depicts, in somewhat more detail, a more accurate private pricing situation. This will be dealt with in more depth in succeeding sections.

3. Ownership Distribution of Services Beyond The Campsite

The third area of analysis between the public and private sectors is services offered beyond the actual campsite itself. Table 10 depicts this relationship.

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18. A. J. Mills, Brief on Findings of The Wheeler Campground Chain Relating to The Roles of Private Enterprise and Government in The Campground Industry, (a brief to a National Park Public Hearing in Calgary, Alberta, 1971).

TABLE 10

SERVICES OFFERED BEYOND THE CAMPSITE BY PRIVATE AND PUBLIC OWNERSHIP, BY PERCENTAGE OF EACH OWNERSHIP TYPE WHICH OFFERS THE SERVICE

Service Type	Public (percent)	Private (percent)
Grocery store	0.00	60.0
Canteen	4.55	30.0
Gift shop	4.55	30.0
Laundromat	45.45	66.0
Restaurant	0.0	12.0
Licensed lounge	0.0	6.0
Pool	0.0	8.0
Beach on site	72.73	46.0
Close to beach	0.0	40.0
Boat rentals	0.0	8.0
Horses on site	9.09	24.0
Fishing (arranged or on site)	22.73	68.0
Clam digging	31.83	32.0
Recreation building	4.55	26.0
Recreation program	0.0	16.0
Sports equipment	9.09	34.0
Playground	95.24	62.0
Fireplaces or barbecues	100.0	60.0
Kitchen shelters	81.82	34.0
Dumping stations	68.18	66.0

Compiled from the 1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I. booklet

From this table it is found that there is only one service which is similar in its presence in the two ownership types and that is a dumping station. All other service types indicate a stronger association with one ownership type.

The private sector is more heavily concentrated in paying services such as grocery stores, restaurants, gift shops, canteens and horses; and with on-site recreation services such as recreation buildings and programs. The public sector is more involved with non-paying services such as kitchen shelters, fireplaces or barbecues, trails and the use of beaches.

Table 10 therefore indicates differences in the type of services emphasized by the two sectors. The private sector is generally more concerned, on a per campground basis, with offering services that generate income or with attractants located nearby such as a golf course, which enhances the recreational opportunities of their facility.

4. Comparison of Campground Size For Public And Private Sectors

The final area of public and private analysis is campground size. Since campgrounds come in a variety of sizes in respect to the number of campsites they offer for rent, an analysis is necessary between these two sectors. Table 11 examines this factor.

TABLE 11

CAMPGROUND SIZE DISTRIBUTION FOR THE
PUBLIC AND PRIVATE SECTOR

Number of Campsites	Public		Private		Total		Cumulative total	
	No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
15 or less	1	4.55	4	8.0	5	6.94	5	6.94
16 - 50	10	45.55	22	44.0	32	44.44	37	51.39
51 - 100	6	27.27	9	18.0	15	20.83	52	72.22
101 - 150	3	13.64	9	18.0	12	16.67	64	88.89
151 - 200	2	9.10	1	2.0	3	4.17	67	93.05
201 - 250	0	0.0	0	0.0	0	0.0	67	93.05
251 - 300	0	0.0	4	8.0	4	5.56	71	98.61
301 or over	0	0.0	1	2.0	1	1.39	72	100.00
Average	77		86				83	

Compiled from the <u>1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I.</u> booklet

Table 11 illustrates that over 75 per cent of campgrounds have 100 or less campsites, while almost 90 percent have 150 or less campsites. The mode is the 16 to 50 campsite category which represents 32 or 44.4 per cent of all campgrounds on Prince Edward Island.

In relation to ownership distribution, the public sector on average, tends to operate smaller campgrounds. Both sectors have 50 or fewer campsites in 50 per cent of their camping facilities.

However, the private sector has approximately 10 per cent of their facilities in the 251 to over 300 campsite category. Also, the average size factor is nine campsites greater for the private sector which represents an 11.69 per cent differential.

5. Summary

The public and private sector role participation in the campground industry of Prince Edward Island is a complex arrangement.

a) Both the public and private sectors are involved in the provision of camping facilities to tourists visiting Prince Edward Island. However, the private sector dominates in relation to the number of campgrounds and even more so in the actual number of campsites available. In statistical terms, the private sector includes 70 per cent of all campgrounds and 72 per cent of all campsites.

b) In regards to campsite types, the private sector controls 91 per cent of all fully serviced campsites and over 75 per cent of all semi-serviced campsites. As such, the private sector concentrates much more in the serviced campsite, while the public sector appears to concentrate on unserviced campsites.

c) For fee schedules, it was found that the relationship between the two sectors is close, with the

National Park being generally less expensive than private campgrounds for unserviced campsites and similar for serviced campsites. The provincial campgrounds tend to be more expensive for unserviced campsites and again similar for serviced campsites.

d) The private sector is also represented more in the area of major services beyond the actual campsite. In this sense, they have a greater affinity for the higher revenue production services while the public sector tends to concentrate in non-revenue producing services.

e) In relation to campground size, the private sector, on average, tended to be nine campsites larger and had a far greater percentage of their campgrounds in the larger size categories. The public sector had 72 per cent of their campgrounds in the 16 to 100 campsite range.

C. Market Characteristics, Potentials and Tourist Travel Patterns of The Tourist Industry on Prince Edward Island

1. General Considerations

Two general considerations exist in relation to tourism on Prince Edward Island. The first is that the campground industry on Prince Edward Island is a total component of the tourist industry as it draws extremely limited Island business. This is a conclusion of a study by T. O'Riordan in 1973 on the <u>Private Campground</u>

<u>Industry in Atlantic Canada</u>,[19] and has been further supported by interviews with several operators.

Since Prince Edward Island has only 113,000 people and is rurally based, the result is not overly surprising, thus the off Island tourist traffic is the lifeblood of any private operator.

A second general consideration is the fact that Prince Edward Island does not generate local tourist business, thus is not a sole tourist destination area. Visitors must enter the Island from either Nova Scotia at Caribou or from New Brunswick at Cape Tormentine. This results in tourists having to travel through at least one other province in order to reach Prince Edward Island. However, since the bulk of the Canadian and American population is well beyond these two neighbouring provinces, visitors must generally travel across several provinces or states and provinces. The larger travelling commitments, compared to the small size of the Island, only 2,184 square miles,[20] results in many tourists making Prince Edward Island one point on their itinerary. This dilutes their time dispersal and creates lengths of stay, especially for those outside of Atlantic Canada. The tourist industry of Prince Edward Island then, is intricately associated with that of the rest of Atlantic Canada.

19. <u>op. cit</u>., O'Riordan, pg. 5.

20. <u>op. cit</u>., Travel Industry Branch, pg. 48.

2. The Size of The Tourist Industry and Its Relation To Camping

Table 12 shows the growth of the overall tourist industry. From this table one can see the steady increase in tourist visits. A sharp decline is indicated in growth for 1973, however this can be attributed to a nine day ferry strike that closed down the major ferry service between Borden, P.E.I. and Cape Tormentine, New Brunswick. The other ferry service has a much smaller capacity and, since it usually runs at full capacity during the peak summer months, it could not by itself compensate for this loss of ferry capacity.

Growth in visitation statistics appears to be substantial and continuous. Such a pattern suggests growth potential and certainly enhances the conceptual feasibility of a project such as a private campground at this point in the analysis.

TABLE 12

TOURIST INDUSTRY GROWTH FROM 1965 TO 1973

	1965	1971	1972	1973
Estimated Total Number of Visitors	247,000	408,700	523,000	543,000
Percent Increase From Previous Time Point		65.4	27.95	3.82
Percent Increase/ Year		10.9	27.95	3.82

Source: A Comparison of Tourist Data Between 1965 and 1971 and 1972 and 1973 Visitation Statistics

In relation to the camping industry, the Tourist Exiting Survey carried out by the Department of Environment and Tourism in 1971, indicates that 40.0 per cent of all visiting tourist parties utilized campgrounds for accommodation during their stay on Prince Edward Island.[21] This is the single largest accommodation usage rate. Motels and cabins ranked second and third respectively at 26.9 and 14.7 per cent.[22]

3. Occupancy Levels And Market Considerations

The use preference of 40 per cent for 1971 indicates that approximately 50,951 tourist parties camped on Prince Edward Island that year.[23] Table 13 provides the following tabulation of total camper-nights consumed at various lengths of stay for 1971 and 1973. The same 40 per cent preference rate is used for both years. The statistics also represent usage from June 15 to September 15 only, which was the time frame during which the study was completed and which is closely associated with the bulk of the tourist business.

The camping industry in 1973 could contract for a total of 556,140 camper-nights at 100 per cent capacity from June 15 to September 15. Therefore, even if every party who camped on Prince Edward Island in 1973 stayed

21. op. cit., A Comparison of Tourist Data Between 1965 and 1973, pg. 7

22. ibid., pg. 7

23. ibid., pg. 1

about seven days on average, the whole capacity of the Island would still not be consumed. It can be estimated however, that tourists stay approximately 4.5 days,[24] which puts consumption at approximately 304,672 camper nights or about 54.78 per cent of 1973 capacity.

TABLE 13

TOTAL ESTIMATED CAMPER-NIGHTS FOR 1971 AND 1973 AT VARIOUS LENGTHS OF STAY

Length of Stay (Days)	Camper-Nights	
	1971	1973
1	50,951	67,705
2	101,905	135,410
3	152,853	203,115
4	203,804	270,820
5	254,755	338,525
6	305,706	406,500
7	356,657	474,250

At this point several major considerations come into play. First, some campers do not use designated campsites, but rather, camp on beaches, out of the way places, non-camping areas of Provincial Parks, on the property of friends or relatives and in transient youth campgrounds.

Secondly, on bad weather nights, some campers will utilize room or cabin type accommodation, especially after several days of rain or cold temperatures. This could be a significant number on those specific days.

24. ____________, Annual Report 1972, (Charlottetown, P.E.I.: Department of Environment and Tourism, 1972), pg. 20

Thirdly, many private and some public campgrounds have overflow fields which absorb camping parties during peak usage days, usually from July 15 to August 5.[25] These campsites are not generally of the designated type and are not usually reported in the documents. In essence then, campsite capacity is larger then documented.

Unfortunately there is no statistical context for these three considerations. The only measure is a subjective analysis based on personal observation and experience in the private campground industry in Prince Edward Island and other locations. A judgement would suggest that 10 per cent of the estimated total camper nights does not occur on designated campsites. Therefore it is estimated that 274,205 camper-nights were consumed on designated campsites which would represent an occupancy rate of approximately 50 per cent for the whole camping industry.

From this analysis it can be seen that current camper-night consumption is only approximately 50 per cent of capacity. This leaves a significant amount of room for growth before capacity is reached. However, as concluded in the inventorial analysis section, certain considerations appear in the locational variances of the campground industry.

A report on provincial campgrounds in western Prince Edward Island in 1971 indicated that Cedar Dunes and

25. op. cit., O'Riordan, pg. 4

Bloomfield campgrounds received less then 23 per cent of capacity use. Other Provincial Campgrounds reported the same or lower percentage capacity.[26] Percentage occupancy for selected provincial campgrounds in 1973 is outlined in Table 14.

As can be seen, the Provincial Campground percentage occupancies are quite low, with an overall average of only 21.23 per cent of capacity being consumed. One must realize though that much of this below capacity situation occurs during early June and most of September. These time periods are shorter seasons in which the public parks are open but many private ones are closed.

In contrast to this, is the situation found in the three National Park campgrounds. They are located in Tourist Areas 4 and 6 as outlined earlier in the inventory.

Cavendish campground in the National Park had an occupancy rate of 67.39 per cent from June 1 to September 30 and a rate of 100 per cent for July and August. The Rustico Island campground in the Brackley area of the National Park had an occupancy of 66.65 per cent from June 15 to Labour Day, with an occupancy rate of 95 per cent for July and August. The Stanhope campground had an occupancy rate of 62.09 per cent from June 1 to September 30 and a rate of 98.76 per cent for July and August. Overall the National Park campgrounds had an

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26. Acres Ltd., West Prince County Tourist Study, (a Consulting Report for the Government of Prince Edward Island, 1965).

TABLE 14

PERCENTAGE OCCUPANCIES FOR SELECTED PROVINCIAL PARK CAMPGROUNDS ON P.E.I. FOR THE JUNE 1 TO SEPTEMBER 30, 1973 OPERATING SEASON

Provincial Campground	Camper-Nights	Capacity (Camper-Nights)	Percentage Occupancy
Strathgartney	2,471	10,725	23.0
St. Peters	791	6,864	11.52
Red Point	2,102	5,148	40.83
Pinette	1,514	5,148	29.41
Panamure	937	3,575	26.21
Northumberland	3,447	12,155	28.36
McPhail	284	1,716	16.55
Lord Selkirk	2,460	7,865	31.28
Linkletter	3,722	14,443	25.77
Cartier	1,314	12,012	10.94
Green	1,169	8,580	13.62
Cedar Dunes	1,150	6,578	17.48
Campbell's Cove	1,081	5,148	21.00
Cabot	7,096	20,592	34.46
Brudenell	3,455	12,870	26.85
Bloomfield	342	5,148	6.64
Belmont	207	3,432	6.03
Anglo	805	6,578	12.24

Source: Statistics from Department of Environment and Tourism, P.E.I.

occupancy rate of 65.37 per cent from June 1 to September 30 and a rate of 97.92 per cent for July and August.[27]

A heavy usage rate, particularly in the two peak months, is indicated in National Park campgrounds. This strongly suggests that campsite consumption is indeed heavy in the two tourist areas of the Island which contain the National Park.

Little is available on the private sector percentage occupancies. However another part of O'Riordan's 1973 study indicated that privately operated campgrounds around National Parks in Atlantic Canada were receiving approximately 10 per cent occupancy up to June 30, 40 per cent occupancy from July 1 to 7, 90 - 100 per cent occupancy from July 8 to August 13, 40 per cent occupancy from August 14 to August 28 and 10 per cent occupancy from August 28 to September 7.[28] These findings are very closely aligned to several private facilities in the Cavendish area, the exception being the August 28 to September 7 period when use may be slightly higher but not significantly.

A small study of the 1972 season completed by the Prince Edward Island Travel Park Owners Association

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27. op. cit., Park User Survey Section, pg. 108.

28. op. cit., O'Riordan, pg. 4.

regarding its operations, reported that average occupancy was around 45 per cent occupancy for the season, but over 55 per cent for July and August.[29]

From information available, the consensus would be that current consumption from June 1 to September 15 is merely 50 per cent capacity with extreme peaking in July and August, particularly from July 7 to August 7.

In a market context, this discussion suggests that increased consumption in June, early July, late August and all of September would certainly be beneficial. Further implications of this trend with regards to revenue production will be dealt with in succeeding sections of this feasibility analysis.

4. <u>Origins Of The Tourists</u>

In order to mount an effective promotional campaign, an operator must know where his clients are coming from; the current market sources and ones that could be further cultivated. The 1971 Visitor Exiting Survey indicated origin breakdowns in comparison with a 1965 study. Table 15 depicts this information.

Visitors to Prince Edward Island came from a variety of distances. In 1965 approximately 40 per cent came from other Canadian Maritime Provinces while 30.5 per cent were Americans. Quebec and Ontario constituted

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29. Prince Edward Island Travel Park Owners Association Unpublished Study of Members' Occupancy Levels for 1972.

TABLE 15

ORIGIN OF TOURISTS VISITING PRINCE EDWARD ISLAND

Origin	Percentage of Visiting Parties		Percentage Change
	1965	1971	+ (-)
CANADA	69.5	69.4	+ 1.7
Newfoundland	1.0	1.3	+ 0.3
New Brunswick	17.4	12.4	- 5.0
Nova Scotia	21.9	17.7	- 4.2
Quebec	9.3	10.8	+ 1.5
Ontario	18.4	25.2	+ 6.8
Prairies, British Columbia & Territories	1.5	2.0	+ 0.5
UNITED STATES	30.5	30.0	- 0.5
New England	14.1	15.0	+ 0.9
Rest of U.S.	16.4	15.0	- 1.4
FOREIGN	not recorded	0.2	-

Source: <u>A Comparison of Tourist Data Between 1965 and 1971</u>

27.7 per cent of the visits. By 1971 a significant change had taken place. Ontario rose to one quarter of all visitors while the other Maritime Provinces declined by nine per cent. In 1971 Quebec and Ontario represented over one third of all visitors and the American visitation factor remained relatively consistent at 30.0 per cent.

The decline of percentage representation of the other Maritime Provinces could be a function of not an actual decrease in visits, but rather a substantial increase in visitors from central Canada.

The increase of Ontario and Quebec markets is a positive trend due to their large population reserves. Increased visitation from these sources will increase word-of-mouth advertising and could propel the visitations from these origins.

The consistency of American origins is significant, however the energy crisis in the United States could create a negative impact. This will not be as critical for Canadians in relation to gasoline availability although increased prices could have a negative impact. The effect it will have is uncertain. The energy shortage will dictate the outcome but if it should be only a temporary problem, more Americans might be attracted to Canadian areas, thus creating a positive factor.

5. <u>Principal Reasons Tourists Come to Prince Edward Island</u>

Another market variable of concern is motivation for visiting a certain area. With such data an operator can design his promotional, operational and locational variables towards the visitation motives of Island visitors.

The 1971 Exiting Survey indicated the breakdown for trip purpose as shown in Table 16.

It is obvious that general sightseeing or vacation travel was the primary motivational source. The only other significant motivational forces were visiting relatives, business concerns and outdoor sports, which was generally fishing. The obvious appeal factor was the Island itself, either as a new experience or as a destination to revisit.

TABLE 16

MAIN PURPOSE OF TRIP BY TOURIST PARTIES

Trip Purpose	Per cent of Tourist Parties
Convention	0.2
Other business	4.3
Visit friends	12.6
Other personal reasons	2.1
Outdoor sports	8.5
Travel education	0.1
Sightseeing	71.0
Other	0.8
Less than one day	0.4

Source: A Comparison of Tourist Data Between 1965 and 1971

Table 17 indicates from the same survey, the activities participated in by respondents during their visit on Prince Edward Island.

From this table an operator could surmise beyond the obvious sightseeing participation that is consistent with the previous table, that a great emphasis was placed on water-based activities. Some categories in this area appear repetitious but beach activities proved popular with over two-thirds of the visitors. Of these, 50 per cent swam in ocean waters.

TABLE 17

TOURIST ACTIVITY IN PRINCE EDWARD ISLAND BY LEVEL OF PARTICIPATION IN SELECTED ACTIVITIES (Those greater than or equal to 10 per cent response)

Type of Activity	Per cent of Total Parties
Sightseeing (Out of town)	74.1
Sightseeing (City)	69.1
Going to beach	68.8
Shopping	55.9
Swimming	48.5
Culture	45.8
National Parks	44.0
Picnicking	27.2
Wildlife parks	20.8
Fishing	20.3
Hiking	14.3
Live theatre	13.8
Local events	13.6
Golf	11.0
Boating	10.4

Source: A Comparison of Tourist Data Between 1965 and 1971

The shopping factor was representative of the importance of this activity, primarily in the area of local handicrafts and gifts.

National Parks, which represents one specific facility on the Island, was knowingly visited by 44 per cent of the respondents. The word knowingly is used because, from experience, the author suggests that many individuals who visit this park know little about National Parks and were unaware that they were in one. This is a consistent concept as Prince Edward Island National Park has over seven entrances of which only four have signs indicating what the area represents. It is then conceivable that many more visited the National Park unknowingly thus heightening the significance of this facility for attracting tourists. It is also consistent with earlier analysis which indicated the dominance of this area of the Island.

From an operator's view, the closeness to accessible and usable beaches appears critical in meeting the expectations of the visitor. Also, close proximity to Charlottetown for live theatre would have positive value. Access to prime sightseeing attractions is another critical consideration.

The participation analysis gives some indications to private campground operators the desires of campers beyond the campsite. It also indicates some primary marketing characteristics that should be exploited to upgrade visitation levels and occupancy rates.

6. Dispersal of Tourist Party Travel and Accommodation Over The Regions of Prince Edward Island

This area of analysis is a critical element when considering the location of a campground in relation to clientele preference. Table 18 depicts the dispersal of the tourist travel on Prince Edward Island.

TABLE 18

POSITIVE RESPONSES TO QUESTION "IN WHAT REGIONS OF PRINCE EDWARD ISLAND DID YOU TRAVEL?"

Region	Parties Answering Yes	Per cent
West of Summerside	29,626	18.0
Summerside	74,935	45.4
Between Summerside and Charlottetown	147,452	89.4
Charlottetown	142,360	86.3
East of Charlottetown	97,728	59.3

Source: Tourist Exiting Survey Highlights, 1972

The area west of Summerside appears to realize a minimal volume of tourist flow, particularily in relation to other regions. The whole western portion of the Island, including Summerside, receive visits from less then one half of the tourists.

Almost 60 per cent travelled east beyond Charlottetown due to the small ferry service which is located in that region as well as it being the location of several key attractants.

Charlottetown is visited by 86 per cent of the tourists. This is only logical because of its service funtions and cultural and historical significance.

The area receiving the largest visitation is the central portion which was visited by almost 90 per cent of the responding tourist parties.

Table 19 illustrates the location of overnight stay on the Island. The central portion of the Island again appears as the thrust of the tourist business as the area between Charlottetown and Summerside, plus Charlottetown, combine to represent 70 per cent of overnight stays. The area between the Island's only two cities itself is significantly the main focus in relation to accommodation. As such it handles approximately 45 per cent of all overnight stays by the respondents.

TABLE 19

POSITIVE RESPONSE TO QUESTION "DID YOU STAY OVERNIGHT IN THESE REGIONS?"

Region	Parties Answering Yes	Per cent
West of Summerside	10,151	6.2
Summerside	20,820	12.6
Between Summerside and Charlottetown	73,391	44.5
Charlottetown	43,896	26.6
East of Charlottetown	26,395	16.0

Source: Tourist Exiting Survey Highlights, 1972

The extremeties of the Island appear relatively weak. In the case of the region east of Charlottetown, which had almost 60 per cent of all tourists visiting the area, it is indicated that these visits were mostly day trips from bases in other regions of the Province.

Again the two western regions ranked in the bottom two positions.

The results of this analysis show the dominant position the central portion of Prince Edward Island has in relation to the tourist industry.

7. Summary

The third section of this chapter deals with a variety of considerations that relate to occupancy rates, market size and sources, participation and motivational variables, travel and accommodation patterns on Prince Edward Island. These areas are all individual variables but also mold together to indicate the basic factors that constitute the strengths of the industry. From the analysis it was found that:

a) A tourist market growth factor of over 12 per cent a year is currently in effect except in 1973 when the ferry strike resulted in a lower growth factor.

b) The number of camping parties in the entering universe of tourists is about 40 per cent of all tourist parties.

c) Seasonal occupancy levels for all campgrounds are approximately 50 per cent with private operations slightly below this point. July and August occupancy rates however, are significantly higher, particularly in the National Park campgrounds. The private sector realizes a substantial increase in occupancy rate as well in July and August, but not as great as Prince Edward Island National Park.

d) A positive trend towards visitation by an increasing number of tourists from central Canada is currently being experienced which could lead to an even greater influx from that source.

e) Sightseeing is the prime motivational attractant for tourists to the Island. Their participation in activities centre heavily on sightseeing, water-based activities and use of Prince Edward Island National Park as well as other North Shore facilities such as wildlife parks.

f) Travel and accommodation distribution patterns of tourist parties is heavily concentrated in the area between Summerside and Charlottetown and the City of Charlottetown. Summerside and the area west of it are very low in tourist industry involvement. The area east of Charlottetown succeeds in attracting over 50 per cent of all tourist parties, however it is mostly day use visitation as accommodation usage is much less.

D. FINANCIAL ANALYSIS

1. Sources of Financing and Government Assistance

There are several sources of financing available to those interested in developing a private campground operation.

The first is personal resources. Original owner equity input is a feasible method of attaining financial resources, however, few people are able to invest needed capital totally from their own resources, especially with respect to larger type operations. Therefore, other sources must be explored.

Banks and other private financial institutions which handle mortgages and capital development loans are available. All major banks service Atlantic Canada, however, interest rates are at going market rates which today hover at 10½ to 12 per cent.[30] Payments are high on such loans, especially in initial years of operation when a facility is building a clientele and reputation. These years tend to be poorer in revenue production and result in complicated financial stability for some operators.

A third source of financing is government agencies who are involved in small business loans, development loans and commercial assistance. One of these is the Prince Edward Island Lending Authority, a provincial government agency. They issue loans for no more than 40 to 50 per cent of capital development costs of a project.[31] Repayment schedules are designed for tourist industries to coincide with their peak revenue income periods. Maximum loan limits are dependent on project size, financing and other variables.

A second public agency is the Industrial Development Bank which is a Crown Corporation of the federal

30. Interest Range Over Last Twelve Months on Campground Development Issued by a Chartered Bank in Summerside.

31. Data Collected from Telephone Interview With Lending Authority Officer, 1972.

government. It supplies loans to industry, however its interest rates are generally slghtly higher then market rates and the rate increases in relation to the size of the loan at set increments. They offer an easing of initial payments for tourist operators because of their seasonal operation. The actual repayment schedule for the first five years is set after each season and is designed in relation to income generated each season.

The first public source is the federal government's Department of Regional and Economic Development. They are responsible for reducing the existence and impact of regional disparities in Canada. They offer several plans to industries and business dependent on their location in a level one, two or three area of economic disparity. Prince Edward Island is in level three and is eligible for maximum assistance.

They offer low interest loan programs, guaranteed loans and grant subsidies. The criteria for assistance is based on income generated and employment created on a permanent basis. Private campground operations are seasonal and do not employ a significant number, therefore grants are rarely, if ever issued. Some assistance is available under the other two programs, based on the criteria listed. To date their relevancy for private campground operations has been very limited.

Technical assistance is also available from government agencies in relation to specific problems such as sewage and electrical systems and a few other technical areas. Little is available on campground design or operation.

A last source is employment training. The federal government's Department of Manpower offers training programs but only for campground managers as far as the campground industry is concerned. They pay 50 per cent of the salary for eight weeks and 25 per cent for the following eight weeks as a maximum.[32] They will also set up and operate regional seminars or training institutes in hospitality courses or other related aspects of the tourist industry if demand warrants it.

From this review, it can be noted that government assistance is available and tends to be beneficial to a private campground operator who requires capital either to expand or for initial establishment. Whatever the case however, unless personal finances are significant, some private financing will likely be necessary.

2. Development Costs

Cost of developing a campground can vary tremendously depending on such factors as land costs; utility installation costs; type of recreation facilities, such as a swimming pool; facilities such as a grocery store or a

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32. An Example Drawn From Current Contract Arrangement Between Morrison Developments Limited and Canada Manpower.

laundromat; paved roadways, and so forth. Accurate costs can only be associated to actual construction. There were some general precepts found that gave indications of cost parameters for such facilities on Prince Edward Island.

In his private campground study, O'Riordan found the following capital costs related to size:

a) less then 60 units - $50,000.00

b) 61 - 120 units - $50,000.00 - $100,000.00

c) over 120 units - exceeds $100,000.00 investment[33]

Basically, he found that total investment, divided by number of sites, averaged approximately $833.33/ campsite. Table 20 shows this amount of per campsite cost in relation to other sources relevant to Prince Edward Island. A wide variance of examples of per campsite development costs can be seen. There are certain cautions to be noted. First, the provincial campgrounds as well as the National Park campground did not include land costs or necessary infrastructure installations such as roads to inaccessable areas.[34] Secondly, the Morrison Development Ltd. figure represents all costs incurred in the construction, including a full grocery store, gift shop and other service facilities.[35]

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33. op. cit., O'Riordan, pg. 9, 10, 16, 18 and 19.

34. Neil Munro, Chief, Master Planning, Atlantic Region, Parks Canada, from Letter Dated February 15, 1974.

35. Greg Miller, Supervisor, Research and Special Studies, from Letter Dated February 27, 1974.

TABLE 20

PER CAMPSITE DEVELOPMENT COSTS
FROM SELECTED SOURCES

Source	Capital Cost Conditions
O'Riordan Study	$833.33/campsite (average)
[36]National Park Campgrounds	$1,500.00/campsite - primitive (unserviced)
	$3,500.00 -$4,000.00/campsite - semi-serviced (water and electric
	$6,000.00/campsite - fully serviced
[37]Provincial Park Campgrounds	$1,950.00/campsite - unserviced
	$2,100.00/campsite - semi-serviced (water and electric)
	$2,400.00/campsite - fully serviced
[38]Morrison Developments Ltd. (Cavendish)	$2,000.00/campsite - (average)

Source: O'Riordan's Study and Discussion With Different Sources

Obviously the private sector either receives more for its capital investment on a per campsite basis or has considerably less per campsite development costs then the public agencies.

It can be noted that approximately $833.00 per campsite is the potential development cost associated to a new development in the private sector.

36. Morrison Development Limited Files, 1973.
37. *op. cit.*, Greg Miller.
38. *op. cit.*, Morrison Development Limited.

3. Income Generation

Income generation or revenue production is a major financial consideration in determining the feasibility of private campground operations.

Again from O'Riordan's study of private campground operations in 1973, it was found that "the balance sheet of the 60 unit campground indicates clearly that the private campground at the small scale should not be regarded as a primary source of income".[39] He also found that, of 41 managers interviewed on this point, 30 regarded campground revenue as generating less than 25 per cent of their total income, 5 treated it as between 25 and 50 per cent and 7 depended upon it for up to 75 per cent of total revenue.[40]

Other conclusions were that generally only larger operators (150 campsites and over $100,000.00 capital investment) were interested in generating sufficient revenue to make a sizeable profit off the campground portion alone.[41] This puts increased emphasis on day use facilities, grocery stores, gift shops, charges for recreational services and so forth as a means of generating adequate income. He also concluded that smaller

39. op cit., O'Riordan, pg. 13.
40. ibid., pg. 13.
41. ibid., pg. 13.

operations, 60 campsites or less, that had these service operations would have difficulty generating the required income volume to make them viable.[42]

In the inventory section analysis, it was found that 41.67 per cent of all campgrounds had grocery stores, 7.72 per cent had gift shops and 22.22 per cent had canteens. Private campgrounds showed 60 per cent having grocery stores, 30 per cent having canteens while only 18.0 per cent had gift shops. What should be noted, however, is the fact that many of the campgrounds not reporting these types of facilities as part of their operation, generally cited the existance of them in close proximity to their campground.

The result is that the operator of a small or medium size campground having a service facility located close by would be hard pressed to gain enough off-road business to make a service facility viable. Because of this, the operator becomes increasingly dependent on his own campground for sales volume in his store services.

Single and dual entity service facilities such as grocery stores and laundromats or gift shops are now part of the established tourist systems in all tourist regions, thus usually making it impractible for a campground operator to establish such facilities which would would substantially depend on off the road business.

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42. ibid., pg. 13.

From this analysis it can be noted that, unless the campground facility itself is of significant size to generate enough of its own service trade, the operator will find it most difficult to viably operate a service business. The only exception would be if the area were not serviced adequately.

Income generation is a difficult mix of campsite revenues and service revenues. The trend appears to be a move toward larger campgrounds so as to create an internal market and economies of a scale that generate greater revenue production.

Another source of revenue is the charges levied for recreational facilities such as the swimming pool, horse rides, hay rides or sports equipment. Immediately one must decide on one of two general courses of action in this context. Either to include all charges in the per night/week/month campsite fee or to charge independantly per recreation service.

The first system amortizes costs and profit over all camping parties while the second requires only the user to pay. Each system is viable, however only one system should be used to avoid confusion and controversy among clientele who may feel a "rip off" if they are constantly being charged for services.

If the recreation fee is charged in the campsite fee, it is important that it does not increase this fee to a point where it could become uncompetitive with other camping facilities in an area. Since this is the primary fee that campers generally observe when selecting a campground, it could result in significant loss of business if applied without making a comparison of facilities and services of nearby competitors.

Income generation from recreation services can be significant if bar services and other high revenue production items are included. However, significance of such things as swimming pool charges and the like could be of little value if free beach swimming exists in close proximity.

4. Fee Schedules and Service Revenues for Private Campgrounds On Prince Edward Island

An assessment of the current fee or pricing strucure must be made in order to determine fees that could be charged and still remain competitive.

Table 21 illustrates the variations in fee charges by campgrounds having unserviced campsites. Included are 41 or 82 per cent of all the private campgrounds.

The obvious outcome is the fact that the fee of $2.50 per campsite is used by almost two thirds of the privately operated campgrounds while the fee of $3.00 is second ranked. Therefore 83 per cent of these campgrounds charge either $2.50 or $ 3.00 as a base price.

TABLE 21

FEE SCHEDULE FOR UNSERVICED CAMPSITES IN PRIVATE CAMPGROUNDS

Fee	Number of Campgrounds	Percentage of Reporting Campgrounds
$2.50	27	65.85
3.00	7	17.07
2.00	4	9.76
3.50	1	2.44
1.50	1	2.44
1.00	1	2.44

Compiled from the <u>1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I.</u> booklet

Table 22 illustrates the type of plan used to charge for services which are part of the campsite. Included in this table are 37 or 80 per cent of all private campgrounds

TABLE 22

FEE SCHEDULE SYSTEMS USED BY PRIVATE CAMPGROUNDS FOR SERVICED CAMPSITES

	System	No.	Per cent
A)	$.25 service charge each for water and electric, plus $.50 for sewer	20	54.05
B)	$.50 per individual service	16	43.24
C)	$.75 per two services, $.50 for a third service	1	2.70

Compiled from the <u>1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I.</u> booklet

Table 22 suggests that both systems A and B are popular. The popular procedure for fee schedules then is to charge \$2.50 for unserviced campsites or as a base price and then add either \$.25 for water and \$.25 for electric, plus \$.50 for sewer, or charge a straight \$.50 for each of the three service types. The second system generates an extra \$.50 per campsite income per rented day. This would logically have more appeal as costs rise or profit margins narrow. These systems would thus result in the following fee schedules.

	Plan A	Plan B
Unserviced	\$2.50	\$2.50
Two-way	3.00	3.50
Three-way	3.50	4.00

In relation to service revenues as accrued from such facilities as stores, a range of possibilities exist. A study by Morrison Developments Ltd. of their two campgrounds, which subtracted only the cost of goods sold, resulted in a profit of \$1.87 per campsite per rented day.[43] Little other related data is available on this specific aspect.

This figure will be used for the analysis as a guide in relation to the use of this type of revenue source for determining feasibility.

5. Seasonality

Seasonality is a critical aspect of financing. As cited earlier, seasonality effects such things as DREE

43. op. cit., Morrison Development Limited.

grants and so forth. Income generation is the prime determinant of how the facility will fare. Table 23 indicates the current situation as applied to 31 or 62 per cent of the campgrounds on Princient Island who reported their seasonal dates of operation.

TABLE 23

LENGTH OF OPERATING SEASON FOR THIRTY-ONE PRIVATE CAMPGROUNDS ON PRINCE EDWARD ISLAND

Dates of Operation	No.	Per cent	Number of Days
June 15 to Labour Day (Sept. 1-7)	5	17.24	78-85 (81.5)
June 15 to Sept. 15	12	41.38	93
June 1 to Labour Day (Sept. 1-7)	2	7.14	93-100 (96.5)
June 1 to Sept. 15	2	7.14	108
June 1 to Sept. 30	3	10.71	123
June 1 to Oct. 15	2	7.14	138
May 15 to Oct. 15	3	10.71	154

Compiled from the 1973 Campsites, Trailer Parks and Picnic Grounds in P.E.I. booklet

A variance can be seen of 78 days minimum to 154 days maximum with the average being 104.76 days of operation. However, it is indicated that over 40 per cent operate 93 day seasons. In cumulative terms, 17 or 58.62 per cent of the reporting campgrounds operate between 78 to 85 and 93 days. The remaining seasonal time frames are scattered and represent approximately 40 per cent of the reporting campgrounds.

The results suggest that the operating season at best, is short, probably three months in total. O'Riordan's study determined that there was 60 to 80 days in an operating season on Prince Edward Island, somewhat lower than the findings in this study.[44]

Seasonality has a marked impact on campground operations. With a short operating season, a private campground facility must generate enough income to cover operational costs and capital repayments, if any, and also return a profit if it is to be considered successful. In pre-1971 days, as earlier discussed, low public campground fees handicapped many private operations financially. This was greatly aggravated by the seasonality concept. Unless they had an advantage of owning their own land or did the development work themselves, their ability to return profits was limited. Many banks, viewing the low fees and short season characteristics, regarded such loan propositions as unviable. Now, with higher public fees, a greater degree of viability appears to have been attained as governments are becoming involved in financial assistance to private campgrounds.

The operating season for the public sector is somewhat longer. Two of the three National Park campgrounds operate from June 15 to September 15. The season is generally from June 1 to September 30 for the provincial campgrounds. These operations tend to be longer, assumingly to provide facilities for Spring and Autumn visitors who are not numerous enough to justify the private campground to maintain operation.

44. op. cit., O'Riordan, pg. 4.

6. Two Examples of Potential Balance Sheets Drawn Off Data Developed in This Analysis

The amount of revenue produced is the next sequence in this analysis of income generation.

Many sources are available that show idealized projections, however their applicability to Prince Edward Island is suspect. First, several operate on 365 days a year or 150 days at $6.00 and $7.00 per campsite per night. These are not conditions prevelant in Prince Island but of locations in Las Vegas, Michigan or Ontario where weekend use exists in Spring and Autumn or where year-round resort conditions prevail.

Therefore, it has been decided to utilize the data generated in this study to depict financial feasibility by the use of two examples.

Since it has been found that large campgrounds are more viable, assuming a market exists, a size frame of 150 and 200 campsites have been selected.

Secondly, the fee schedule of $2.50 base price, plus $.50 for each additional service has been selected so as to gain the $.50 advantage outlined in the fee schedule analysis.

Thirdly, the split of campsite types to be used is comparable to those averaged for the private sector of Tourist Area 4 which at this point appears to have the greatest feasibility appeal.

Fourth, a service profit of $1.87 per day per rented campsite as determined by a study by Morrison Developments Ltd. on their two campgrounds will be utilized.

The occupancy rate will be set at 60 per cent so as to better determine the income for Tourist Area 4 which to this point appears to fare somewhat better than the Island average.

Capital costs for development are positioned at $833.00 average per campsite with amortization over 10 years at 10 per cent interest.

Operational costs are those associated with Morrison Development Ltd. which represent actual operation expenditures on a per campsite cost basis. This will allow scheduling of different capacity campgrounds. The per campsite operational cost is estimated to be $75.00 for a 90 day season.

Both facilities return profits under these conditions. It can also be suggested that, as size enlarges, economies of scales set in that make larger facilities more attractive when using per campsite operation costs and per campsite development costs.

Both examples could function on a lower percentage occupancy rate. However, the first example would be quickly susceptible to losses if the decrease was more then 7 per cent.

FIGURE 3

FINANCIAL FEASIBILITY OF A 200 CAMPSITE CAMPGROUND AT 60 PER CENT OCCUPANCY RATE AND A CAPITAL COST OF $166,666.00

a) <u>Revenues</u>

(1) Campsite

Three-way hookup	-	44 @	$4.00	=	$176.00
Two-way hookup	-	28 @	3.50	=	98.00
Unserviced	-	128 @	2.50	=	320.00
					$594.00

(2) Service revenue @ $1.87/day per rented site = 374.00

(revenue/day at 100 per cent occupancy) $968.00

b) <u>Total/Seasonal Revenue at 60 per cent occupancy for a 90 day season</u> = $52,272.00

c) <u>Costs</u> - operations @ $75.00/ site/season = $15,000.00

- amortization = $25,733.00

d) <u>Profit</u> $11,539.00

From a financial feasibility point of view, the larger the campground with all other factors held constant, the greater its potential financial success. Return on investment before taxes, however, is very close for both, 6.69 per cent in example one and 6.92 per cent in example two.

7. Summary

a) In summary, relative to the financial analysis, it can be noted that capital monies are available, with some attractive repayment programs from government sources, which compliment private monies inputed.

b) In relation to capital expenditures, it would appear that viability is best established in larger campground complexes. This is stated from two points, the economy of scale of a larger operation and the resultant greater internal resources from the service facilities. Capital expenditure will likely exceed $100,000.00 and, depending on the number of campsites, the inclusion of services and recreational facilities could increase this level to an average of approximately $2,000.00 per campsite.

c) Income generation is a critical consideration. Emphasis seems to be shifting more and more from campsite rental revenue to returns from other services such as grocery stores and gift shops.

d) Campsite fee schedules used by the private sector appear to be one of two methods. By far, the majority charge a base fee for unserviced campsites of $2.50. Added to this is either a charge of $.25 for water and electric each, plus $.50 for sewer. or a flat charge of $.50 per service.

e) In respect to service revenue, it was found that one campground organization was generating $1.87 on average per campsite per rented day. This was after the cost of the saleable goods had been subtracted but not the overhead costs. These were grouped under lump sum operational cost categories for the whole campground.

f) Private campground business tends to be a higher risk due to the short season of about 60 to 80 prime days and 10 to 20 low income days. A few days of poor weather, an elongated ferry strike or other deviations of normal routine could have a serious impact with no ability to recover until the following season.

g) Two examples of financial balance sheets, utilizing data developed in this study, were formulated. At 60 per cent occupancy, a level of profitability existed and appeared to increase with a greater number of campsites. Return on investment was only slightly different between the examples. Lower occupancies of more than 7 per cent would create a loss position.

E. IMPACT VARIABLES TO BE CONSIDERED IN THE GENERAL FEASIBILITY OF THE PRIVATE CAMPGROUND INDUSTRY ON PRINCE EDWARD ISLAND

The variables under consideration here are ones which are currently in a transformation state. Their future impact is uncertain but could reflect significantly on the issue at hand.

1. Highway Signing Legislation

The Provincial Government of Prince Edward Island is currently finalizing legislation on the procedures and limitations associated to the erection of private advertising and directional signage adjacent to provincially owned highways. The accepted policy now is to phase out all private signs along highways except for those on the advertisers property and this will be limited to one at that location.[45] The government will erect up to four directional signs in clusters along the road for each establishment for a fee yet to be determined. Each tourist area will also have at least one sign plaza constructed in which each tourist operation in the area will have a plaque erected, numerically coded to a display map. The plaque will contain pertinent details and directional instructions. These drive-in plazas will be government facilities.

The effect, if followed through, will be to neutralize all advertising efforts in order to reach campers

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45. Prince Edward Island Legislature, Highway Signage Act, 1973, (Charlottetown, P.E.I.: Government of the Province of Prince Edward Island, 1973).

as they leave the ferry boats and disperse to various points on the Island. The result could be that camping facilities not on main routes and hard to locate will suffer occupancy rate setbacks. The highway system on Prince Edward Island is noted to be a labyrinth of paved and clay based roads which heightens the confusion. Therefore, under this new system, overt and easily reached site locations are preferable.

2. Effect of Closing the National Parks Campgrounds and the Realignment of Provincial Campground Facilities

This issue in itself could alter significantly the feasibility of a private campground. The single largest impact would be the closing of the National Park campgrounds situated in Tourist Areas 4 and 6. These facilities which operate 623 campsites at 97.92 per cent capacity for July and August and 65.37 per cent capacity from June 1 to September 30, could open up significant justification for expansion of current facilities and the development of new ones under private auspices.

The issue rises from a conclusion in the National Parks service that Prince Edward Island National Park, with over two million park user visits per May to October,[46] dispersed over seven square miles, has reached a point where certain land uses inside the park are no longer adviseable.[47] The camping operation could be

46. op. cit., Seville, pg. 1.

47. F. Galloway, Study on the Proposed Provincial Master Plan, Prince Edward Island National Park. unpublished Report Completed for National Parks Service, 1972.

one of these, especially since new campground developments circumvent the present park. A preliminary commitment in this direction has been made to Morrison Developments Ltd. with the final decision to be determined after public hearings on a new master development plan for the park are held, probably in 1975 or 1976.

Accompanying this move is a land acquisition program by the park of its neighbouring properties including one private campground in the Dalvay area and possibly a large private operation in the Cavendish area of 136 campsites.

The effect of both programs could make the park even more of an attraction. It would also result in an additional 45,480 camper-nights being available to private operators in Tourist Areas 4 and 6 without increasing the camper attendance to the area.

In effect, the result of this impact variable establishes the Cavendish and Brackley areas as the most logical ones in which to initiate new private developments as the supply factors could change considerably.

The Provincial Government is consolidating their campground operations into larger campground units. This results in fewer provincial campgrounds and may result in opportunities developing for private operators in certain areas of the province. These larger campground units are designed to become development catylists for tourist operations in the less prominent tourist areas. However, if visitation levels do not increase substantially, the opportunities for private campground development in these areas will continue to be minimal.

3. Summary

The impact variables outlined above are exciting concepts for the private entrepreneur. There are, however, other concerns for which no impact can yet be determined. These are apparent shortages of gasoline and its increased costs and also the possibility of future strikes by ferry workers which would disrupt the vital services to the Island. Such considerations can presently only be closely observed and data collected.

F. DESIGN AND OPERATIONAL CONSIDERATIONS OF A PRIVATE CAMPGROUND IN PRINCE EDWARD ISLAND RELATED TO PROVINCIAL GOVERNMENT REGULATIONS AND INVOLVEMENT

The Provincial Government plays a major role in the design of a private campground as they have a set criteria and minimum standards pertaining to what is to be included in a campground project and also the type of operation.

1. Licenses

Each year a private campground operator must obtain a license for his establishment. This is issued after a public health inspector has visited the site, tested the water and is satisfied that regulations are being upheld. A license is then issued on his approval by the Department of Environment and Tourism.

2. Design Criteria and Standards

The following design criteria and standards and other regulations must be incorporated in the layout of the complex and in the presentation to government agencies for approval.

a) Toilet facilities

(1) a minimum of one toilet seat must be provided for every 24 persons of each sex and is calculated on the basis of four persons per campsite, with men and women being equally divided.

(2) allowance on the above can be made for campsites equipped with water and sewer service and utilized exclusively for that type of camping.

(3) no outside pit or pail toilet is to be more than 300 feet from a campsite or closer than 50 feet.

(4) a toilet structure can be more than 300 feet from a campsite but never more than 500 feet and the Director's approval is required for any distance over 300 feet.

(5) toilets are to have separate compartments and the necessary cleaning materials and tissue are to be provided.

(6) one washbasin for each two toilets, with a minimum of one washbasin per sex is to be provided.

(7) toilets are to be located in a sound structure with an impervious floor and screened windows and doors.

(8) all campgrounds are to have bathing and laundry facilities unless otherwise approved by the Director in charge of licensing.

(9) for bathing, one shower head and stall for each sex is minimum.

b) Campsite Space

(1) a campsite must have a minimum of 30 feet frontage on a road or right of way and must have a minimum of 1,500 square feet of land space.

(2) there must be a space of at least 20 feet between every trailer and any other trailer, tent or building, and not less than 15 feet between every trailer and any property line bounding the court.

(3) every individual tent space and trailer space shall abut or face on a road or driveway or clean unoccupied space of not less than 25 feet and such road or driveway shall connect with a public highway, street or lane.

(4) in a camping ground every road or driveway and every tent space or trailer space shall be clearly defined on the ground by stakes, posts, curbs or other markings.

(5) all construction and installation must conform to the Prince Edward Island Plumbing, Building and Electric Codes.

c) <u>Operation and Maintenance</u>

(1) at every camping ground a register must be kept in which the name and permanent address of all guests, together with the car license number and trailer license number, if any, province or state, and the date of arrival and departure, are to be entered.

(2) all operators and guests must conform to the provisions of the Regulations made under the Innkeepers Regulations Act.

(3) the operator of a campground must

  (a) maintain the grounds and all facilities and equipment in good repair and sanitary condition;

  (b) provide sufficient covered receptacles for all garbage and refuse and keep them in good condition;

  (c) supervise the removal and disposal of all garbage, refuse and liquid waste where such service is not provided by the municipality.

(4) the operator of a campground must have available an approved First Aid Kit.

(5) the operator of a campground must not permit drinking cups for common use to be used upon the premises.

(6) all garbage and refuse from a campground must be stored in fly-tight and water-tight containers which shall be adequate to contain the garbage and refuse without overflowing.

(7) the operator of a campground must be responsible for the removal and disposal of garbage and refuse in a manner approved by the Director or where such service is provided by the municipality, he shall arrange with the municipality for garbage and refuse collection.

d) <u>Approvals Required from Government Agencies</u>

(1) no person shall establish, alter or enlarge a campground unless prior to the work, he obtains the approval of the

(a) Provincial Planning Division,

(b) Prince Edward Island Water Authority,

(c) Division of Food Control (Public Health Department)

(2) the application for approval is to be submitted to the Department of Health which will pass it along to the Water Authority and Provincial Planning Division and must be accompanied by:

(a) a site plan showing the location, the arrangement of buildings, tent or trailer spaces, location of water and sewage disposal systems and other facilities for the accommodation of the public.

(b) a plan of the building or buildings, if any, specifying the type of construction and showing floor areas, ceiling heights, and windows.[48]

As can be surmised from a summary of the regulations, the government is significantly involved in the industry with approval mechanisms, standards and procedures. These must be followed and should be made familiar to owners and staff early in the planning stages so that expensive alterations and valuable time is not lost at a later date.

3. Other Roles

Beyond the regulatory role, the provincial government plays a major role in publicizing and advertising the Island as a tourist destination area in other parts of Canada and the United States. The budget for this was in excess of $425,000.00 in 1972 and $500,000.00 in 1973.[49] Items such as general literature and advertising are most beneficial to the private campground operator. He

48. Prince Edward Island Legislature, The Public Health Act R.S.P.E.I., 1951, Chapter 129 and as amended, (Charlottetown, P.E.I.: Queen's Printer, 1969), pg. 1, 2, 3, 4, 5, 6 and 7.

49. op. cit., Annual Report 1972, pg. 28.

can also, if he so wishes, send out his individual brochure in the standard government packet which is forwarded to all written enquiries for information.

Of particular interest to private campground operators is the booklet, Campsites, Trailer Parks and Picnic Grounds in Prince Edward Island which lists and describes all campground facilities on the Island. The description used is put together by the individual operator who has a fifty word limitation to best describe his facility and how it can be located. This publication is forwarded to all written enquiries as an information guide and trip planner, and is a valuable, free resource for the private operator.

In summary, it must be noted that government involvement is extensive and will be reflected in the final product. Positive services are also provided and should be exploited wherever possible.

CHAPTER V

SUMMARY AND CONCLUSIONS

A. Findings

The findings of this study were related directly to the inventory and characteristic purposes. They are as follows.

1. It was found that even dispersion of camping facilities does not exist. It was concluded that the campground industry tended to be concentrated in the central four tourist areas of Prince Edward Island. These four areas contain 87.5 per cent of all the campgrounds and 80.7 per cent of all campsites on the Island. Areas 4 and 6 themselves represent 40 per cent of all campgrounds and 54.83 per cent of all campsites, indicating the dominance of these two areas. Dispersion is therefore uneven because certain areas, particularily Tourist Areas 4 and 6 are apparently far more attractive to campground operations and the camper population.

   It was also found that Tourist Areas 3, 4, 5 and 6 contained 90 per cent of all fully serviced campsites and 78 per cent of all semi-serviced campsites. Tourist Areas 4 and 6 alone represent 70.5 per cent of all fully serviced and 78.3 per cent of all semi-serviced campsites. It is therefore concluded that locational distribution of campsite types finds the serviced types heavily concentrated in the centre of the Island, especially tourist areas 4 and 6.

Also in regards to location, it was found that the public sector dominated in only three tourist areas, 1, 2 and 8 and was very close in area 9. However, these areas are the ones comprising the extremities of the Island and generate the least amount of tourist business. These areas have the fewest campgrounds, the smallest campgrounds and potentially, the lowest campground percentage occupancy rate. Therefore, the public sector dominates the weakest regions of the Island in relation to campground viability. This suggests that there is not a high level of conflict between the sectors with the possible exception of tourist areas 3, 4, 5 and 6. If the National Park campgrounds were discontinued, the conflict would then be lessened even more.

2. In relation to campgrounds and campsites, it was found that the private sector clearly dominated as they represented 69.4 per cent of all campgrounds and 71.7 per cent of all campsites.

In relation to campsite types, it was found that the private sector concentrated more on serviced sites. It controlled 91 per cent of all fully serviced campsites and 77 per cent of all two-way campsites. It also dominated in unserviced campsites, as it represented 65 per cent of this type. Therefore, the public sector did not dominate in any of these elements and were resoundly dominated in many elements.

3. In relation to services beyond the campsite, it was found that again tourist areas 3, 4, 5 and 6 dominate in the frequency of these services on a per campground basis, particularly the more extensive ones such as grocery stores. Tourist area 4 dominates these areas in this respect which suggests a more complex, service-oriented market in that area. Area 6, which ranked first in the number of campgrounds and second in actual campsites, did not maintain this dominant role in relation to services offered beyond the campsite.

The type of services offered beyond the campsite varied tremendously. The most common services were playgrounds and fireplaces or barbecues, dumping stations, laudromats, fishing arranged or on site and a beach on site. All these were found in at least 50 per cent of all campgrounds.

Services offered beyond the campsite were differentiated between the private and public sectors. It was concluded that the private sector tended to dominate in services of a paying nature while the public sectors tended to dominate non-paying services. In this respect, the private sector led in services such as grocery stores, canteens, gift shops, horse rentals, boat rentals and the like. The public sector had a greater percentage frequency for such items as playgrounds, kitchen shelters, fireplaces or barbecues and dumping stations. One item was common in both however, and that was the on-site or nearby presence of swimming facilities which occured in over 87 per cent of all facilities. The public sector had the greater percentage frequency of on-site water due to their general incorporation of campgrounds in larger park complexes and their beach land controls.

4. Size of campgrounds, measured by the number of campsites in a campground, tended to be small. The highest frequency was cited in the 16 to 50 campsite category which represented 44.44 per cent of all campgrounds. In cumulative terms, this category, plus the smaller 0 to 16 campsite category, comprised 50 per cent of all campgrounds. Only five campgrounds or 10 per cent of all campgrounds had more than 200 campsites.

When considered with ownership, it was found that the public facilities averaged 77 campsites and the private sector 83. However, the private sector had all facilities reporting more than 200 campsites. It also had 80 per cent of the ones indicaing 15 or less campsites.

The public sector tended to be more concentrated in the 16 to 100 campsite group while the private sector was more delineated over all groups.

5. Based on fee schedules from 80 per cent of the private campgrounds, it was found that, for unserviced campsites, 66 per cent charged $2.50 and an additional 17 per cent charged $3.00, while 10 per cent charged $2.00. Therefore, the dominant range is narrow.

It was found that two fee schedules completely dominated the serviced campsites. One fee was $.25 each for water and electric and $.50 for sewer. The other fee was $.50 per service. The former received slightly greater usage.

6. It was found that 60 per cent of all private campgrounds had grocery stores and other types of revenue producing services. Also, the study by O'Riordan indicated that few private operations he contacted relied on campsite fees as their primary source of revenue. He found that 30 of 41 campground owners regarded this type of revenue as representing 25 per cent or less of their income. Another 7 reported campsite revenue as between 25 per cent and 50 per cent.

It is concluded then, that campsite revenue is not the primary source of income for many private campground operations and that an operator must involve himself in other service types or attractant sources so as to create a viable operation.

7. Seasonality was found to be a major variable in revenue production. The operating season, as determined from 60 per cent of the private operations on Prince Edward Island, was dominated by those operationg approximately 93 days which constituted 41.3 per cent of the studied campgrounds. The next largest ranking was the 81.5 average day season which represented 17 per cent of the campgrounds reported on. Therefore, just over 58 per cent of the campgrounds studied operated 93 or fewer days. The longest season was indicated by two campgrounds at 154 days.

The operating season is short, generally no more than three months. One study by another author concluded that the operating season for Prince Edward Island is approximately 60 to 80 days which falls partially within the tabulated conclusions of this study.

Peaking was found to be a major characteristic of this seasonality variable. Occupancy levels as previously concluded, are generally higher in July and August with capacity or near capacity occupancy from about July 10 to August 7 for several public and private operations.

8. It was found that capital costs for campground development ranged from $833.00 to $2,000.00 per campsite in relation to private development. The figure depended on the inclusion of extras such as s swimming pool, recreation building, service store complex and the like.

Figures for the public sector were somewhat larger, particularily in the serviced campsite group. The range for this sector was from $1,550.00 for unserviced to $6,000.00 for fully serviced campsites. Therefore, the development costs are significantly greater in the public sector.

9. On a seasonal basis, it was estimated that the occupancy level was hovering in the 50 per cent realm for the whole campground industry. In relation to ownership, it was estimated that the private sector fell below this factor, possibly around 40 to 45 per cent while the provincial campgrounds were even less at approximately 25 per cent. The National Park campgrounds were much higher at 65 per cent.

On a peak season analysis however, it was concluded that percentage occupancy was substantially higher at 98 per cent in the National Park campgrounds and over 80 per cent on average in the private sector. No estimate was available for the provincial campgrounds. It was known through that peak season use was significantly greater than the seasonal factor.

Therefore, occupancy levels were not approaching capacity in terms of the whole campground industry, however there were indications that capacity was being approached in certain tourist areas. These tourist areas were 4 and 6 where the National Park campgrounds were at almost 100 per cent occupancy for July and August and several nearby private operations also approached this level.

10. It was found that profits before taxes did increase in relation to the greater number of campsites. However return on investment, based on the conditions developed in this study, did not increase but remained only slightly changed in the 6.6 to 6.9 per cent area.

Therefore, profits before taxes do appear to grow with larger private operations, but return on investment appeared to remain relatively unchanged.

11. It was found that the government has enforced numerous regulations effecting both design and operations of private campgrounds. These regulations dictate numbers of washroom units, campsite locationing and size, supervision specifications, sanitary requirements and they also designate who must grant approval before development can commence.

The regulations involve themselves in all aspects of such a development and are strict and definitive, resulting in the Provincial Government being very significant in this regard.

B. <u>Conclusion</u>

The conclusions for this study were as follows.

1. That if the publicly operated campgrounds were to be closed, then private campgrounds would attain

near capacity occupancies.

This was found to be untrue. Closure of public camping facilities will have only limited impact for the campground industry as a whole, receives only approximately 50 per cent capacity over the season. Therefore twice the seasonal load could be accommodated if consumed when vacancies exist.

The public sector controls only 1,694 or 28 per cent of all campsites. Of these the Provincial Park Service operates 1,085 campsites at approximately 25 per cent capacity. The National Park operates 609 campsites at 65 per cent occupancy. Some private facilities would experience an increase due to their location near a closing public operation. Of particular benefit would be the private campgrounds in tourist areas 4 and 6 which feed off the National Park. Since the National Park campgrounds are near 100 per cent capacity during July and August, many of the private facilities in the area would do much better.

For the remaining segments of the Island, closure would not be as significant since the provincial campgrounds only reach approximately 75 per cent occupancy and are dispersed over the whole Island. Therefore, no concentration of camper's would result that would assist private campgrounds in the poorer camping markets of the Island.

It is therefore concluded that closure of public campgrounds will not bring about near capacity occupancies for the private sector. Possibilities of increased occupancy rates is forecasted for some private operations.

2. That public campgrounds assess a lower user fee than private camping operations resulting in an uncompetitive pricing situation.

This was found to be untrue. Some members of the private sector have contended this statement to be fact, however this study found that the fee structures utilized were not lower in the public sector but were very similar. The private sector, on an average basis, charged $2.40 for an unserviced campsite which was $.60 less than provincial campgrounds and $.40 more than the National Park campgrounds. For serviced campsites, the private sector charged $.10 per campsite less than the public sector.

It was therefore concluded that prevailing fees in the public sector were competitive in a market context. This, however, does not reflect into the area of profitability. That is, current fee levels may not be sufficient to guarantee a profitable operation under current conditions.

3. That the capacity of the campground industry in Prince Edward Island has been met and therefore room exists for expansion of the industry related to the supply of campsites.

   This was found to be generally untrue as current industry occupancy is approximately 50 per cent for the season. However, certain time frames, particularly July 15 to August 7, in specific areas, tourist areas 4 and 6, do reach a peak where capacity is nearly reached.

   Therefore, on a seasonal basis, capacity is not at all reached and indeed the problem may be the opposite. That is, there is an oversupply of campsites. As a result, policy formulation by both sectors should be one of increasing demand by opening new markets and further exploiting current ones as well as consolidating current campsite supply. No expansion is feasible under current conditions on a seasonal context. Potential expansion exists only for peak season use which lasts only 2 to 3 weeks. This time frame is far too short upon which to feasibly develop a camping operation.

4. That if current conditions in the camping industry continue to prevail on Prince Edward Island, a private campground operation is a feasible entity.

This was found to be generally untrue in regards to any new operations as an apparent oversupply situation is currently in effect with occupancy rates at slightly less than 50 per cent, a new operation would have difficulty sustaining a successful operation. Tourist area 4 offers the greatest potential in the long term, particularly if the National Park campgrounds are closed.

C. Recommendations

1. That the National Park campgrounds be closed so as to protect and preserve the important resource from overuse and the potential termination of its appeal.

2. That the Provincial Park campgrounds be closed in selected area where private operations exist in enough capacity and quality to service the demand but remain in operation in areas where a tourist development catalyst is required and where private campgrounds cannot effectively meet demand.

3. That a master plan be developed for the camping industry on Prince Edward Island in conjunction with an overall tourist development plan so as to properly and effectively co-ordinate campground development. This should result in more efficient utilization of resources and alleviate, in the long term, the oversupply of campsites currently being experienced.

4. That a standing committee, consisting of members from all elements of the campground industry be established as a means of co-ordinating the overall planning and development of the camping industry on Prince Edward Island. Such a committee could representatively set recommendations for policy, standards and co-ordinate public and private development for the benefit of all concerned.

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