

PARKS CANADA AGENCY

Annual Report

1999 – 2000



Parks
Canada

Parcs
Canada

Canada

TABLE OF CONTENTS

<i>LETTER TO THE MINISTER</i>	3
<i>CHIEF EXECUTIVE OFFICER'S MESSAGE</i>	5
<i>PARKS CANADA AT A GLANCE</i>	6
<i>THE YEAR IN REVIEW 1999-00</i>	7
<i>PARKS CANADA CONTEXT</i>	11
Legislation	11
Agency Status and Authorities	11
Governance	11
National Programs	12
International Obligations	13
<i>PERFORMANCE AGAINST PLAN</i>	14
How We Plan and Report	14
<i>Part One: Core Mandate</i>	15
Establishment of National Heritage Places	15
Description and Commitments	15
Initiatives and Achievements	16
Progress Toward Establishment of New National Parks and National Park Reserves	16
Progress Toward Establishment of National Marine Conservation Areas	18
Designation of New National Historic Sites, Persons or Events of National Historic Significance	20
Heritage Resource Protection	24
Description and Commitments	24
Initiatives and Achievements	25
Ecological Integrity	25
The State of Ecological Integrity in National Parks	25
Biodiversity and Ecosystem Functions	25
Stressors	27
Protection in National Marine Conservation Areas	28
Condition and Threats to Cultural Resources	29
Commemorative Integrity	29
The State of Commemorative Integrity at Parks Canada's National Historic Sites	30

Heritage Presentation	32
Description and Commitments	32
Initiatives and Achievements	32
Measuring Audiences For Heritage Presentation	32
Renewal of Heritage Presentation	34
Visitor Services	34
Description and Commitments	34
Initiatives and Achievements	34
Quality Service: Measuring the Number and Satisfaction of Visitors	34
Visitor Impacts	36
<i>Part Two: Mandate Support</i>	37
Townsites	37
Description and Commitments	37
Initiatives and Achievements	37
Implementing Principle-Based Community Plans	37
Cost Recovery	38
Through Highways	38
Description and Commitments	38
Initiatives and Achievements	38
Highway Condition	38
Managing Highways in a Sustainable Manner	39
Management of Parks Canada	40
Description and Commitments	40
Initiatives and Achievements	41
Performance Measurement Strategy	41
People Management	41
Description and Commitments	41
Initiatives and Achievements	42
Building A New HR regime	42
Professional Development and Workforce Renewal	42
Measuring Organizational Health and Employment Equity	43
<i>AUDITOR GENERAL'S ASSESSMENT OF PERFORMANCE</i> <i>INFORMATION</i>	44
<i>FINANCIAL STATEMENTS 1999-00</i>	49
Management Responsibility for Financial Statements	51
Auditor's Report	52
Balance Sheet	53
Statement of Operations	54
Statement of Equity	55
Statement of Cash Flows	56
Notes to Financial Statements	57



Parks Canada

Parcs Canada

Chief Executive Officer

Directeur général

September 29, 2000

The Honourable Sheila Copps, P.C., M.P.
Minister of Canadian Heritage
Room 511-S, Centre Block
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister:

Pursuant to Section 34 of the *Parks Canada Agency Act*, I have the pleasure of presenting to you the Annual Report for the Agency's first year of operation, 1999-2000.

This Annual Report provides performance information for the past year of operation, in the context of the Parks Canada performance management framework that forms the basis for annual reporting to Parliament. The Annual Report also includes the 1999-2000 audited financial statements and the Auditor General's opinion thereon. The Report describes all of the major activities of Parks Canada from coast to coast—activities that ensure the ecological and commemorative integrity of Canada's system of national heritage places and strengthen Canadian pride in Canada's natural and cultural heritage.

Yours sincerely,

Tom Lee

Canada

Message from the Chief Executive Officer

This Annual Report covers the activities of the Parks Canada Agency from April 1, 1999, to March 31, 2000.

Parks Canada's top priority continues to be ecological and commemorative integrity. This report highlights our accomplishments over the past year toward establishing new national parks and national historic sites, protecting these special places and presenting them to the public through interpretation, education and outreach programming.

The success of Parks Canada is a result of the dedication and effort of its staff across the country. This is supported by the 1998 Citizens First Survey, which found that national parks had the highest quality of service rating out of 17 federal services studied.

I am proud to state that Parks Canada's staff is its greatest asset and the reason that present and future generations will continue to have one of the best systems of national parks, national historic sites and national marine conservation areas in the world.



Tom Lee



PARKS CANADA AT A GLANCE

Our Mandate

To protect and present nationally significant examples of Canada's natural and cultural heritage, and to foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.

Our Programs

- National Parks
- National Historic Sites
- National Marine Conservation Areas

Parks Canada also directs or coordinates delivery of programs related to

- Grave Sites of Canadian Prime Ministers
- Canadian Heritage Rivers System
- Federal Heritage Buildings
- Heritage Railway Stations
- Federal Archaeology.

International Obligations

Represents the Government of Canada on the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage (the World Heritage Convention)

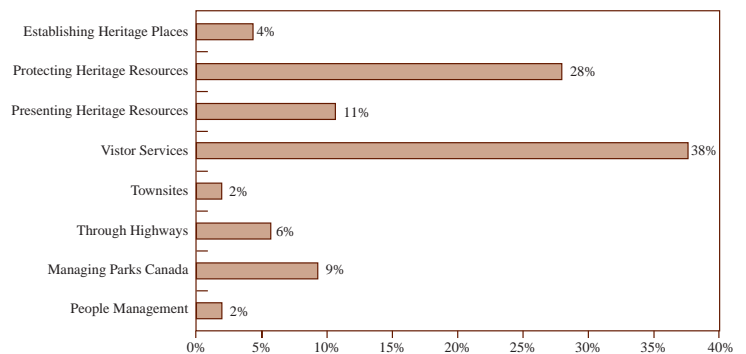
A member state for the World Conservation Union (IUCN)

Serves jointly with the Canadian Conservation Institute as the representative to the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM).

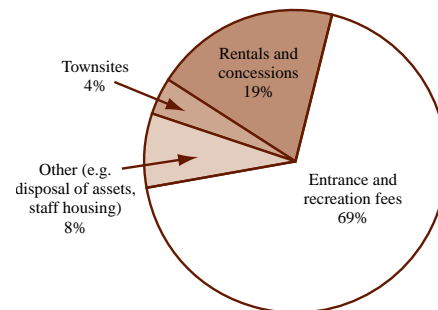
Financial Highlights

Total parliamentary appropriations used
\$388,884,000

Total expenses by service line

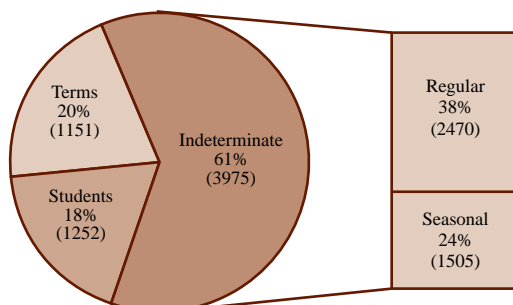


Total Revenue

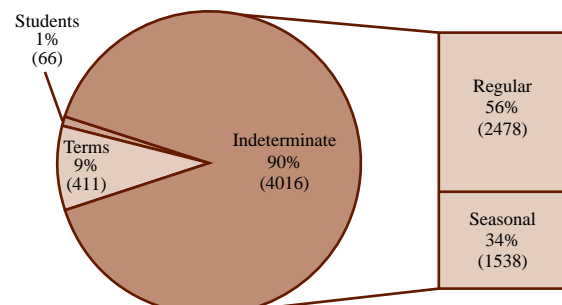


Employee Profile

AUGUST 1999



JANUARY 2000





THE YEAR IN REVIEW

1999-00

Establishment Of National Protected Heritage Areas

In *Creating Opportunities* (1993) and reiterated in *Securing Our Future Together* (1997), the Government made a commitment to extend the systems of national parks, national historic sites and national marine conservation areas. During the year, Parks Canada progressed toward its goal of representing the 39 distinct natural regions of Canada in the national parks system. Sirmilik National Park on northern Baffin Island was created on August 12, 1999 as a result of the signing of an Inuit Impact and Benefits Agreement under the Nunavut Land Claims Agreement. Under the same agreement, Auyuittuq and Quttinirpaaq (Ellesmere Island) Park Reserves were declared full-fledged national parks. In addition, *Bill C-27 the Canadian National Parks Act* was introduced in the House of Commons on March 1, 2000. The Bill will simplify the process of park establishment and move six agreed parks under the protection of the *Act*.

The designation of sites, persons and events of national historic significance also continued with 14 sites, three persons and seven events designated in 1999-00. Of these designations, eight related to one or more of Parks Canada's strategic priorities for enhancing the NHS system: Aboriginal history, ethnocultural communities' history and women's history. The total number of designations related to these strategic priorities is now 289 or 16.5% of the 1754 designated sites, persons or events in Canada.

Panel on Ecological Integrity of Canada's National Parks

An event of particular significance was the release on March 23, 2000 by the Honourable Sheila Copps, Minister of Canadian Heritage, of *the Report of the Panel on the Ecological Integrity of Canada's National Parks*. The Panel of 11 Canadian and international experts in ecological sciences and related fields was established in 1998 following commitments the Government made in *Securing Our Future Together* (1997). The report was a product of over a year of work by the Panel members, and involved meeting more than 280 park employees and over 300 individuals and representatives from interested groups as well as reviewing 60 written briefs. Consistent with previous *State of the Parks Reports*, the Panel concluded that Canada's national parks are under threat from both internal and external stressors on the parks, and that, unless action is taken now, deterioration will continue across the park system.

The report provides a comprehensive examination of the management of national parks, addressing, among other topics, Parks Canada's organizational culture, planning processes, science capacity, relations with Aboriginal peoples and stakeholders, interpretation and outreach programs and management of visitor use of the parks. It includes 127 specific recommendations. The Panel recognized that implementation of its recommendations would require additional funding beyond

Parks Canada's current budget. One of the final chapters of the report is devoted to the need for committed long-term investment and includes estimates for the costs of implementing the key recommendations.

The Minister in releasing the Report stated that *"We will revitalize Canada's national parks. That is our responsibility to future generations, and we will fulfill that responsibility. And I believe that the work that has been done by the Panel gives us the blueprint we need to begin today in returning our parks to the level of ecological integrity that we inherited from our ancestors."* The Minister's *Action Plan in Response to the Report of the Panel on the Ecological Integrity of Canada's National Parks (the Action Plan)*, released simultaneously with the report, highlights four major themes:

- making ecological integrity central in legislation and policy;
- building partnerships;
- planning for ecological integrity; and
- renewal of Parks Canada to better support the ecological integrity mandate.

Parks Canada is implementing the Minister's *Action Plan* by first taking immediate action on elements of the plan which can be achieved in the short term with existing resources. Second, we are pursuing a dialogue with partners on actions which will require the participation of others. For example, the Minister's *Action Plan* contained general directions for future actions in areas such as adjacent land uses, relations with Aboriginal peoples and marketing and tourism associations. Implementing these directions will require the cooperation of a wide range of interested individuals and organizations. The Chief Executive Officer, Parks Canada, will report publicly on Parks Canada's responses to the Panel Report and on the progress made at the Minister's Round Table to be held before the end of this year.

Awareness Building and Outreach Activities

The national parks of Canada and the national historic sites of Canada are dynamic symbols of the nation and the Canadian identity. They are intended for all Canadians – to be appreciated, understood and enjoyed. Public understanding of the importance of Canada's heritage to the nation and the world, and support for its protection are critical to the long-term health of this system of special places. For that reason, the Agency has developed and implemented external communication and education activities that will encourage Canadians to experience and understand the heritage of these places, and to nurture a sense of shared responsibility for these places. In particular, Parks Canada aims to increase the reach of awareness and education programs among ethnocultural communities, residents of urban centers and youth.

In 1999-00 key communication and education activities included a 90-second video on the national system of heritage places managed by Parks Canada shown in Odeon cinemas across Canada, and the *Great Canadian Parks and History Lands* television series reaching over seven million people. Parks Canada operated a Web site which received more than 2,240,000 visits in 1999-00 doubling the visits in 1998-99. Other Parks Canada's awareness building and outreach activities were aimed at promoting sustainable heritage tourism through key stakeholders such as the tourism industry and conservation interest groups. A final third focus for awareness and outreach activities was the education sector which offers an important window to one of the key markets: youth. For example,

as of September 1999, the Ontario Grade nine core geography curriculum contains the natural regions of Canada and the national parks of Canada have served as the central reference. Students and educators explore the network of national parks by means of Geographic Information System data and visual materials that present the natural environment and heritage of Canada's national parks in detail.

Managing Visitor Use

Parks Canada encourages visitor use and enjoyment of national parks and national historic sites, while also respecting their ecological and commemorative integrity. This means attracting park and site visitors to the right place, at the right time, in the right numbers and with the right expectations. One of the key observations of the *Report of the Panel on the Ecological Integrity of Canada's National Parks* was the critical need for more research and monitoring of human use of national parks. Work has begun on documenting the Status of Human Use Management Studies in Parks Canada (December 1999) and on the development of a Strategic Plan for Human Use Management Science in Parks Canada. The strategy will be one component of an overall national park science strategy that is being developed in response to the Panel Report.

Working with Aboriginal Communities

Parks Canada places a high priority on working with Canada's Aboriginal people. The working relationship with Aboriginal groups has been strengthened on activities ranging from public education and awareness to cooperative management. A key initiative in 1999-00 was the establishment of the Parks Canada Aboriginal Affairs Secretariat. The Secretariat was a contribution to the federal government's commitment in volume 3 of the *Report of the Royal Commission on Aboriginal Peoples, Gathering Strength*. It provides Parks Canada with a focal point on Aboriginal issues, advises field unit managers, seeks to improve overall communications and networking, and promotes a proactive approach to issue management.

Since the 1980s, Parks Canada has established a number of cooperative management boards with aboriginal groups. Cooperative management is one of the management models that Parks Canada embraces to ensure that Aboriginal people have an active voice in park and site management. There are 11 such agreements in place now with Aboriginal groups. In 1999-00, cooperation between Parks Canada and the Metis Nation of Saskatchewan paved the way for the approval of the Batoche Management Plan that will help to ensure the protection of our cultural heritage. Similarly, the Archipelago Management Board, at Gwaii Haanas National Park Reserve has recently reached an agreement on the recommended Park Management Plan.

Financial Pressures

During 1999-00, Parks Canada continued to face significant financial pressures in the delivery of its programs. This was recognized in the *Report of the Panel on the Ecological Integrity of Canada's National Parks* which recommended \$328 million in additional funding for Parks Canada in order to implement its recommendations for ensuring the protection of ecological integrity in national parks. Long-term funding is also necessary to complete the national parks system, expand the system of national marine conservation areas and enhance the system of national historic sites. In addition, Parks Canada manages a variety of cultural, heritage presentation and contemporary assets worth more than \$7 billion in replacement value. A national asset review in 1998, updated in 1999,

found that the majority of assets have now passed their expected life cycle and two-thirds are now in fair or poor condition. Based on this review, it is estimated that an additional investment of \$475 million will be required to maintain and improve Parks Canada infrastructure. Parks Canada continues to pursue funding strategies to address all of these pressures.

Implementation of the Parks Canada Agency

Implementation of the Parks Canada Agency has required an extraordinary amount of work involving updating the legislative framework and implementing new financial, information management and technology, asset management and human resource regimes.

In 1999-00, matters related to legislation were a very high priority for Parks Canada. Two Bills were introduced to Parliament: *An Act Respecting Marine Conservation Areas* (Bill C-8) and *An Act Respecting the National Parks of Canada* (Bill C-27). Passage of these *Acts* will give Parks Canada a strong and up-to-date legislative framework to both deliver on the maintenance of ecological integrity of national parks, an Agency priority, and to effectively establish and manage national marine conservation areas.

Significant steps were taken to develop new finance and information technology and management systems, and asset management regimes in order to provide better information to support decision-making across the Agency. Parks Canada also continued work on its new human resource management regime. This included 1) developing a framework for the delegation of the CEO's responsibilities for management of human resources resulting in significantly increased authority for managers at all levels 2) presenting a proposal for realignment of bargaining units to the Public Service Staff Relations Board in order to begin collective bargaining in 2000-01, and 3) collaborative work with the unions to develop frameworks and policies related to Staffing, Dispute Resolution, Occupational Safety and Health, and Employer Regular Benefit Policies. A framework was also developed for classification, and progress has been achieved in the design and testing of a classification standard tailored to reflect the unique needs of Parks Canada's workforce and operating environment. Implementation of the standard will follow the development of a Compensation Strategy in 2000-01 and will be coordinated with collective bargaining cycles.



PARKS CANADA CONTEXT

LEGISLATION

Parks Canada was established as an agency of the federal government in the *Parks Canada Agency Act* in December 1998. Its mandate is to protect and present nationally significant examples of Canada’s natural and cultural heritage, and to foster public understanding, appreciation and enjoyment in ways that ensure the ecological and commemorative integrity of these places for present and future generations.

AGENCY STATUS AND AUTHORITIES

The Parks Canada Agency has been established as a “departmental corporation” under Schedule II of the *Financial Administration Act*. This means that Parks Canada is a separate legal entity, reporting to the Minister of Canadian Heritage, dedicated to delivering the programs set out within the Agency’s legislation and policy authorities. The Minister remains responsible for the overall direction of the Agency and is accountable to Parliament for all Parks Canada activities.

The Parks Canada Agency has been provided with more flexible human resources, administrative and financial authorities. These authorities include:

- a) separate employer status to enable the design of a human resources management framework that is more responsive to Parks Canada’s particular operational requirements and the conditions in which its employees work;
- b) full revenue retention and reinvestment to contribute to the financing of services;
- c) a two-year rolling budget to promote the wise investment of public funds and to allow for funding advances; and
- d) a nonlapsing account to finance the establishment of new national parks, national historic sites and national marine conservation areas.

In addition, Parks Canada has received new capital program, contracting and real property authorities to streamline administrative processes and paperwork, while continuing to be accountable to the Minister and Parliament who oversee the Agency’s operations.

GOVERNANCE

Parks Canada’s Executive Board comprises the Chief Executive Officer, the four Directors General, the Chief Administrative Officer, the Executive Directors in Quebec and the Mountain Parks, the Chief Human Resources Officer, the Senior Financial Officer, the Director of Communications,

and the Senior Legal Counsel. As the senior decision-making body, the fundamental responsibility of the Executive Board is to set the long-term strategic direction and priorities for the organization. The Board also approves resource allocations, new initiatives and service innovations proposed each year in national office, field unit and service centre business plans. The CEO reports to the Minister of Canadian Heritage.

The National Parks and the National Historic Sites Directorates develop program direction and operational policy for Parks Canada's natural and cultural heritage programs respectively. The Strategy and Plans Directorate provides business, information technology, real property and financial services. The Human Resources National Office provides overall direction for the function as well as supporting Parks Canada's responsibilities as the employer. The Communications Directorate provides strategic communication support to the Agency. The Director General Eastern Canada and the Director General Western and Northern Canada give strategic direction to the field units and service centres.

The Aboriginal Affairs Secretariat is responsible for the overall coordination of Aboriginal issues in Parks Canada (with the exception of land claim issues) and reports directly to the CEO.

Program delivery, including onsite services to visitors, is the responsibility of Parks Canada's 32 field units. Field units are groupings of national parks, national historic sites and national marine conservation areas that are usually in proximity to one another. Their proximity allows them to share management and administrative resources. The field unit superintendents are accountable to the CEO through annual business plans and reports. They report to and receive advice and program guidance from the Directors General for Eastern, and Western and Northern Canada.

There are also four service centres, located in Halifax, Québec City, Cornwall/Ottawa and Winnipeg, with smaller branches in Calgary and Vancouver, that support the organization in a variety of professional and technical disciplines such as biology and history. The service centres are accountable to the CEO through their annual business plans. They also report to and receive advice and program guidance from the Directors General for Eastern, and Western and Northern Canada.

NATIONAL PROGRAMS

For more than a century, the Government of Canada has been involved in protecting outstanding natural areas and in commemorating significant aspects of Canadian history. Parks Canada manages three major programs: national parks, national historic sites and national marine conservation areas.

System of National Parks

The program aims to protect for all time representative examples of natural areas of Canadian significance in a system of national parks, and to encourage public understanding, appreciation, and enjoyment of this natural heritage so as to leave it unimpaired for future generations.

System of National Historic Sites

The national historic sites program fosters knowledge and appreciation of Canada's past through a national program of historical commemoration. Sites, persons and events determined to be of national historic significance are designated by the Minister of Canadian Heritage on the advice of the Historic Sites and Monuments Board of Canada.

System of National Marine Conservation Areas

In 1986, the national marine conservation areas program was established to protect and conserve for all time national marine areas of Canadian significance that are representative of the country's ocean environments and the Great Lakes, and to encourage public understanding, appreciation and enjoyment of this marine heritage so as to leave it unimpaired for future generations.

Other National Programs

Parks Canada also directs or coordinates delivery in additional programs that conserve aspects of Canada's heritage. These programs are the: Federal Heritage Buildings Program, Heritage Railway Stations Program, Canadian Heritage Rivers System Program, Federal Archaeology Program, National Program for Grave Sites of Canadian Prime Ministers.

INTERNATIONAL OBLIGATIONS

Parks Canada contributes to international heritage conservation through its leadership and participation in international conventions, programs, agencies and agreements.

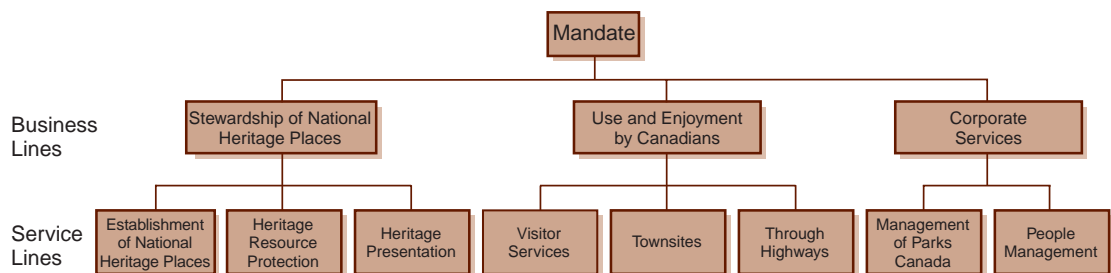
Parks Canada represents the Government of Canada on the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage (the World Heritage Convention). Parks Canada is also Canada's member in the World Conservation Union (IUCN), and serves jointly with the Canadian Conservation Institute as the representative to the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM).



PERFORMANCE AGAINST PLAN

How We Plan and Report

Figure 1
Parks Canada's Business and Service Lines

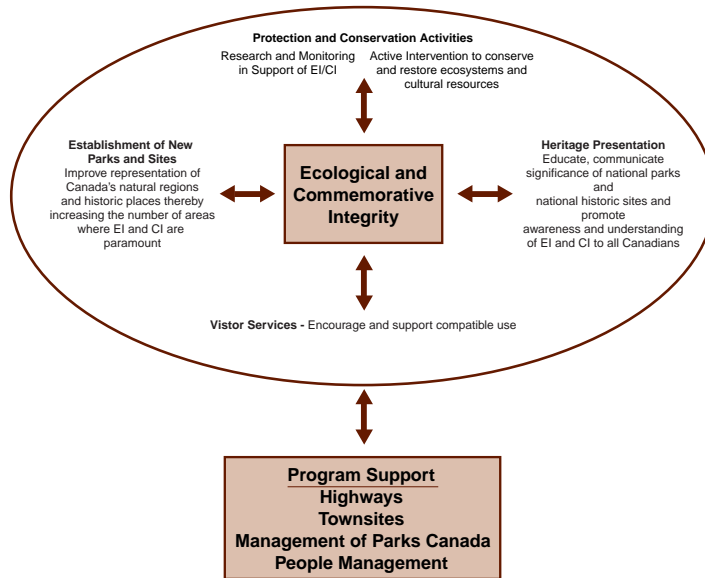


Parks Canada's business lines and service lines are the basis of its Planning, Reporting and Accountability Structure (PRAS). At the highest level, three business lines represent groups of key activities and results to be achieved. Flowing from the business lines are eight service lines that provide a more detailed breakdown of activities and results. The service lines are the building blocks for planning and reporting both corporately and for individual business units within Parks Canada.

For purposes of reporting the eight service lines have been grouped into 1) core mandate activities (i.e., establishment, protection, heritage presentation and service to visitors), and 2) mandate support activities that are not part of the core mandate but for which there is significant public interest (i.e., townsites and highways) or which support the work of other service lines (i.e., Parks Canada management and people management). The relationship among the service lines is shown in Figure 2. All the service lines directly or indirectly support the achievement of Parks Canada's key accountabilities: ecological and commemorative integrity.

In the next section, each service line is described followed by the desired outcome, the priorities for the planning period and the performance expectations contained in the 1999-00 Corporate Plan. The section on achievement and results reports on the Agency performance relative to the outcomes and expectations that were set in the 1999-00 Corporate Plan.

Figure 2: Mandate and Support Activities and Key Accountabilities



PART ONE: CORE MANDATE

Establishment of National Heritage Places

Description and Commitments

This service line covers system planning, which includes identifying themes for national heritage places and how these themes could be represented, negotiating with stakeholders for their inclusion in the national systems, preparing the necessary documentation for ministerial approval of inclusion in the systems, and all work necessary to bring the new heritage places into operation.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> For national parks and national marine conservation areas: representation of Canada's terrestrial and marine regions respectively. For national historic sites: the balanced commemoration of Canadian history. 	<ul style="list-style-type: none"> To work toward completing the system of national parks and enhancing the national marine conservation areas system by focusing on representing 11 terrestrial regions and four marine regions. To enhance the system of national historic sites by commemorating sites, persons and events related to the 10 thematic priorities identified in <i>The National Historic Sites of Canada System Plan</i>, giving particular importance to Aboriginal, ethnocultural and women's history. 	<ul style="list-style-type: none"> Two signed agreements for national parks in 1999-00 and three more by 2003-04; Agreements for three national marine conservation areas in 2003-04; and Number of cost-sharing agreements entered into on an annual basis with focus on the commemoration of Aboriginal, ethnocultural and women's history.

Initiatives and Achievements

Progress Toward Establishment of New National Parks and National Park Reserves

Parks Canada continues to focus on the completion of the national parks system. *The National Parks System Plan*, which divides Canada into 39 distinct natural regions based on geology, physiography and vegetation, guides efforts to establish new national parks. Sirmilik National Park on northern Baffin Island, was created on August 12, 1999 as a result of the signing of an Inuit Impact and Benefits Agreement under the Nunavut Land Claims Agreement. Under the same agreement, Auyuittuq and Quttinirpaaq (Ellesmere Island) Park Reserves were declared full-fledged national parks. This brought to 25 the number of natural regions now represented by the 39 national parks and national park reserves. A second agreement pursuant to the Inuit Impact and Benefit Agreement was expected to be signed in 1999-00 for Ukkusiksalik National Park (Wager Bay, Nunavut). Concluding the agreement took longer than expected due to the complexity of the issues being negotiated. It is expected that the agreement will be signed in 2000-01. In total, the 39 national parks and reserves cover 244,540 square kilometers representing approximately 2.6% of Canada's total land mass. The complete system of natural regions and national parks is shown in Figure 3.

New park establishment focuses on the remaining 14 natural regions. Lands are reserved for national parks in three of these unrepresented regions (i.e., the East Arm of Great Slave Lake, N.W.T., Wager Bay, Nunavut and Bathurst Island, Nunavut). Progress toward establishing parks in the remaining natural regions varies. Many issues and land use conflicts make the pace of advancement hard to anticipate and difficult for Parks Canada to control. It often takes years to move through all the steps of establishing a national park. The length of time required and the complexity of the negotiation processes create risks that some representative examples of natural regions will disappear before they can be protected and that costs for completing the system will continue to escalate.

National Parks are usually established according to a five-step sequence. Steps one and two, identifying representative areas and selection of a park proposal, rely primarily on science. Step three, feasibility assessment, which includes extensive public consultation, is typically the most complex and controversial. Step four, negotiating a park agreement, can also be time consuming since it may involve comprehensive land claims by Aboriginal people, and complications in clearing land titles and lengthy negotiations to purchase properties. The fifth and final step is to protect the park or reserve under the *National Parks Act*.

Figure 4 summarizes the state of progress in the 14 unrepresented regions. More detail on each area is found in the 1999 *State of Protected Heritage Areas Report*.

Of the 14 unrepresented regions, active feasibility studies or park establishment negotiations are advancing in five regions (2, 14, 16, 24, 38) pre-feasibility studies in two regions (7 and 21) and, area identification and park selection is taking place in three other regions (3, 20, 28). Progress in four regions is stalled (17, 22, 23, 25).

There are eight parks or park reserves which are not yet protected under the *National Parks Act* (Step 5). The proposed new *National Parks Act*, introduced in Parliament in March 2000, would bring six of these under the protection of the legislation. These are Sirmilik NP in Nunavut, Aulavik NP in the N.W.T., Gros Morne NP in Newfoundland, Wapusk NP in Manitoba, Grasslands NP in Saskatchewan and Pacific Rim NP Reserve in B.C.. Pukaskwa and Bruce Peninsula National Parks in Ontario will not be brought under the *Act* at this time.

Figure 3: Natural Regions and National Parks

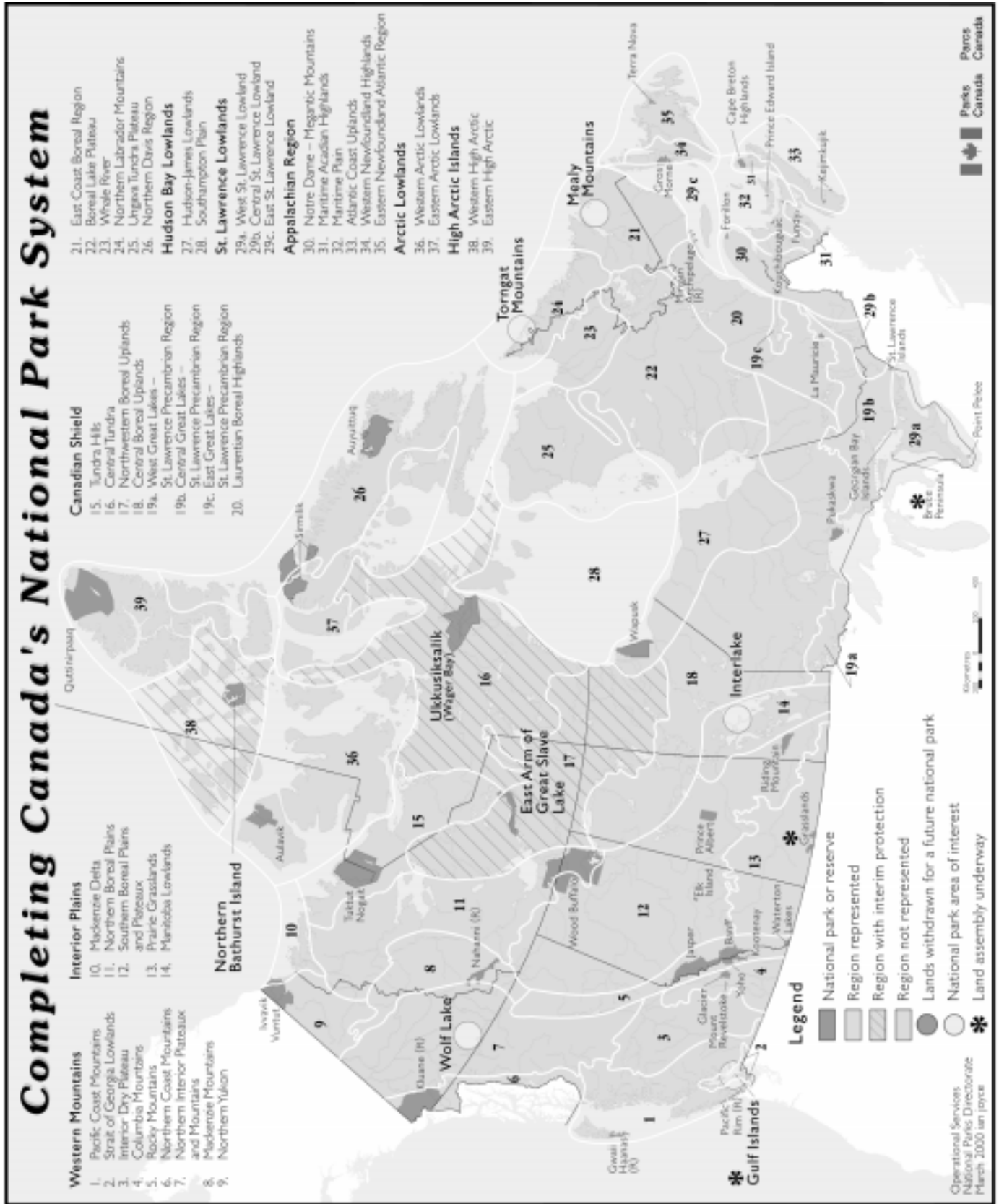
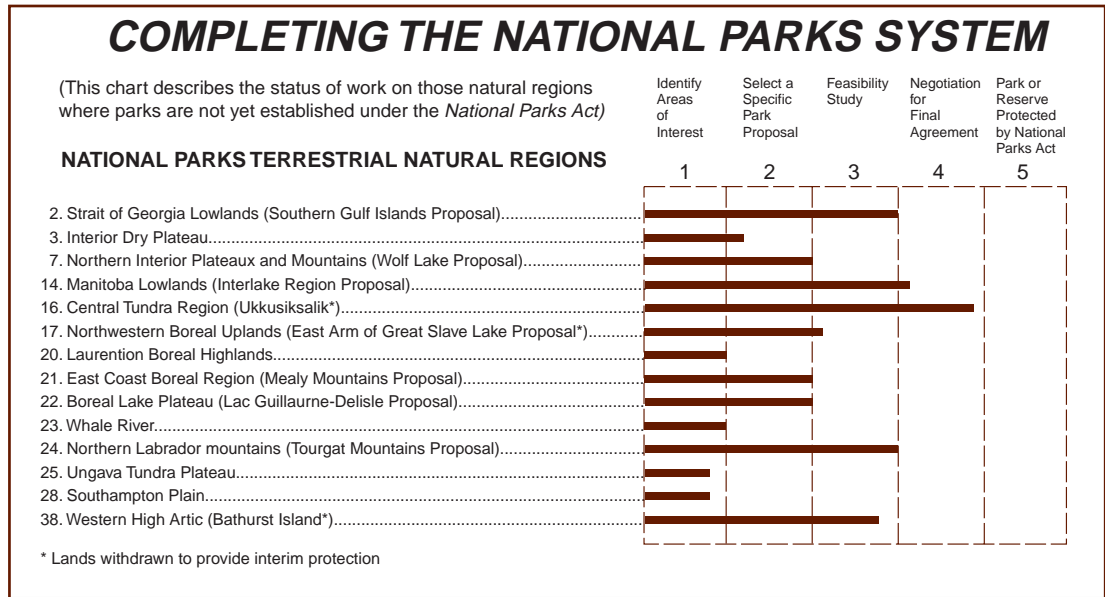


Figure 4: Progress on National Parks Establishment in 14 Unrepresented Regions



Progress Toward Establishment of National Marine Conservation Areas

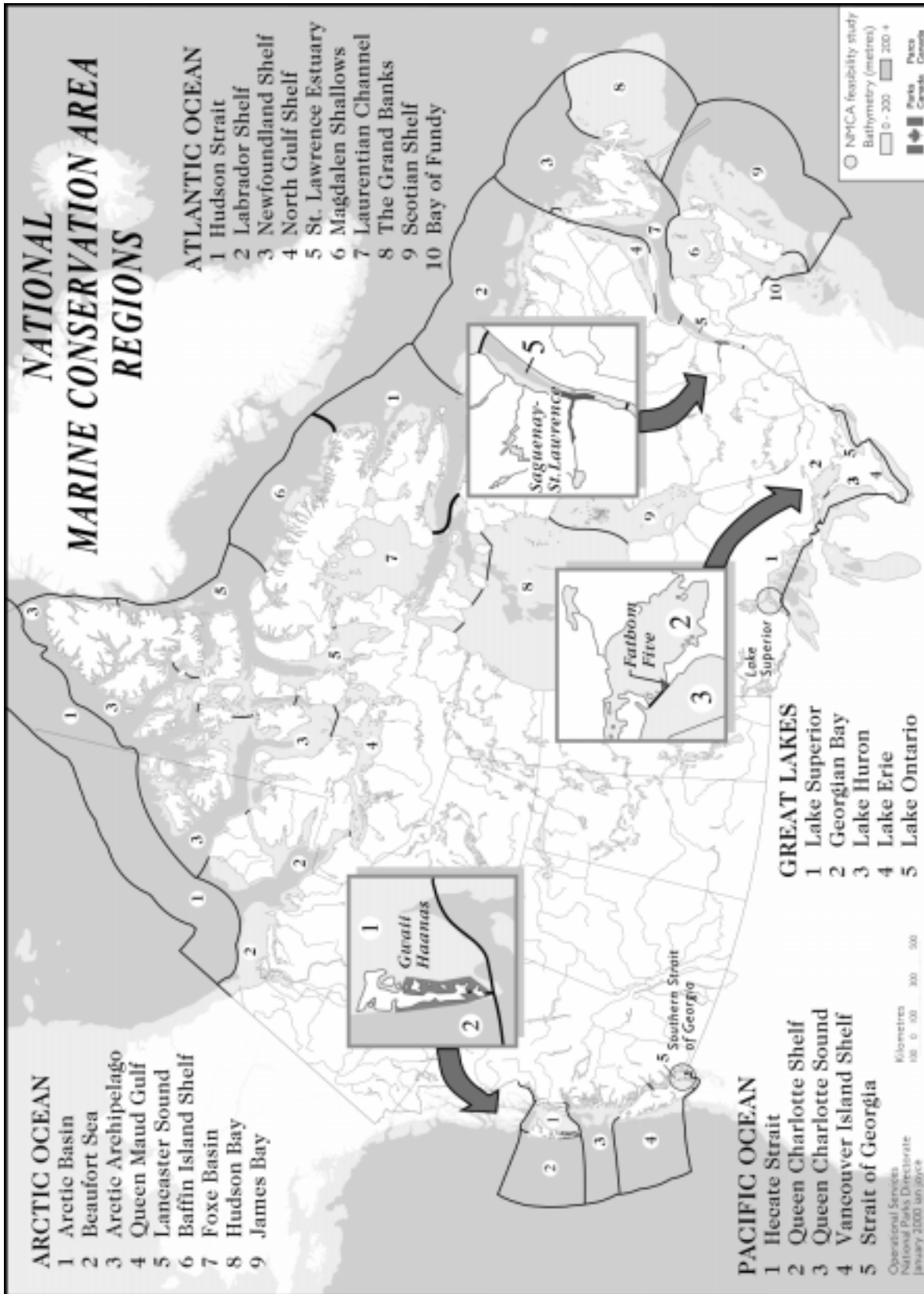
The National Marine Conservation Areas (NMCA) policy was first approved in 1986 as a basis to protect and conserve a network of areas representative of Canada’s marine environments. A system plan, similar to the one for national parks, guides the establishment of new areas. Entitled *Sea to Sea to Sea* (1995), the plan divides Canada’s oceanic waters and Great Lakes into 29 natural marine regions.

The NMCA program is still young. The marine regions and the existing areas are shown in Figure 5. There are two operating NMCA, Saguenay-St. Lawrence in Quebec, and another at Fathom Five in Ontario representing one marine region each. A Federal Provincial Agreement reached in 1988 created a NMCA adjacent to Gwaii Haanas National Park (British Columbia) representing two marine regions. Work is underway to implement the agreement including negotiation of an agreement with the Haida Nation. A fifth marine region is partially represented by the marine component of Pacific Rim National Park Reserve.

As is the case in completing the national parks system, the pace of progress in establishing new NMCAs is often beyond the direct control of Parks Canada. Complex regional resource use issues and long-established resource users are important factors that must be considered. In addition, Parks Canada is hampered by the lack of a legislative base for the program, and a lack of scientific expertise and financial resources to devote to the establishment and protection of marine conservation areas. Currently, work is focused on three marine regions. Potential candidate areas to represent the Queen Charlotte Sound, Pacific Region 3 (British Columbia) have been identified. A feasibility study for the establishment of an NMCA on Lake Superior (Ontario) is nearly completed. Another study at the Southern Strait of Georgia (British Columbia) is in an early stage. It should be noted that work on establishment of an area in Bonavista-Notre Dame Bays (Newfoundland) was discontinued at the feasibility study stage in March 1999 due to perceived conflicts with other resource uses for the area.

Advancement of the NMCA program will be facilitated by passage of the *Marine Conservation Areas Act*. The legislation, introduced to Parliament in 1998-99, sets the framework for the establishment and management of a system of marine conservation areas and for their collaborative protection.

Figure 5: Natural Marine Regions and Marine Conservation Area



Designation of New National Historic Sites, Persons or Events of National Historic Significance

One of the federal government’s objectives is to ensure that the system of national historic sites of Canada reflects the country’s evolving history and heritage. Parks Canada is working with others to create a more representative system – one that reflects a balanced view of the rich history and heritage that defines Canada.

Sites, persons and events determined to be of national historic significance are designated by the Minister of Canadian Heritage on the advice of the Historic Sites and Monuments Board of Canada (HSMBC). Public involvement in the identification and commemoration of Canada’s history is an essential component of this program, as individual Canadians and groups bring forward most nominations presented to the HSMBC. Over 90% of the work of the HSMBC is in response to public queries. Figure 6 shows the number of each type of designation and the new designations made by the Minister in 1999-00. In the past few years, the Board has taken initiatives in areas of history which have become important in Canadian historiography and society - the histories of Aboriginal Peoples, women and ethnocultural communities.

Figure 6: Number of Designations of Sites, Events and People

National Historic Significance	Designations Prior to 1999-00	Designations during 1999-00	Total Designations
Sites	849	14	863
Persons	557	3	560
Events	324	7	331
			1754

Parks Canada provides secretariat support to the HSMBC in the selection of subjects deemed appropriate for consideration, and implements the decisions of the Minister with respect to designated places, persons and events of national historic significance. Parks Canada does not determine which sites, people, or events are nominated for designation and only rarely directly nominates sites, persons or events for designation. In building on the foundation of existing designations, Parks Canada has developed the National Historic Sites of Canada System Plan. This plan sets out a thematic framework, reports on progress to date and notes less-well represented aspects of Canada’s history. Most importantly, it sets out three strategic priorities for commemoration: the history of Aboriginal people, ethnocultural communities and women’s history (Figure 7). Increased representation of these aspects of history within the system of national historic sites of Canada is what Parks Canada means by creating a more balanced commemoration of Canadian history.

Figure 7: Parks Canada’s Strategic Priorities for Designation

Aboriginal History:	Encompasses the full record of presence and activity of First Nations, Inuit and Métis peoples in Canada;
Ethnocultural communities	Represent the broad diversity of the history of ethnocultural communities;
Women’s History:	Recognizes the important role of women in Canadian society.

Between 1990 and 1999 there were 323 designations of national historic sites, persons and events of which 88 of the designations (27%) related to one or more of the strategic priorities. As of March 2000, there were 289 designations related to one or more of Parks Canada’s strategic priorities representing 16.5% of the 1754 designated sites, persons or events in Canada. The designations of national historic sites, persons and events in 1999-00 related to the three strategic priorities are shown in Figure 8.

Figure 8: 1999-00 Designations Related to Parks Canada’s Three Strategic Priorities

Ethnocultural Communities’ History	
	Establishment of New Iceland - Distinct experiment in democratic governance associated with settlement of Canadian West, Icelandic-Canadian cultural legacy.
	R. Nathaniel Dett British Methodist Episcopal Church - Illustrates the early black settlement of the Niagara area, role of the church in assisting newly arrived underground railway refugees.
	Sandwich First Baptist Church - Represents the once numerous border churches built to accommodate the growing black communities created by underground railway refugees.
	St. Catharines British Methodist Episcopal Church / Salem Chapel - Typical of the auditory-hall design of the underground railway related churches.
	St. George Antiochian Orthodox Church - Symbolizes the cultural traditions of the Syrian Orthodox community in Canada.
Aboriginal History	
	Beaulieu II, François (1771-1872) - Founding Father of Northwest Territories Métis, Pre-eminent Métis leader.
Aboriginal and Women’s History	
	Thanadelthur (-1717) - Played an important role in the English fur trade on western Hudson Bay in early 18th century.

Figure 9 Summarizes the roles and responsibilities of the Minister, the HSMBC and Parks Canada with respect to designation and marking.

Figure 9: Roles and Responsibilities for Designation and Marking

Minister	<ul style="list-style-type: none"> • Designates • Commemorates with plaques, agreements, acquisition, site development, establishment of museums
HSMBC	<ul style="list-style-type: none"> • Provides recommendations to Minister on which sites, persons, or events to designate as being of national historic significance and on forms of commemoration
Parks Canada	<ul style="list-style-type: none"> • Provides Secretariat support to HSMBC in the conduct of its business • Provides historical research support to the HSMBC • Develops the National Historic Sites of Canada System Plan which identifies Parks Canada’s strategic priorities for designation. • Provides advice, funds, and assistance to build capacity of women’s groups and Aboriginal and ethnocultural communities to bring their nominations to the HSMBC • Implements Minister’s decisions with respect to commemoration of sites, persons and events of national historic significance

The system of national historic sites of Canada consists of 849 commemorated places across the country of which 145, or fewer than one in six, are administered directly by Parks Canada. Many of the Parks Canada sites were acquired through the transfer from another federal department to Parks Canada when the asset had been declared surplus. A small number of sites have been acquired specifically to address thematic gaps as identified in previous system plans. The sites not administered by Parks Canada in the system are owned by other government departments, levels of government, corporations, heritage agencies or individual citizens. The system of Parks Canada administered national historic sites is shown in Figure 10.

Parks Canada continues its relationship with national historic sites beyond the plaquing and ceremony phase. Since the mid 1990's Parks Canada has promoted the concept of commemorative integrity of a site. Commemorative integrity is defined as the health and wholeness of a national historic site. It is achieved when resources that symbolize or represent the site's importance are not impaired or under threat, reasons for the site's national significance are effectively communicated to the public, and the site's heritage values are respected in all decisions and actions affecting the site.

Parks Canada works directly to ensure the commemorative integrity of the sites it administers. The results of these efforts are reported under the protection and presentation service lines. Parks Canada also seeks to influence the commemorative integrity of other sites through publications and training, through responding to specific requests to help define and measure commemorative integrity of specific sites and through the National Historic Sites of Canada Cost-Sharing Program.

The Cost-Sharing Program, established in 1987, is an important instrument for Parks Canada to help owners and operators of non-federally administered national historic sites ensure the commemorative integrity of their sites. The program contributes funds to undertake projects related to the planning, acquisition, conservation and presentation to Canadians of these places of national historic significance. Parks Canada uses the context of the specific conservation and/or presentation project to increase site owners and managers' awareness and understanding of commemorative integrity and have them integrate the concept into their future decision making about the site.

Since 1988, Parks Canada has entered into 53 cost-sharing agreements and made a total investment of \$26.1 million. Fifteen agreements were active in 1999-00. At the beginning of the 1999-00 fiscal year there was a waiting list of 67 sites with written notification from the Minister indicating an intent to negotiate a cost-sharing agreement. During 1999-00 Parks Canada entered into eight new contribution agreements. At the same time, six more sites were approved for cost-sharing agreements and added to the waiting list. The net result was to reduce the waiting list by two to a total of 65. It is estimated that the waiting list represents an approximate commitment of \$30 million, far beyond the capacity of the current program, with an annual contribution budget of \$2 million.

A 1997 independent review of the cost-sharing program examined the program's continued relevance, results achieved and the efficiency of program operations. The review concluded that the program had been successful in contributing to the planning, acquisition, conservation or presentation of a number of national historic sites in Canada. Partly in response to the review, Parks Canada is proposing changes to the program's terms and conditions for receiving funds in order to encourage applicants from a broader array of potential partners, and to streamline the application process. The revised program will also include a results-based accountability framework with performance indicators, plans for regular audits of the contribution agreements, and evaluations of the program's impacts. The revised terms and conditions are expected to be approved in 2000-01.

Figure 10



The 145 National Historic Sites administered by Parks Canada

NEWFOUNDLAND

1. CAPE SPEAR
2. SIGNAL HILL
3. HAWTHORNE COTTAGE
4. CASTLE HILL
5. RYAN PREMISES
6. LANSE AUX MEADOWS
7. PORT AU CHOIX
8. HOPEDALE MISSION
9. RED BAY

NOVA SCOTIA

10. FORTRESS OF LOUISBOURG
11. MARCONI
12. GRASSY ISLAND
13. ST. PETERS CANAL
14. ALEXANDER GRAHAM BELL
15. FORT MCNAM
16. GEORGES ISLAND
17. HALIFAX CITADEL
18. PRINCE OF WALES TOWER
19. YORK REDOUBT
20. FORT EDWARD
21. GRAND-PRE
22. KEJINKUJK
23. FORT ANNE
24. SCOTS FORT / THE SCOTCH FORT
25. PORT-ROYAL

- PRINCE EDWARD ISLAND
26. PORT-LA-JOYE - FORT AMHERST
 27. ARDGOWAN
 28. PROVINCE HOUSE
 29. DALVAY-BY-THE-SEA HOTEL

NEW BRUNSWICK

30. FORT GASPAREAUX
31. FORT BEAUSIEUR
32. LA COUPE DRY DOCK
33. MONUMENT LEFEBVRE
34. BEAUBEARIS ISLAND
35. CARLETON MARTELLO TOWER
36. ST. ANDREWS BLOCKHOUSE

QUEBEC

37. GRANDE-GRAVE
38. BATTLE OF THE RESTIGOUCHE
39. POINTE-AU-PERE LIGHTHOUSE
40. GROSSE ÎLE AND THE IRISH MEMORIAL
41. FORT NO. 1 AT POINTE DE LEVY
42. ARTILLERY PARK
43. CARTIER-BREBEUF
44. FORTIFICATIONS OF QUÉBEC
45. MAILLOU HOUSE
46. QUEBEC GARRISON CLUB
47. MONTMORENCY PARK
48. LOUIS S. ST. LAURENT

QUEBEC continued

49. FORGES DU SAINT-MAURICE
50. SAINT-OURS CANAL
51. CHAMBLY CANAL
52. FORT CHAMBLY
53. FORT LENNOX
54. THE FUR TRADE AT LACHINE
55. LACHINE CANAL
56. LOUIS-JOSEPH PAPINEAU
57. SIR GEORGE ÉTIENNE CARTIER
58. BATTLE OF THE CHÂTEAUGUAY
59. SAINTE-ANNE-DE-BELLEVUE CANAL
60. SIR WILFRID LAURIER
61. COTEAU-DU-LAC
62. CARILLON BARRACKS
63. CARILLON CANAL
64. MANOIR PAPINEAU
65. FORT TEMISCAMINGUE

ONTARIO

66. GLENGARRY CAIRN
67. SIR JOHN JOHNSON HOUSE
68. INVERARDEN HOUSE
69. BATTLE OF THE WINDMILL
70. FORT WELLINGTON
71. LAURIER HOUSE
72. RIDEAU CANAL
73. MERRICKVILLE BLOCKHOUSE
74. BELLEVUE HOUSE
75. MURNEY TOWER
76. SHOAL TOWER
77. CATHCART TOWER
78. FORT HENRY
79. TRENT-SEVERN WATERWAY
80. MNIJIKANING FISH WEIRS
81. CANAL LAKE CONCRETE ARCH BRIDGE
82. PETERBOROUGH LIFT LOCK
83. NAVY ISLAND
84. QUEENSTON HEIGHTS
85. BUTLER'S BARRACKS
86. FORT GEORGE
87. FORT MISSISSAUGA
88. POINT MISSISSAUGA LIGHTHOUSE
89. BETHUNE MEMORIAL HOUSE
90. SAINT-LOUIS MISSION
91. WOODSIDE
92. SOUTHWOLD EARTHWORKS
93. POINT CLARK LIGHTHOUSE
94. FORT WALDEN
95. BOIS BLANC ISLAND LIGHTHOUSE
96. FORT ST. JOSEPH
97. SAULT STE. MARIE CANAL

MANITOBA

98. YORK FACTORY
99. PRINCE OF WALES FORT
100. LOWER FORT GARRY

MANITOBA continued

101. ST. ANDREW'S RECTORY
102. THE FORKS
103. RIEL HOUSE
104. RIDING MOUNTAIN PARK EAST GATE REGISTRATION COMPLEX
105. LINEAR MOUNDS

SASKATCHEWAN

106. FORT ESPERANCE
107. FORT PELLY
108. FORT LIVINGSTONE
109. MOTHERWELL HOMESTEAD
110. BATOCHÉ
111. BATTLE OF FISH CREEK
112. FORT BATTLEFORD
113. FRENCHMAN BUTTE
114. FORT WALSH

ALBERTA

115. FROG LAKE MASSACRE
116. FIRST OIL WELL IN WESTERN CANADA
117. BAR U RANCH
118. ROCKY MOUNTAIN HOUSE
119. SKOKI SKI LODGE
120. CAVE AND BASIN
121. HOWSE PASS
122. BANFF PARK MUSEUM
123. ABBOTT PASS REFUGE CABIN
124. SULPHUR MOUNTAIN COSMIC RAY STATION
125. JASPER PARK INFORMATION CENTRE
126. ATHABASCA PASS
127. YELLOWHEAD PASS
128. JASPER HOUSE
129. HENRY HOUSE

BRITISH COLUMBIA

130. KICKING HORSE PASS
131. TWIN FALLS TEA HOUSE
132. ROGERS PASS
133. FORT LANGLEY
134. STANLEY PARK
135. GULF OF GEORGIA CANNERY
136. FISGARD LIGHTHOUSE
137. FORT RODD HILL
138. FORT ST. JAMES
139. KITWANGA FORT
140. NAN SOONS' NINSTITINS
141. CHILKOOT TRAIL

YUKON TERRITORY

142. S.S. KLONDIKE
143. DREDGE NO. 4
144. DAWSON HISTORIC COMPLEX
145. S.S. KENO

March 2000

Heritage Resource Protection

Description and Commitments

This service line relates to maintaining ecological integrity and the protection component of commemorative integrity in heritage places managed or influenced by the Parks Canada Agency.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> For ecosystems: the structure and function of ecosystems are not damaged by human activities, and the ecosystems' biodiversity and supporting processes are likely to persist. For cultural resources: resources are not damaged or under threat, and heritage values are respected in decisions and actions affecting sites. 	<ul style="list-style-type: none"> To complete ecological or commemorative integrity statements for each of Parks Canada's heritage places and to continue updating management plans. To carry out situation analyses and establish monitoring programs for cultural and natural heritage resources. To improve the condition of heritage resources. To support the panel of independent and government park professionals that will review measures to maintain the ecological integrity of national parks. 	<p>Ecological Integrity</p> <ul style="list-style-type: none"> a) ecosystems <ul style="list-style-type: none"> i) biodiversity - annual basis ii) national parks will remain representative of their terrestrial regions; iii) national parks will continue to contain the majority of their original species; b) ecosystem functions - by 2003-04 <ul style="list-style-type: none"> i) supporting natural processes will not be significantly impeded or restoration will be initiated; ii) viable populations of native species and communities and ecological evolutionary processes will continue to be maintained; c) ecosystem stressors - by 2003-04 <ul style="list-style-type: none"> i) human activities that harm the environment and compromise the parks' ecological integrity will be minimized; ii) the growing rate of the ecosystem stressors will be controlled or decreased, where possible. <p>Commemorative integrity</p> <ul style="list-style-type: none"> a) condition of cultural resources; <ul style="list-style-type: none"> i) serious deficiencies identified in the 1997 <i>State of the Parks Report</i> will be addressed by 2000-01; ii) condition ratings in national historic sites will show improvement by 2003-04; iii) disturbances of sensitive resources will be minimized by 2003-04. b) management practices <ul style="list-style-type: none"> i) inventories will be up-to-date and monitoring programs in place by 2003-04.

Initiatives and Achievements

Ecological Integrity

The maintenance and restoration of ecological integrity is the first priority for national parks.

Ecological integrity is a condition of an ecosystem where a) the structure and function of the ecosystem are unimpaired by stresses induced by human activity, and b) the ecosystem's biological diversity is likely to persist. Ecological integrity statements (EISs), and national park management plans are the basic elements required to plan, monitor and manage ecological integrity at national parks.

In order to understand, manage and report on ecological integrity at a local level, each national park is required to describe the current state of the ecosystem in the park. This provides a benchmark for judging all future changes. The document that results from this process is called an ecological integrity statement. There were seven national parks with completed EISs prior to 1999-00. Twenty-two national parks have draft EISs so that in total 29 of the 39 national parks (74%) have a completed or draft EIS. Six EISs are in preparation for the 2000-01 fiscal year.

Ecological integrity statements form the foundation of management plans for a national park. All national parks are required, by law, to have a management plan which sets out actions for maintaining and restoring the ecological integrity of a park. Thirty-one of the national parks and national parks reserves have approved management plans. In accordance with legislation, one management plan was tabled in Parliament in 1999-00 (i.e., the Banff 1998 amendment). National Parks without management plans are either in the early stages of planning or being guided by interim management guidelines. Parks Canada's guide to management planning is being revised to set out requirements for planning and in particular to re-emphasize the importance of ecological integrity as the basis of the planning process.

The State of Ecological Integrity in National Parks

Parks Canada is committed to reducing ecosystem stressors and maintaining and restoring biodiversity and ecosystem natural functions. In 1997 Parks Canada introduced a framework for reporting on these interrelated aspects of ecosystems (Figure 11).

Ecosystems are complex and it is difficult to report on a national basis on all elements of the framework at one time. The 1997 *State of the Parks Report*, for example, reported on different indicators of biodiversity and ecosystem functions than the 1999 *State of Protected Heritage Areas Report*. This approach respects the variety and complexity of ecosystems which require time to show changes in particular indicators. However, it also reflects the pioneering nature of the work that Parks Canada has undertaken over the last several years, the fact that there is no generally accepted Canadian standard for reporting on all elements of the framework and the need for major scientific effort to acquire relevant data. Parks Canada continues to refine its strategy and effective and efficient measures that can be used to report over time. We are also working to develop a science strategy and related funding requirements to increase our scientific capacity to measure and monitor eco-systems in line with the *Report of the Panel on the Ecological Integrity of Canada's National Parks*.

Biodiversity and Ecosystem Functions

The following summarizes baseline information related to species richness, and productivity of the landscape indicators related to biodiversity and ecosystem functions. A more detailed presentation of this information can be found in the 1999 *State of Protected Heritage Areas Report*.

Figure 11: Ecological Integrity Reporting Framework

BIODIVERSITY	ECOSYSTEM FUNCTIONS	STRESSORS
Species Richness	Succession/Retrogression	Human Land Use Patterns
change in species richness	disturbance frequency and size (fir, insects, flooding)	land use maps, road densities, human population densities
number and extent of exotics	vegetation age class distributions	
Population Dynamics	Productivity	Habitat Fragmentation
mortality/natality rates of indicator species	landscape or by site	patch size, inter-patch distance, distance from interior
immigration/emigration of indicator species		
population viability of indicator species		
Trophic structure	Decomposition	Pollutants
size class distribution of all taxa	by site	sewage, petrochemical, etc.
predation levels		long range transportation of toxins
	Nutrient retention	Climate
	Ca, N by site	weather data
		frequency of extreme events
		Other
		park specific issues

Species richness, or the number and viability of various plant and animal species in national parks, is one indicator of biodiversity. Parks Canada animal species lists were derived from information collected locally by each Field Unit, and data from sources such as the Association of Biodiversity Information (i.e., a network of Conservation Data Centers within each provincial government). The University of Montréal collected, reconciled, and organized data from a variety of sources, including field units to produce the national parks vascular flora list. Parks Canada also conducts national studies for updating these species lists (e.g., bird species lists updated in 1998-99).

There is evidence to suggest that national parks continue to be inhabited by a majority of Canada’s native land and fresh water plant (approximately 70%) and animal (approximately 80%) species, including large numbers of species designated as threatened or endangered by the Committee on the Status of Endangered Wildlife in Canada (1999). This is largely the result of the national parks’ distribution across Canada’s natural regions and the selection of species-rich areas for the establishment of national parks. The data collected in 1999-00 will be used as the baseline for reporting future results. Updating of this data will be through the biennial *State of Protected Heritage Areas Report*.

One indicator of ecosystem function is the rate of growth of vegetation. The amount of new growth of vegetation created over a season is called the primary productivity index or total vegetation index.

This rate has been studied using satellite imagery produced by the Canada Centre for Remote Sensing and was used for the first time in the *1999 State of Protected Heritage Areas Report*. The index provides a gross measure for tracking the functioning of the ecosystem over time and for comparing the state of the ecosystem functioning within a park to the surrounding ecosystem so it can serve as a leading indicator of changes in ecosystem functioning.

In summary, baseline information on the rate of vegetation growth has been gathered which will begin to permit tracking of overall changes in gross ecosystem functioning over time. Species richness data has also been collected which shows that national parks also continue to contain large portions of their original species including many endangered species at risk in Canada. However, the ability of the ecosystem to support these species is being compromised by the invasion of exotic species now found in national parks in substantial numbers (i.e., some evidence suggests that approximately 50% of exotic plants, and 80% of exotic animal species in Canada are found in national parks).

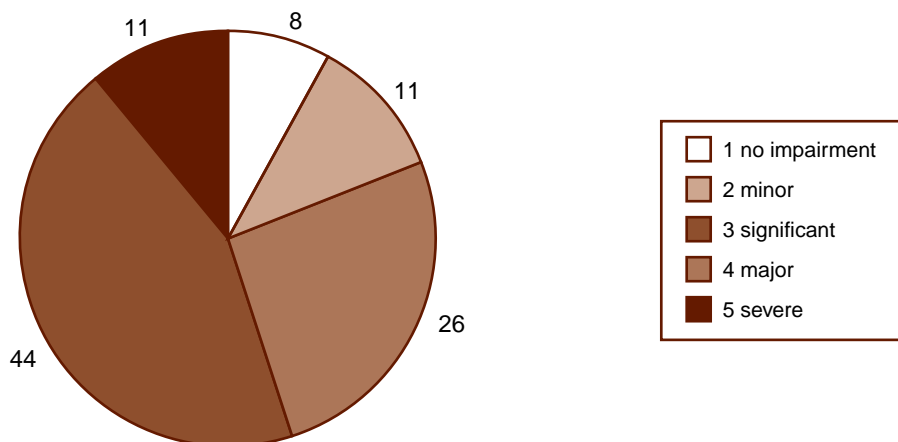
Stressors

Parks Canada expects to identify and control or decrease, where possible, both external stressors (e.g., pollution, climate change, introduction of exotic species), and internal stressors (e.g., park infrastructure and visitor use) that affect the ecosystems within park boundaries.

The evaluation of these aspects of ecological integrity at a specific national park is done by a team of park staff, assisted by an outside expert, who complete a detailed questionnaire. The results are reviewed at Parks Canada’s national office. In a small number of cases local teams are required to do additional work to justify their ratings. Variations of the questionnaire have been used to gather data for the 1994 and 1997 *State of the Parks Reports* and the 1999 *State of Protected Heritage Areas Report*.

In 1997, each local team provided a summary judgement of the overall state of impairment of the park ecosystem due to all stressors on a scale of 1 to 5 where one meant no impairment and five meant serious impairment. The rating reflected the informed judgement of the team, often in the absence of science-based information, about the functioning of the ecosystem and the relative importance of particular stressors. In 1999, this rating was extended to two new national parks in the north. Results for the 38 national parks now reporting are shown in Figure 12.

Figure 12: Percentage of National Parks by Degree of Ecological Impairment



It is apparent that the majority of national parks (55%) are reporting major or severe impairment and only a fifth (i.e., 19%) are reporting no or minor impairment. Most of the national parks reporting little impairment are found in the Canadian north.

In preparation for the *1999 State of Protected Heritage Areas Report*, each park provided an update on the status of the top five stressors identified in 1997. The five stressors most often reported included human disturbances, park management practices, urbanization, forestry and visitor and tourism facilities.

The results of the survey show that 50% of the top five stressors reported at each park in 1997 were thought to be increasing, while only 5% were thought to be decreasing. Actions taken to deal with the top five stressors were also reported. In more than 95% of the cases actions were taken to address the issues. More than 70% of the actions focused on the first steps of background research, or defining, monitoring or studying a specific stressor in detail. Twenty three percent of the actions were directed at specific mitigation measures and monitoring the effects of mitigation.

The report on the overall state of impairment of national parks, coupled with the subsequent report that most stressors are unchanged or increasing over the last two years suggests that Canada's national parks face increasingly serious ecosystem conservation issues. Many of these issues involve the larger ecosystems surrounding parks and will require extensive management efforts and support from a number of regional partners.

Protection in National Marine Conservation Areas

The *Marine Conservation Areas Act* (Bill C-8), now before Parliament, sets out as part of its basic principles for management of the NMCA, the commitment that Parks Canada will work with federal and provincial agencies responsible for fisheries management and with users of renewable marine resources to achieve ecologically sustainable use of the areas, while simultaneously setting aside zones that afford full protection to special features and fragile ecosystems.

The primary consideration of an NMCA is to ensure ecologically sustainable use. At present there is no NMCA equivalent to the ecological integrity statement developed for national parks and no reporting framework like the one for ecological integrity in national parks. Preliminary work on a framework for assessing the integrity of one national marine conservation area was reported in the *1997 State of the Parks Report* but the small size of the NMCA system (two operating sites) and resource constraints have limited further progress. It should be noted that Bill C-8 includes a requirement for biennial state of marine conservation areas reporting.

Marine conservation areas require management plans which set direction to ensure sustainable use. A management plan was approved in 1998 for Saguenay-St. Lawrence Marine Park in Quebec, tabled in March 2000 in Parliament. The governing legislation calls for a review of the plan in 2004-05, seven years after establishment of the first plan. Fathom Five National Marine Park in Ontario had a management plan approved in 1998, and a scheduled review in 2002-03. The marine components of Pacific Rim National Park Reserve are administered under Interim Management Guidelines, and an Interim Management Plan will be prepared in 2000-01. The proposed Gwaii Haanas National Marine Conservation Area Reserve in the Queen Charlotte Islands of British Columbia has yet to be designated and does not have a separate plan.

Condition and Threats to Cultural Resources

In the 1997 *State of the Parks Report* information on the condition ratings and threats to three categories of cultural resources at national historic sites were reported. The categories were 1) built assets which include all historic buildings, structures and landscapes, 2) archaeological sites, and 3) objects, which include both archaeological specimens and historical objects. Since then, Parks Canada has completed its national asset review which has provided comparable information with respect to built assets but not with respect to archaeological sites and objects. Detailed analysis of the state of archeological sites and objects is planned for the 2001 *State of Protected Heritage Areas Report* (SPHA). An updating of the 1997 questionnaire which assessed threat to these assets will also be reported in the 2001 SPHA.

The “built” cultural resources are found in both national parks and national historic sites.

The condition of the built cultural assets in a national historic site is one of the three elements of the commemorative integrity of the site and is discussed in the next section.

Commemorative Integrity

Ensuring commemorative integrity (CI) is the priority at national historic sites. It is achieved when resources that symbolize or represent the site’s importance are not impaired or under threat, reasons for the site’s national significance are effectively communicated to the public, and the site’s heritage values are respected in all decisions and actions affecting the site. Commemorative integrity statements and national historic site management plans are the basic direction setting documents with respect to commemorative integrity at national historic sites.

Parks Canada targets its conservation and presentation activities to ensure the commemorative integrity of the sites it administers. The results of these efforts are reported under the protection and presentation service lines. Parks Canada also seeks to support the commemorative integrity at other national historic sites through the National Historic Sites of Canada Cost-Sharing Program (Cost-Sharing Program) as well as through the provision of professional and technical advice, publications and training.

Parks Canada’s roles with respect to ensuring commemorative integrity promoting cultural resource management practices is summarized in Figure 13.

A Commemorative Integrity Statement (CIS) is a site-specific articulation of what constitutes commemorative integrity at the site. It identifies where value lies and what condition must be met for the values and resources not to be impaired and for the effective communication of messages of national significance. Parks Canada seeks to complete commemorative integrity statements for all the sites it directly administers and has required since the mid-1990s that national historic sites receiving funds under the Cost-Sharing Program complete a CIS. Other national historic sites occasionally volunteer to complete a CIS. The status of CISs for each type of site is shown in Figure 14.

The legislative requirement for a management plan for each national historic site administered by Parks Canada was introduced in the *Parks Canada Agency Act* (1998). These plans examine the current state of commemorative integrity and outline the steps necessary for remedial action. In 1997, nine sites had management plans which meet current requirements for ensuring commemorative integrity. Since then, 22 plans have been completed in draft, and an additional 61 are scheduled to be completed by 2002. One management plan, for Batoche National Historic Site of Canada, was approved by the Minister in 1999-00. Parks Canada has, in exceptional situations, worked with sites it does not administer to complete a management plan for the management of the site.

**Figure 13:
Parks Canada’s Role In Ensuring Commemorative Integrity
At National Historic Sites (NHS)**

Parks Canada Administered Sites	Other Sites
<ul style="list-style-type: none"> Protects resources directly associated with reasons for national significance Presents messages of national significance (onsite and outreach) Manages cultural resources 	<ul style="list-style-type: none"> Contributes funding for conservation and presentation through the Cost-Sharing Program Builds capacity for stewardship through professional and technical advice, publications and training in cultural resource management
<ul style="list-style-type: none"> Prepares Commemorative Integrity Statements (CISs) and Management Plans for each site and assesses state of commemorative integrity (CI) 	<ul style="list-style-type: none"> Provides guidance on preparation of Commemorative Integrity Statements and on planning in support of conservation and presentation and responds to specific requests to help measure commemorative integrity
<ul style="list-style-type: none"> Provides public access to NHS Promotes awareness of NHS and system of NHSs 	<ul style="list-style-type: none"> Promotes awareness of NHS and system of NHSs in publications and internet/Schoolnet web program Supports efforts of NHSs to form alliances and networks

Figure 14: Status of Commemorative Integrity Statements by Type of Site

	Parks Canada Administered Sites (n=145)	Non Parks Canada Administered Sites (n=718)	
		Cost-Share sites	Other Sites
CIS approved prior to 1999-00	45	16	2
CIS approved in 1999-00	24	14	1
CIS in draft as of March 31, 2000	15	14	7
Total	84 (58%)	44	10

The State of Commemorative Integrity at Parks Canada’s National Historic Sites

The evaluation of commemorative integrity involves rating a national historic site in terms of the condition of its cultural resources, its success in communicating the significance of the site to the public, and whether the management practices at the site respect all the heritage values embodied in the site. In order to complete an evaluation of commemorative integrity a site must have completed a CIS.

The evaluation of commemorative integrity at a specific national historic site is done by a team of national historic site staff, assisted by an outside expert, who complete a detailed evaluation form, based on specific criteria, on the presence or absence of elements of commemorative integrity.

A second team composed of national office staff, outside experts, service centre and field unit staff, then independently reviews all local site evaluations and makes its own judgement of the CI of a particular site based on the detailed information supplied by the local team and on national standards. In cases of disagreement, the supporting data and judgements are discussed and clarified in order to reach a consensus.

As of March 1999, the commemorative integrity of 12 national historic sites administered by Parks Canada has been evaluated. No sites not administered by Parks Canada have been evaluated. The overall ratings of the twelve Parks Canada sites are reported in the 1999 *State of the Protected Heritage Areas Report*. Eight of these 12 sites were evaluated previously in the 1997 *State of the Parks Report*. Figure 15 summarizes the changes in these eight sites over the last few years.

**Figure 15:
Changes in Commemorative Integrity at Eight National Historic Sites
Between 1997 and 1999**

	# of Sites		
	Improved	No Change	Deterioration
Resource Condition	4	4	
Effectiveness of Communication	4	3	1
Selected management practices	5	3	

The general trend is for sites to stay the same or improve on all the CI dimensions. Parks Canada is committed to evaluating the commemorative integrity of 25 of the national historic sites owned by Parks Canada every two years for reporting in future State of Protected Heritage Area Reports.

Although Parks Canada has not yet assessed the CI of all the sites it administers, it has collected information on condition ratings of cultural resources, the first element of CI, for all of its sites. Parks Canada is also working on measuring visitor understanding of key messages about national historic sites as part of its visitor information survey program (see Heritage Presentation for more details). The condition ratings of built cultural assets (i.e., buildings, bridges, fortifications, marine works, and grounds) in 1997 and in 1999 are shown in Figure 16.

**Figure 16:
Ratings of Asset Condition of Built Cultural Resources of National Historic Sites**

	Asset Condition of Cultural Resources as a Percentage (%) of Total Number of Assets			
	Good	Fair	Poor	Closed
1997-98 (n= 952)	33	50	14	3
1999-00 (n=1223)	34	41	21	4

About two-thirds of the assets were rated in fair or poor condition in both years. More alarming is the fact that the percentage of assets in poor condition seems to be growing. In other words, despite some success in improving the condition of cultural resources at half of the eight sites specifically assessed in 1997 and 1999, the general trend for national historic sites is toward a deterioration in the

condition of cultural resources and ultimately the CI of some sites. Although Parks Canada continues to make interventions to protect and restore particular cultural assets, (e.g., in 1999-00, \$2.35 million was invested in Grosse Île and the Irish Memorial National Historic Site) we expect that, in the absence of new funds for recapitalization of its entire asset base, the overall condition of these cultural assets will continue to deteriorate.

Heritage Presentation

Description and Commitments

This service line includes activities to increase the public’s awareness and understanding of Canada’s cultural and natural heritage, and build appreciation and support for Canada’s national parks, national marine conservation areas and national historic sites.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> • Canadians and international visitors will learn about Canada’s heritage and understand, appreciate and enjoy Canada’s national parks, national historic sites and national marine conservation areas. 	<ul style="list-style-type: none"> • To improve the quality of on-site heritage presentation programming in all heritage places. • To renew the heritage presentation workforce, products and tools and create new partnerships with third parties. • To increase the number of Canadians benefitting from heritage presentation programming through outreach programs. • To communicate the national significance of heritage places to target groups and in urban areas (i.e., new Canadians, youth, ethnocultural communities). 	<ul style="list-style-type: none"> • Establishing methodologies for data collection, performance baselines and targets for audiences’ use of heritage presentation offerings. • At least an 85% satisfaction rating and between a 40% to 60% fully satisfactory rating for heritage presentation programming is achieved annually at surveyed sites. • A baseline for the “understanding messages” indicator is identified (from the data collected in the summer of 1999) and performance targets set in the 2000-01 Corporate Plan.

Initiatives and Achievements

Measuring Audiences For Heritage Presentation

The interpretation, education and outreach initiatives of Parks Canada constitute a core part of its mandate. Parks Canada has developed, or is in the process of developing, methodologies to assess the number of users of interpretation and educational programming, their satisfaction with the programming and their understanding of the messages that are being communicated. As part of the process Parks Canada determines baseline information for each aspect of audiences’ use, satisfaction or understanding of heritage presentation messages and where appropriate sets targets for future performance. Designing adequate methodologies for assessing baselines and performance against targets for all the relevant outcomes is a significant challenge as heritage presentation occurs within national parks and national historic sites, as well as in the form of local and national outreach activities. Our progress with respect to each element is reflected in Figure 17 where dates indicate expectations concerning if and when a methodology, baseline and/or target will be in place.

**Figure 17:
Completion Dates for Developing Methodologies, Baselines and Targets Three Aspects
of Local and National Heritage Presentation Programming (HPP)**

		On-Site HPP	Local Outreach	National Outreach
Utilization	Methodology	Completed	2001	In Development
	Baseline	2001	2002	Some Exist Now
	Targets	2001	To Be Determined	To Be Determined
Satisfaction	Methodology	Completed	2002	In Development
	Baseline	2001	2003	Some in 2001
	Targets	2001	To Be Determined	To Be Determined
Understanding	Methodology	Completed	To Be Determined	2001
	Baseline	2001	To Be Determined	2002
	Targets	2001	To Be Determined	To Be Determined

In 1999-00, Parks Canada revised its visitor survey process and created as part of its core questionnaire, specific indicators to measure the use, satisfaction with, and understanding of key messages for heritage presentation programming given on site. The new survey methodology is being implemented in the 2000-01 season as part of the revised visitor survey system (see service line Visitor Services for more details). Parks Canada does not yet have baseline data or targets for use of on-site heritage presentation programming. Results from the first season will be reviewed in 2000-01 when data is available. Parks Canada has already established targets for the level of visitor satisfaction at each park or site (i.e., at least 85% satisfied and at least 40% very satisfied) but will not be able to report on the achievement of these targets until the next annual report. No baselines or targets have been established for the understanding of key messages indicators. Again, these will be reviewed in 2000-01 with the view of establishing performance standards for future reporting cycles.

Local heritage presentation outreach consists primarily, but not exclusively, of presentations given in local schools near a national park and national historic site. Parks Canada does not collect information at a national level on the size of the local outreach audience and their satisfaction with programming. The need for this information was identified in 1999-00, and work began in 2000-01 in defining, for measurement purposes what is meant by local outreach with a view to collecting data on use in 2001-02. Work on a common measure of satisfaction with local outreach programming is not expected to begin until 2001-02 with results available in 2002-03. Parks Canada will review the necessity and timing for measuring understanding of the messages from local outreach over the next year.

National outreach involves use of mass media, the Parks Canada Web site, traveling exhibits, and work with the education sector to foster the inclusion of Parks Canada material in educational curriculums (See “The Year in Review” for specific examples). National outreach is aimed at the public in general, or specific segments of the population, to increase awareness, understanding and support for the national park, marine conservation area and the national historic site systems.

As reported in “The Year in Review” the audience sizes for some of these national outreach tools are already known. In 1999-00 Parks Canada also has begun to collect audience satisfaction results for some of these initiatives (e.g., the Web site) but will not have data to report until 2000-01. Finally, Parks Canada will be reviewing its approach to surveying public opinion during 2000-01 in order to identify and measure key indicators of public awareness, understanding and support by March 2002. The establishment of targets for use, levels of satisfaction or understanding of key messages for national outreach activities will be reviewed over the next two years.

Renewal of Heritage Presentation

The success of Parks Canada in communicating its messages to visitors at national parks and national historic sites depends critically on the quality, consistency and professionalism of heritage presentation programming. As a result of a review of Parks Canada programming in this area in 1997, Parks Canada has begun a process of renewal focusing on putting the basic building blocks in place. As an initial step, heritage presentation assets were inventoried and their condition assessed. These assets include exhibits, interpretive signage, audio-visual productions and equipment which assist in delivering education information. More than 70% of the heritage presentation asset inventory when calculated by replacement cost was rated in fair or poor condition meaning it will require active intervention or replacement within five years.

Professionalism of the work force has been addressed as part of the renewal effort. In order to better achieve the goal of communicating heritage presentation messages, a set of core competencies for heritage presentation practitioners was identified. Training of 137 heritage presentation staff in areas related to the core competencies was completed in 1999-00. In addition, all front line interpreter jobs were reviewed in 1999-00, resulting in the identification of five core heritage presentation jobs across the system which will serve to help standardize the quality and consistency of heritage presentation activities.

Visitor Services

Description and Commitments

This service line includes those activities necessary to provide access, recreational opportunities, public safety, visitor reception, orientation and information, and related law enforcement services.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> Visitors are provided with good quality services to enable them to enjoy and appreciate heritage places, and associated levels of impact are acceptable and appropriate. 	<ul style="list-style-type: none"> To ensure that the quality of services, facilities and products meets or exceeds visitor expectations. To manage visitor use and expectations appropriately. 	<ul style="list-style-type: none"> A visitor satisfaction level of 85% or higher annually at each location surveyed.

Initiatives and Achievements

Quality service: Measuring the Number and Satisfaction of Visitors

Entrances at some parks and historic sites are easily monitored and therefore it is possible to keep accurate counts of visitors. However, at many national parks and historic sites there are several points of entry, some of which are not controlled. In these cases, the number of “person-visits” is estimated

based on counts of vehicle traffic in the park or site, and periodic surveys which identify the average number of people traveling by vehicle, drivers' reasons for visiting the park or site and the number of people reentering the park on the same day.

Person Visits

A person entering a national park or a national historic site for recreational, educational or cultural purposes is counted as a person-visit. People traveling through a park or historic site to go somewhere else, local traffic and traffic by Parks Canada personnel are not counted. People entering or leaving on the same day and people staying over night are not counted as new person-visits.

The estimates of total person-visits at all national parks and historic sites have remained fairly stable over the last five years with between 24 and 26 million person visits per year, roughly 10 to 11 million at national historic sites and 14 to 15 million at national parks. In 1999-00, it is estimated that there were approximately 26.5 million person visits.

Parks Canada uses a variety of mechanisms to monitor visitor expectations and satisfaction with the services it delivers and to make changes with services. These include consultation sessions undertaken for management plans, local advisory committees and co-management boards, comment cards completed by visitors in the park and a program of visitor surveys.

Parks Canada's performance expectation for visitor satisfaction is, for each national park and national historic site, 85% of the visitors should rate their overall visit as "satisfactory" or "fully satisfactory". Parks Canada has also committed to tracking the portion of the visitors who are very satisfied with their visit to parks. Very satisfied visitors represent the most loyal but also the most demanding, and are the most responsive to changes in service delivery. Tracking the level of satisfaction of this group can serve as an early warning sign of required actions. Parks Canada's standard is that 40% of the visitors should be very satisfied.

Over the three-year period 1997 to 1999, Parks Canada conducted surveys at 105 sites at which visitors were asked to rate their overall satisfaction with the visit. These surveys include both entrance surveys at national historic sites (71) and national parks (20), and campground surveys (14). Each site's participation in the survey program was voluntary. Some national historic sites have never participated in a survey and some sites, including some national parks, have participated more than once. Response rates for the surveys, where known, have also varied widely ranging from as low as 10% to more than 85%. The percentage of "satisfied" and "fully satisfied" visitors at participating sites ranged from 79% to 99%. The results are summarized in Figure 18.

**Figure 18:
Visitor Survey Results from 105 Surveys in 1997, 1998, and 1999 Seasons
Which Meet Parks Canada Standards for Visitor Satisfaction**

Parks Canada Visitor Satisfaction Standard	Number and % Meeting Standard (n=105)
85% or more of the visitors satisfied or very satisfied	98 (93%)
40% or more of the visitors very satisfied	91 (87%)

While these results certainly suggest that visitors to national parks and national historic sites are by and large satisfied they should be treated cautiously given the voluntary nature of the surveys and the sometimes low response rates.

Independent support for the general trend in these surveys was provided by the *1998 Citizens First Survey* of 2,900 Canadian households which looked at how services of governments at the municipal, provincial and federal levels in Canada were perceived. This survey found that national parks had the highest quality of service rating out of 17 federal services rated (i.e., a score of 73 out of a 100).

While the general trend seems to suggest that visitors think they are receiving quality service at national parks and national historic sites, this should not be taken to mean that visitors and local stakeholders are satisfied with all aspects of service delivery or are without ideas about improvements in services. Visitor feedback from detailed survey questions as well as comment cards and other consultation mechanisms have led to a number of changes in the service offer over the years. For example, low ratings on visitor surveys of the cleanliness of washrooms have led to reviews of janitorial contracts for these services. Contractors for firewood have been changed as a result of visitor surveys showing that the quality of the firewood was rated as poor. In response to survey feedback changes have been made to activities at national historic sites to make them more enjoyable to children.

Parks Canada proposed a number of modifications in 1999-00 to its visitor survey process. The questionnaire and process were changed to 1) focus the core survey effort on key national performance indicators such as overall visitor satisfaction at the park or site, audience size for heritage presentation programming, satisfaction with heritage presentation programming, and awareness and understanding of key heritage messages, 2) capture important characteristics of the visitors which would allow for better monitoring of data accuracy and provide for better understanding of specific types of visitors and, 3) collect visitor responses at each national park and national historic site on a three-year cycle. These changes were introduced in surveys carried out at 28 sites in the 2000-01 season. Results will be reported in Parks Canada's next annual report.

Visitor Impacts

Parks Canada aims to attract the right number of visitors to the right places at the right times in order to minimize the impact of these visitors on the resources that are entrusted to Parks Canada's stewardship. Although Parks Canada knows approximately the number of visitors and their temporal distribution (i.e., at what times of year they visit) little is known in concrete terms about the impacts of these visitors. The tourism and visitor facilities were the most common stressors reported in the *1997 State of the Parks Report* (i.e., 26 of 36 national parks reported these stressors). But it is impossible to judge from this information what the relative impact of visitors is as a source of stress on national park ecosystems compared to a host of other stressors such as climate changes, and land management practices surrounding national parks. The *Report of the Panel on the Ecological Integrity of Canada's National Parks* attributes this information gap to a lack of resources and research capacity within Parks Canada to collect, understand and use relevant information on the impacts of visitor use. As part of its response to the Panel Report, Parks Canada will be seeking additional funds in 2000-01 to increase its science capacity. Parks Canada has already begun work on a human use research strategy as part of an overall natural science strategy.

PART TWO: MANDATE SUPPORT

Townsites

Description and Commitments

This service line includes all activities related to the Parks Canada Agency’s management of communities within national parks.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> • Park communities are effectively governed and efficiently administered. 	<ul style="list-style-type: none"> • To move toward cost-recovery objectives as identified in the townsites revolving fund business plan. • To develop and implement principle-based community plans. 	<ul style="list-style-type: none"> • Communities governed in full compliance with their respective community plans by 2003-04. • The overall cost to Parks Canada of operating communities will be reduced by 2003-04.

Initiatives and Achievements

Implementing Principle-Based Community Plans

As a result of concerns expressed by the public over the amount of commercial development in the Town of Banff, Parks Canada made a commitment to develop community plans for each of its six national park communities: Field in Yoho NP; Jasper in Jasper NP; Lake Louise in Banff NP; Wasagaming in Riding Mountain NP; Waskesiu in Prince Albert NP; and Waterton Lakes in Waterton Lakes NP. The Banff Townsite has been self-governed since 1990 and therefore does not require a community plan.

Each community plan is guided by the principles of no net negative environmental impacts, appropriate use, responsible growth management and leadership in environmental stewardship and heritage conservation. In practical terms, this means setting out objectives with respect to community boundaries, commercial zones, allowable development, target populations and other measurable expectations. Indicators and targets will also be developed to measure the environmental impacts of each community. Parks Canada is developing a template to monitor environmental impact and to establish baseline information for 2000-01. Annual reporting on progress towards implementing the community plans will begin once they are approved.

The Field Community Plan was approved by the Minister in July 1999. The other plans, with the exception of Jasper’s have been prepared and are being reviewed by the senior management. Jasper’s community plan is still in the consultation phase as a result of a request of Community Council. It is still Parks Canada’s intention that all six communities will be governed in full compliance with their respective community plans by 2003-04.

It should be noted that community plans set limits to development within the community boundaries. Parks Canada will continue to work with communities and adjacent land owners to influence land use activities outside the communities.

Cost Recovery

Parks Canada’s 1999-00 Corporate Plan target was to generate sufficient revenues to cover the full cost of operating the park communities by 2003-04. In 1996-97 when Parks Canada began moving toward full cost recovery for the communities, 52% (\$2,846,000) of the net community revenues was provided by Parks Canada. In 1999-00, Parks Canada’s provided 42% (\$2,388,000) of the communities’ net revenue. Beginning in 2000-01 Parks Canada had expected to use enhanced powers of taxation to collect sufficient additional revenue so that it no longer needed to provide direct financial support to park communities. Proposed changes to the *National Parks Act* (Bill C-70) introduced in 1998 would have provided increased authorities to levy property taxes on residents and businesses in national parks. However, Bill C-70 was withdrawn and replaced by Bill C-27 the new *National Parks Act* currently before Parliament. Bill C-27, rather than expand Parks Canada’s authority for taxation, removes the taxation powers provided under the current legislation.

As a result of the developments and discussions over the last year, Parks Canada has reassessed its goal of full cost recovery for Parks communities. In the future, Parks Canada will seek to increase the financial self sufficiency of its communities while putting increased emphasis on developing the communities as models of sustainable development and excellence in environmental management.

Through Highways

Description and Commitments

This service line includes the operation, maintenance and repair of provincial and interprovincial highways that pass through national parks and national historic sites.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> Reliable through-transit. 	<ul style="list-style-type: none"> To sustain asset conditions at levels that will keep the highways open to through-transit. To manage highways in an environmentally sustainable manner. 	<ul style="list-style-type: none"> Highways remaining open to through-transit, but asset condition will decline.

Initiatives and Achievements

Highway Condition

There are sections of 21 numbered highways that pass through 16 national parks and one national historic site, extending a distance of almost 900 kilometers. Sections of two of these highways, the Trans-Canada and Yellowhead, pass through six national parks and are included in the National Highway System. The replacement value of the highways has been estimated at \$1.1 billion, representing about 16% of the replacement value of Parks Canada’s entire asset portfolio.

Parks Canada is committed to keeping the highways open to through traffic barring uncontrollable environmental events (e.g., heavy snowfalls or excess rain resulting in rock slides). In 1999-00 no highway was closed due to problems with the condition of the assets.

Although highways and bridges remained open, the majority of these assets are judged to be in fair (45%) or poor (32%) condition. Under current funding levels, Parks Canada projects an increase in the percentage of assets rated fair and poor.

Parks Canada continues to work with Central Agencies to seek long-term funding for highway recapitalization. In 1999-00, there were two major highway recapitalization projects in eastern Canada. Frost heave repair work was completed for 1.6 kilometers in Fundy National Park and 0.6 kilometer in Terra Nova National Park at a total cost of nearly \$2 million (\$1,272 million Fundy; \$727,300 Terra Nova).

Managing Highways in a Sustainable Manner

As part of its commitment to sustainable highway management, and consistent with the Canadian *Environmental Assessment Act*, Parks Canada incorporates highway construction and design standards that mitigate the environmental impact of highways. This can include such sustainable practices as requiring contractors to follow an environmental plan during work in the park; reducing road salt usage; using siltation controls during construction; using materials that reduces long-term maintenance and associated environmental risk (e.g., galvanizing versus painting of bridges) and use of local plant species in landscaping and rehabilitation of construction areas.

For Parks Canada sustainable management of highways also means reducing the effects of the highways on local animal and plant species. In 1999-00, for example, a new and unique approach was taken to deal with the effects of a box culvert on fish migration in Fundy National Park. Over time, erosion at each end of the culvert had created a small waterfall which prevented the fish from migrating through the culvert. As a remedial measure, wings with minor ladders were built at each end of the culvert which provided sufficient water flow to allow the fish to pass through. Monitoring over the past year has indicated that the design has been successful.

Since 1986, Banff National Park has made a concentrated effort to reduce wildlife mortality and reconnect habitat separated by the Trans-Canada Highway in the park. Fencing 46 kilometers of the highway in the mountain parks has proven to be an effective response to this problem. In 1998-99 for example, the following wildlife deaths were noted on fenced and unfenced portions of the highways. As there are small populations of these animals within the mountain parks the loss of even one individual is potentially significant.

**Figure 19:
Highway Mortality Rates for Selected Animals
on TransCanada Highway In Banff and Yoho National Parks (April 1998-March 2000)**

Animal	Mortality in Fenced Areas	Mortality in Unfenced Areas
Elk	3	19
Black Bear	3	11
Wolf	2	3
Coyote	17	9

On the other hand, fencing has not been an effective intervention for some species. Coyotes, for example, either dig or easily squeeze under the fences in search of food along the highway median and have a greater mortality rate in fenced areas compared to unfenced areas. Black bears and cougars will climb the fences thereby coming into contact with vehicular traffic. Parks Canada is now looking at ways to deal with these problems through modifying the fencing.

Fencing, although helpful in reducing the mortality of some species, contributes to habitat fragmentation, as does the highway itself. To address this problem, Parks Canada has built underpasses and overpasses for the exclusive use of wildlife, a first for Canada. In 41 months (Nov. 1996 - March 2000) of monitoring, more than 24,000 individual wildlife crossings by medium-sized and larger animals have been detected. Each of these crossings spares wildlife from exposure to potentially fatal vehicle traffic.

Management of Parks Canada

Description and Commitments

This service line includes senior management, financial management, real property management, business services, data and information technology management, the development of legislation and policy, planning to guide the Agency, and the provision of effective relations and liaison with clients and stakeholders.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> The Agency is efficiently and effectively managed. 	<ul style="list-style-type: none"> To revitalize the organization by implementing the Parks Canada Agency. To develop a national asset management plan and related funding strategy. To meet new legislated reporting requirements, including the development and implementation of a new financial reporting system. To implement Y2K-compliance actions plans. To improve relationships with Aboriginal people and stakeholder groups. To improve knowledge of clients and marketplace conditions and trends, and develop a consistent corporate image and identity. 	<ul style="list-style-type: none"> A performance measurement strategy, with baseline data and targets for future planning years is developed in 1999-00.

Initiatives and Achievements

Performance Measurement Strategy

Parks Canada expected to develop a performance measurement strategy for the management service line including baseline data and targets during 1999-00. While some work took place to revise the planned results of this service line and develop new performance indicators, a holistic performance measurement strategy for the line was not developed. Furthermore, Parks Canada now believes that an integrated strategy is not desirable or appropriate for the line given the diversity of services covered under management. Rather, our focus has turned to the development of a coherent planning and reporting framework for the Agency as a whole. The management service line includes many corporate support services that provide either the framework, systems or information that is fundamental to effective and efficient management of the Agency and reporting on its performance.

Extensive work was done to review and align the Agency’s strategic objectives and expected results and to select and report on key indicators of performance in the business planning cycle. The new objectives and results framework will form the basis of the 2000-01 Corporate Plan. Work on performance indicators is reflected in the current report. Notwithstanding the progress made in 1999-00, Parks Canada views the development of a planning and reporting framework as an ongoing process. We will continue to work on improving measures of organizational effectiveness and efficiency as well as our ability to monitor and report on our non-core activities.

People Management

Description and Commitments

This service line encompasses a holistic human resource management strategy necessary for effective operation of the Agency.

Desired Outcomes	Priorities or Key Results for the Planning Period	Performance Expectations
<ul style="list-style-type: none"> A highly qualified workforce that is representative of the Canadian population and that works in a positive and enabling environment. 	<ul style="list-style-type: none"> To assume separate employer responsibilities. To implement the new human resources regime in accordance with the Agency’s human resources values and principles. To fulfill employment equity and diversity commitments. To renew the workforce and address critical skill and competency requirements. To strengthen relationships with unions and employees. 	<ul style="list-style-type: none"> Tools to measure organizational health will be developed by 2000-01. Equity group representation targets and a schedule for achieving these targets will be developed in 1999-00 based on the Field Unit Business Plans. The targets will be updated annually with reporting commencing in 2000-01.

Initiatives and Achievements

Building A New Human Resources Regime

As a separate employer under Schedule 1, Part II of the *Public Service Staff Relations Act*, Parks Canada assumes responsibilities that were previously carried out by the Treasury Board Secretariat and the Public Service Commission, particularly in the areas of staffing and collective bargaining. A framework for the delegation of the CEO's responsibilities for management of human resources was developed and implemented and has resulted in significantly increased authority for managers at all levels. Agency creation also offered a legislative opportunity to restructure bargaining units based on communities of interest of Parks Canada's employees. A proposal for realignment of bargaining units was presented to the Public Service Staff Relations Board in July 1999. A decision is anticipated in 2000-01, after which negotiation of the first collective agreements will commence.

Management, unions, and employees have worked collaboratively to develop the basic building blocks of the new Parks Canada Human Resources regime beginning with the Parks Canada Human Resources Values and Operating Principles in 1998-99. Additional collaborative work in 1999-00 led to the development of frameworks and policies related to Staffing, Dispute Resolution, Occupational Safety and Health, and Employer Regular Benefit Policies. A framework was also developed for classification, and progress has been achieved in the design and testing of a classification standard tailored to reflect the unique needs of Parks Canada's workforce and operating environment. Implementation of the standard will follow the development of a Compensation Strategy in 2000-01 and will be coordinated with collective bargaining cycles.

The change in status to become a separate employer and the building of the Agency human resource regime has been a complex and labour-intensive process. Parks Canada was provided \$4.3 million by Treasury Board in 1997-98 to begin creating the infrastructure for the new Human Resources regime. This was expected to take two years. Three years after the start of the major effort to build the regime and one year after official agency creation, total costs of creating and implementing the new regime are now estimated at \$14 million and it is expected to take an additional four or five years before it is fully implemented. Additional resources are being sought to address these funding pressures.

Professional Development and Workforce Renewal

The population of employees at Parks Canada is aging. Retirements over the next five years in the management group and the scientific community are expected to put pressure on the Agency. Succession planning for the Executive group was initiated in 1999-00 and developmental positions were identified and staffed. As noted in the section on heritage presentation, a specific initiative was undertaken to develop competencies in core jobs related to heritage presentation. Parks Canada contributed, through a network of science-based departments and agencies, to the development of a Graduate Opportunity Strategy aimed at hiring and training young scientists. Parks Canada will also seek additional funding for improving its science capacity as part of its response to the *Report of the Panel on the Ecological Integrity of Canada's National Parks*. Finally, most business units submitted Human resource Plans to address local succession issues. Analysis of the plans and implications for succession planning at the national level will be carried out in 2000-01.

Measuring Organizational Health and Employment Equity

Parks Canada has a unique requirement in its legislation to provide an independent report to Parliament, every five years, on the performance of its human resource management regime in relation to its values and principles. To support this commitment, Parks Canada was to have developed an accountability and reporting framework in 1999-00. The major work on this commitment, including development of organizational well-being indicators and a survey of employees, has been deferred until 2001-02 due to resource pressures and competition of workload priorities related to developing the Agency human resources framework. In 2000-01, discussions will take place with central agencies about their expectations for reporting in this area.

Parks Canada's progress in achieving representation of all equity groups is illustrated in Figure 20 below.

**Figure 20:
Percentage of Parks Canada Workforce in Employment Equity Groups
and Labour Market Availability**

Employment Equity Group	Labour Market Availability (Statistics Canada, Census 1996)	Percent of Parks Canada Workforce	
		March 31, 1999	March 31, 2000
Women	46.4	37.2	39.0
Aboriginal Persons	2.1	3.9	4.8
Persons with Disabilities	6.5	2.4	3.2
Persons in a Visible Minority	10.3	0.8	1.0

Parks Canada national targets for employment equity groups are given by the 1996 labour force availability of these groups. Local targets to support these will be established through business unit human resource planning and are expected to be available in 2000-01. In addition to its general commitment to employment equity, Parks Canada has some specific commitments as a result of settlement of two human rights complaints.

The Settlement agreement between Parks Canada and Ms. V. Demuth covering the period between October 1996 to December 30, 2002 requires that Parks Canada make every reasonable effort to recruit 33% women and 8% visible minorities into the Park Warden service on an indeterminate employment basis in each hiring cycle while making reasonable efforts to ensure these groups are proportionately represented at all levels within the Park Warden group. The Settlement agreement between the Government of Canada (Parks Canada) and the Assembly of Manitoba Chiefs covering the period between April 1, 1996 to March 31, 2001 requires that Parks Canada develop and implement plans to address aboriginal employment issues in Manitoba, Saskatchewan and Alberta, make reasonable efforts to meet or exceed hiring rates of 3.5%, consult the Assembly of Manitoba Chiefs on the progress made, and report annually.

During 1999-00, limited progress was made in the recruitment of members of visible minorities but Parks Canada did meet its commitment with respect to the recruitment of women into the Park Warden Service. Parks Canada also undertook a number of initiatives to strengthen its relationships with Aboriginal Peoples (See The Year in Review). Parks Canada's hiring rate for aboriginal persons (i.e., 5.6%) exceeded its commitment in the settlement. Aboriginal representation in the Parks Canada workforce exceeds labour force availability in Manitoba and Saskatchewan and is approaching that threshold in Alberta.



AUDITOR GENERAL'S ASSESSMENT of Performance Information

Purpose and Scope

The *Parks Canada Agency Act* requires the Auditor General of Canada to provide an assessment of the fairness and reliability of the information about Parks Canada Agency's performance with respect to the objectives established in its corporate plan as set out in its annual report.

The corporate plan and the performance information in the annual report are the responsibility of Parks Canada's management. Our responsibility, as set out in the legislation, is to provide an assessment of how well Parks Canada reports its own performance. To do so, we assessed the information against criteria for fairness and reliability that were discussed with the Agency and that are described in Annex I to this assessment. We did not assess or comment on the Agency's actual performance.

Parks Canada has reported its performance in a section of its annual report titled "Performance against plan". Our assessment covers only that section. We did, however, review the entire report for consistency with the performance information.

General Assessment

In order to be able to report on its performance, Parks Canada has developed and put in place a performance framework in which it defines its desired outcomes, priorities, key results and performance expectations. This framework is a fair representation of how the Agency will deliver its mandate and provides a good basis to implement performance reporting consistently across the organisation. However, in order to report more clearly and completely on its desired outcomes, Parks Canada should demonstrate more visibly the linkages between each component of the framework. More important, it should work at developing performance expectations that are clear and concrete with a specified time frame. For example, environmentally sustainable management of highways is one of the objectives of the "Through Highways" service line, but this is reflected in neither the desired outcomes nor the performance expectations in the performance framework even though it is listed as key result.

In its report, Parks Canada provides information on all its service lines and is able to provide performance information for some of them. In some instances where performance information is not complete, the Agency is in the process of putting in place the building blocks that should allow it to report on performance in the years to come.

Generally, the performance information provided respects the information requirements of the performance framework. We are pleased to note that, overall, this report has a stronger focus on outcomes than many federal Departmental Performance Reports. As a first report by a new agency, this is commendable.

The following are key findings of our assessment:

Performance information represents concrete results relevant to Parks Canada's objectives. In many service lines, performance information is generally relevant and represents tangible accomplishments against objectives. In some instances, where the performance information is not available, such as in the "Heritage Presentation" service line, Parks Canada does report on important activities or strategies put in place during 1999-2000 that should provide the capacity to report on performance in the coming years. In other instances, more has to be done. For example, in the case of "Heritage Resource Protection", Parks Canada needs to develop pertinent national performance indicators that will help to measure the state of the ecological integrity of national parks.

The report is a good start toward telling a meaningful performance story. The performance report provides readers with a good description of the programs involved, as well as contextual and background information. The information presented is selective and concise. Parks Canada reports accomplishments against some performance expectations and sometimes presents comparative information from past years. This helps to make the performance information provided meaningful and understandable. For future reports, we look forward to more performance expectations that are clearly and concretely defined, more information on efficiency measures and on costing information for important components of service lines and additional comparative information (such as comparable ecological information from other jurisdictions and comparisons with other parks organizations). This will allow the reader to better judge whether the performance represents an appropriate level of achievement and to know the costs of these results. Furthermore, with appropriate performance measures for all desired outcomes, Parks Canada will be in a better position to tell the story about its entire performance.

A focus on Parks Canada's contribution. The report presents a clear description of the complexity of the processes and of the multitude of stakeholders involved in the achievement of many of Parks Canada's objectives. In those instances where the Agency works in partnership with other groups, the reader is generally made aware of the factors influencing the achievement of a particular outcome. However, Parks Canada could better demonstrate how its own activities will contribute to these results.

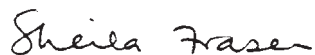
Performance information is well explained. Parks Canada has made a good start in developing valid measures and appropriate methods of data collection for many service lines. Information sources and limitations of data are appropriately explained. This clarifies the accuracy level of the data and helps the reader to interpret the performance information appropriately. We found that performance information is generally supported by appropriate corroborative data sources and evidence, and is consistent with the remainder of the annual report. However, in the case of number of person visits, more rigour and consistency will be required before we can assure the accuracy of the estimate. Although, Parks Canada

describes the limitations and recognizes the weaknesses in the measurement methods, it should take steps to improve them.

A reasonably balanced performance report. We noted that all aspects of Parks Canada's mandate are included in the report, although they do not all have associated performance information. The separation of the report into "core mandate" and "mandate support", function, along with the fact that most of the report is devoted to the service lines "Establishment of National Heritage Places" and "Heritage Resource Protection", put appropriate emphasis on the services that contribute directly to the Agency's mandate and make a useful distinction for the reader. Parks Canada describes the problems and challenges it encountered and does not hesitate to recognize situations where performance has not met the objectives. Overall, the tone of the report is neutral and factual, with good explanations of the limits of the performance information.

Conclusion

Considering the demands that Parks Canada faced in its initial year of operation, we commend its efforts in producing this first performance report. The performance information that is provided, while still needing improvement, gives a reasonable picture of the Agency's performance. It allows readers to judge how well Parks Canada is performing with respect to some objectives. We expect that with strengthening of the performance framework, including development of other performance indicators, addition of performance information and increasing the rigour and objectivity of data, future Parks Canada reports will provide a clearer and more comprehensive view of the Agency's performance.



Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
22 September 2000

Annex 1

Criteria for the Assessment of Fairness and Reliability Office of the Auditor General

The following criteria were developed as a means of assessing the fairness and reliability of the information about the Agency's performance with respect to the objectives in its corporate business plan. They address two major concerns: first, has the Agency reported on its performance with respect to its objectives, and second, is that information fair and reliable? Performance information with respect to objectives is fair and reliable if it enables Parliament and the public to judge how well the entity or program in question is performing against the objectives it set out to accomplish.

Relevant	The performance information should report tangible and significant accomplishments against objectives.
Meaningful	The performance information should, in addition to being relevant, tell a clear performance story, describing the benchmark against which the reported performance is to be interpreted.
Attributable	The performance information should demonstrate in a reasonable fashion the contribution made by the activities of the program or entity in question to the reported accomplishments.
Accurate	The performance information should adequately reflect facts to an appropriate level of accuracy.
Balanced	The performance information should provide a representative and clear picture of the full range of performance, which does not mislead the reader.

The Agency states that it reports its performance relative to the desired outcomes and performance expectations as set out in the corporate plan. This is appropriate and for the purpose of this assessment, we will consider these desired outcomes and performance expectations as the "objectives" against which performance is reported.

The work reported in this assessment was conducted in accordance with the policies and practices of the Office of the Auditor General of Canada. These policies and practices embrace the standards for assurance engagements recommended by the Canadian Institute of Chartered Accountants.

FINANCIAL STATEMENTS

1999-00

PARKS CANADA AGENCY

Management Responsibility for Financial Statements

The accompanying financial statements of the Parks Canada Agency are the responsibility of management and have been approved by the Executive Board of the Agency as recommended by the Finance Committee of the Agency.

These financial statements have been prepared by management in accordance with generally accepted accounting principles and, where appropriate, they include amounts that have been estimated according to management's best judgement. Where alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Management has prepared the financial information presented elsewhere in this annual report and has ensured that it is consistent with that provided in the financial statements.

Management has developed and maintains books of accounts, records, financial and management controls and information systems. They are designed to provide reasonable assurance that the Agency's assets are safeguarded and controlled, that resources are managed economically and efficiently in the attainment of corporate objectives, and that transactions are in accordance with the *Financial Administration Act* and regulations, the *Parks Canada Agency Act*, and internal policies of the Agency. Internal audits are conducted to assess the performance of management controls and practices.

The Agency's external auditor, the Auditor General of Canada, has audited the financial statements and has reported on his audit to the Agency and to the Minister of Canadian Heritage.



Tom Lee
Chief Executive Officer



Alan Latourelle
Chief Administrative Officer

September 22, 2000



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Chief Executive Officer of Parks Canada Agency and
to the Minister of Canadian Heritage

I have audited the balance sheet of Parks Canada Agency as at March 31, 2000 and the statements of operations, equity of Canada and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Agency as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Sheila Fraser

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
September 22, 2000

PARKS CANADA AGENCY

Balance Sheet as at March 31, 2000

(in thousands of dollars)

Assets

Current assets:

Cash entitlements (Note 4)	37,369
General operations account	1,770
New parks and historic sites account	1,758
Specified purpose accounts	40,897
Accounts receivable	4,036
Inventory of consumable supplies (Note 5)	5,836
	<u>50,769</u>

Capital assets (Note 6) 1,393,613

Collections and archaeological sites (Note 7) 1

1,444,383

Liabilities

Current liabilities:

Accounts payable and accrued liabilities	
Federal government departments and agencies	9,917
Others	37,772
	<u>47,689</u>
Deferred revenue (Note 8)	5,065
	<u>52,754</u>

Employee termination benefits 39,438

Provision for environmental clean-up (Note 9) 7,230

99,422

Equity of Canada 1,344,961

1,444,383

Commitments and contingencies (Notes 14 and 15).

The accompanying notes are an integral part of the financial statements.

Approved by



Tom Lee
Chief Executive Officer



Alan Latourelle
Chief Administrative Officer

PARKS CANADA AGENCY**Statement of Operations for the Year Ended March 31, 2000**

(in thousands of dollars)

Expenses (Note 10)**Stewardship of National Heritage Places**

Establishing Heritage Places	18,934
Protecting Heritage Resources	121,947
Presenting Heritage Resources	49,623
	<u>190,504</u>

Use and Enjoyment by Canadians

Visitor Services	169,320
Townsites	9,495
Through Highways	27,226
	<u>206,041</u>

Corporate Services

Managing Parks Canada	38,542
People Management	10,347
	<u>48,889</u>

Total expenses

445,434

Revenues (Note 11)74,788**Net cost of operations (Note 12)**370,646

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Statement of Equity of Canada for the Year Ended March 31, 2000

(in thousands of dollars)

Balance at beginning of year (Note 3)	1,365,829
Net cost of operations	(370,646)
Parliamentary appropriations used (Note 12)	388,884
Services provided without charge by Government departments (Note 13)	28,613
Less statutory revenue included in Parliamentary appropriation and net cost of operations	(67,719)
Balance at end of year	<u>1,344,961</u>

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY**Statement of Cash Flows for the Year Ended March 31, 2000**

(in thousands of dollars)

Operating Activities:

Net cost of operations	(370,646)
Items which do not involve cash:	
Amortization of capital assets	76,824
Net gain on disposal of capital assets	(304)
Services provided without charge by Government departments	28,613
Net change in non-cash working capital balances	(53,501)
Increase in employee termination benefits	382
Increase in provision for environmental clean-up	84

Cash used in operating activities	<u>(318,548)</u>
--	------------------

Investing activities:

Acquisitions of and improvements to capital assets	(48,703)
Proceeds on disposal of capital assets	331

Cash used in investing activities	<u>(48,372)</u>
--	-----------------

Financing activities:

Parliamentary appropriations used	388,884
Statutory revenue pursuant to section 20 of the <i>Parks Canada Agency Act</i>	(67,719)

Cash provided by financing activities	<u>321,165</u>
--	----------------

Cash used in year	(45,755)
-------------------	----------

Cash entitlement at beginning of year	86,652
---------------------------------------	--------

Cash entitlement at end of year	<u>40,897</u>
--	---------------

The accompanying notes are an integral part of the financial statements.

PARKS CANADA AGENCY

Notes to Financial Statements as at March 31, 2000

(in thousands of dollars)

1. Authority and Objectives

In December 1998, Parks Canada Agency was established under the *Parks Canada Agency Act* as a departmental corporation and, when carrying out its operations, it acts as an agent of Her Majesty of Canada. The Parks Canada Agency is a separate entity listed under Schedule II of the *Financial Administration Act* and reports to the Minister of Canadian Heritage.

The Agency's mandate is to protect and present nationally significant examples of Canada's natural and cultural heritage, and foster public understanding, for present and future generations. In carrying out its mandate, the Agency delivers the program set out in the Agency's legislation and authorities.

In accordance with the provisions of *Parks Canada Agency Act* and the Treasury Board Decision dated March 24, 1999, all the assets and the liabilities that were previously within the jurisdiction of Department of Canadian Heritage to operate the Parks Programs that are now the Agency's responsibility, were transferred to the Agency. Note 3 to the financial statements describes the elements transferred and the impact on the equity of Canada.

The authorities for the programs for which Parks Canada is responsible are derived from the *Parks Canada Agency Act*, the *National Parks Act*, the *Historic Sites and Monuments Act*, the *Department of Transport Act*, the *Federal Heritage Buildings Policy*, the *Heritage Railway Stations Protection Act* and the *Archaeological Heritage Policy Framework*.

2. Significant Accounting Policies

The Agency's financial statements are prepared in compliance with generally accepted accounting principles as promulgated in Canada.

The financial statements of the Agency include the Parks Canada Enterprise Units Revolving Fund, the Townsites Revolving Fund, the Specified Purpose Accounts, and the New Parks and Historic Sites Account.

(a) Parliamentary appropriation:

The Agency is financed mainly by the Government of Canada through Parliamentary appropriations. Parliamentary appropriations are recorded directly to the Equity of Canada.

(b) Revenue recognition:

Deferred revenue includes revenues received in advance of the services to be provided and funds received from external parties for specified purposes. Deferred revenue is recognized as operational revenues when the services are provided.

(c) Inventory of consumable supplies:

Consumable supplies are stated at average cost.

(d) Capital assets:

Capital assets, excluding land, transferred to the Agency as at April 1, 1999, are recorded at their estimated original historical cost, less accumulated amortization. The estimated original historical cost of the assets was established by deflating the current replacement cost to the year of acquisition or construction using factors based on changes in price indices over time. This approach also took into consideration the overall asset condition, the cost of any improvements and major repair since the original acquisition or construction of the capital asset.

Capital assets, excluding land, acquired after April 1, 1999, are recorded at cost. Capital assets, excluding land, acquired at nominal cost or by donation, are recorded at market value at the time of acquisition. Improvements that extend the useful life or service potential are recorded at cost.

The Agency currently records its land at nominal value. This accounting policy will be maintained by the Agency until it is able to assess the appropriateness of adopting the Federal Government's accounting policy for land.

Amortization is calculated on the straight line method using rates based on the estimated useful life of the assets as follows:

Asset	Useful life
Buildings	25-50 years
Fortifications	50-100 years
Improved grounds	10-25 years
Roads	40 years
Bridges	25-50 years
Canals and marine facilities	25-80 years
Utilities	15-40 years
Vehicles and equipment	3-15 years
Exhibits	3-10 years

(e) Collections and archaeological sites:

Collections and archaeological sites are recorded at nominal value.

(f) Employee termination benefits and vacation pay:

Employee termination benefits and vacation pay are expensed as the benefits accrue to employees under their respective terms of employment using the employee's salary levels at year end. Employee termination benefits and vacation pay liabilities payable on cessation of employment represent obligations of the Agency that are normally funded through the Treasury Board.

(g) Services provided without charge by Government departments:

Services provided without charge by Government departments are recorded as operating expenses by the Agency at their fair value. A corresponding amount is credited directly to the Equity of Canada.

(h) Contributions to Public Service Superannuation Plan:

The Agency's employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The employees and the Agency contribute to the cost of the Plan. Contributions by the Agency are expensed in the period incurred and represent the total cost to the Agency under the Plan. The Agency is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

(i) Provision for environmental clean-up:

The Agency records a provision for environmental clean-up in situations where the Agency is obligated or is likely to be obligated to incur costs related to risk management in regards to the remediation and removal of contaminated material from environmentally contaminated sites, and the cost can be reasonably estimated following a detailed environmental assessment.

3. Equity of Canada - Balance at Beginning of Year

As indicated in Note 1, on April 1, 1999, the Department of Canadian Heritage transferred to the Agency all assets and liabilities it had under its jurisdiction to carry out the Parks Canada Programs that became the responsibility of the Agency. The following table provides a list of those assets and liabilities together with their respective value. The net value of the elements transferred has been credited to the Equity of Canada.

Cash entitlements	
General operations account	84,796
New parks and historic sites account	-
Specified purpose accounts	1,856
Accounts receivable	3,381
Inventory of consumable supplies	5,517
Capital assets	1,421,761
Collections and archaeological sites	1
Accounts payable and accrued liabilities	
Federal government departments and agencies	(9,120)
Others	(91,288)
Deferred revenue	(4,873)
Employee termination benefits	(39,056)
Provision for environmental clean-up	(7,146)
Equity of Canada - balance at beginning of year	<u>1,365,829</u>

4. Cash Entitlements

Included in cash entitlement balance are the following:

a) General operations account

Cash entitlements for general operations represent the amount of cash that the Agency is entitled to draw from the Consolidated Revenue Fund of the Government, without further appropriations.

b) New parks and historic sites account

Funds are provided to the New Parks and Historic Sites Account by parliamentary appropriations, proceeds from the sale of lands and buildings that are surplus to operational requirements and all general donations. Furthermore, the Minister of Finance, may, on the request of the Minister of Canadian Heritage, authorize the making of advances of up to \$10.0 million to the New Parks and Historic Sites Account. All amounts received remain in this account until eligible expenditures are made for the purpose of establishing or developing new parks or historic sites and heritage areas, in compliance with the terms and conditions set out in the *Parks Canada Agency Act* and related Treasury Board directives.

Details of transactions for the fiscal year ended March 31, 2000 are highlighted in the following analysis:

Receipts:	
Parliamentary appropriation	12,000
Proceeds on disposal of capital assets	331
Donations	1
	<u>12,332</u>
Expenditures:	
Capital expenditures	5,959
Contributions	1,869
New Parks and Historic Sites Planning	2,734
	<u>10,562</u>
Balance at end of year	<u>1,770</u>

c) Specified purpose accounts

As at March 31, 2000, the Agency has a balance of \$1.8 million for specified purpose accounts. This represents money received from external organizations which must be used for the purposes for which they are received.

5. Inventory of Consumable Supplies

The inventory of consumable supplies as at March 31, 2000 consist of the following:

Fabricated wood and metal products	1,023
Top soil, sand, gravel and other crude material	868
Equipment, materials and supplies	863
Construction material and supplies	737
Miscellaneous other supplies	704
Printed books, publications and maps	678
Uniforms and protective clothing	484
Fuel and other petroleum products	479
	<u>5,836</u>

6. Capital Assets - Detailed Schedule

	Opening estimated original historical cost as at April 1, 1999	Net additions for the year ended March 31, 2000	Closing historical cost as at March 31, 2000	Accumu- lated amortization as at March 31, 2000	Net book value as at March 31, 2000	Net book value as at April 1, 1999
Buildings and fortifications	644,011	16,506	660,517	346,961	313,556	317,136
Improved grounds	544,892	6,057	550,949	343,617	207,332	221,292
Roads	888,848	4,416	893,264	481,942	411,322	423,372
Bridges	134,364	1,429	135,793	64,190	71,603	72,794
Canal and marine facilities	466,849	9,605	476,454	214,173	262,281	259,714
Utilities	143,585	5,606	149,191	82,095	67,096	65,049
Vehicles and equipment	99,016	3,994	103,010	68,942	34,068	33,091
Exhibits	80,773	1,063	81,836	55,482	26,354	29,312
	3,002,338	48,676	3,051,014	1,657,402	1,393,612	1,421,760
Land (Note 2d)	1	-	1	-	1	1
Total Capital Assets	3,002,339	48,676	3,051,015	1,657,402	1,393,613	1,421,761

The Agency owns over 23 million hectares of land, the majority of which compose the 39 national parks and national park reserves representing 25 of the 39 natural regions of Canada. In the long term, the Agency is committed to representing each of these distinct natural regions with at least one national park. In fiscal year 1999-2000, the Agency spent \$0.2 million on the acquisition of land.

7. Collections and Archaeological Sites

Core to the Agency's mandate to protect and present nationally significant examples of our cultural heritage is the management of collections and archaeological sites. Although not capitalized like other cultural assets such as buildings or fortifications, these cultural treasures have inestimable value.

(a) Collections

The Agency manages collections that are made up of archaeological and historical objects.

The collection of archaeological objects contains over 33 million items, specimens and records that represent a cross-section of human habitation and activities spanning almost 11,000 years. These holdings consist of a range of functional groups of artifacts that represent domestic activities to industrial processes and includes tools, ships' fittings, as well as soil and botanical samples.

The collection of historic objects comprises over 300,000 items. These items date from the 10th century to the present day. They encompass ethnographic material, civilian, military and fur trade items, furniture and furnishings, tools and documents.

In addition, the Agency manages a collection of more than 400,000 reproductions including period costumes, tools and furniture that have been copied from original objects or made based on historical data.

(b) Archaeological Sites

Archeological sites are the oldest category of assets owned by the Agency, with some sites dating to 10,500 years before the present. There are 6,500 archeological sites within national historic sites and 8,600 sites identified in national parks. They are located underwater, on the earth's surface, or buried without obvious surface indications.

The cultural resources they contain are physical remains of past human activity, valued as points of physical contact with our distant past and as sources of knowledge about our history. The sites may take the form of stone tool manufacturing locations, campsites, shell middens, longhouses, rock art, mammal kill sites, fishing stations, vision quest sites/locations (places of spiritual/religious experience), the remains of fur trade and military posts, battlefields, villages, homesteads, dumps, cemeteries, and trails.

8. Deferred Revenue

Included in the deferred revenue total of \$5.1 million is an amount of \$1.8 million, representing the balance, at year end, of specified purpose accounts. The Agency receives money from external organizations which must be used for the purposes for which they are received.

Details of transactions for the fiscal year ended March 31, 2000 are highlighted in the following analysis:

Balance at beginning of year	1,819
Add amounts received from external organizations	5
Less revenues recognized in the year	(66)
Balance at end of year	1,758

The remaining \$3.3 million of deferred revenue includes entrance fees, recreational fees, and rentals/concessions fees collected in advance.

9. Provision for Environmental Clean-up

Based on the detailed studies conducted, the Agency recorded a provision of \$7.2 million for environmental clean-up in situations where the Agency is likely to be obligated to the remediation and removal of contaminated material from contaminated sites.

10. Summary of Expenses by Major Classification

Salaries and employee benefits	223,453
Amortization	76,824
Professional and special services	50,911
Utilities, materials and supplies	29,466
Transportation and communication	20,190
Accommodation	9,904
Payments in lieu of taxes	8,645
Rentals	7,041
Grants and contributions	6,648
Information	5,538
Repairs and maintenance	5,525
Other miscellaneous expenses	1,289
	445,434

11. Summary of Revenues by Major Classification

Entrance fees	34,052
Recreational fees	17,301
Rentals and concessions	14,646
Other operating revenues	3,082
Townsites revenues	2,937
Staff housing	2,466
Net gains on disposal of assets	304
	<u>74,788</u>

12. Parliamentary Appropriations

(a) Appropriations used

Appropriations voted:	
Vote 115 - Program expenditures	292,001
Vote 120 - New parks and historic sites account	12,000
Statutory votes:	
Revenue pursuant to section 20 of the <i>Parks Canada Agency Act</i>	67,720
Contributions to employee benefits plan	33,876
Enterprise Units Revolving Fund	(36)
Townsites Revolving Fund	412
Spending proceeds from disposal of surplus Crown assets	385
Total appropriations voted	<u>406,358</u>
Less:	
Amounts lapsed	573
Amounts available in future year	16,901
	<u>17,474</u>
Appropriations used	<u>388,884</u>

(b) Reconciliation to government funding

Net cost of operations	(370,646)
Add: Statutory revenue pursuant to section 20 of the <i>Parks Canada Agency Act</i>	(67,719)
Less: Items not affecting funding	
Amortization of capital assets	76,824
Services provided without charge by Government departments	28,613
Net gain on disposal of assets	(304)
	<u>105,133</u>
Add: Changes in accounts not affecting current year's funding requirements	
New parks and historic sites account	(1,770)
Accounts receivable	(655)
Inventory of consumable supplies	(319)
Employee termination benefits	382
Accounts payable and accrued liabilities	(5,292)
Miscellaneous deferred revenue	290
Provision for environmental clean-up	84
	<u>(7,280)</u>
Add: Capital assets funded by appropriations	(48,703)
Less: proceeds on disposal of capital assets	331
	<u>(48,372)</u>
Appropriations used	<u>(388,884)</u>

13. Related party transactions:

The Agency is related in terms of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Agency enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises. The Agency entered into transactions with related parties including a total of \$17.8 million for services provided by Government departments, including an amount of \$13.2 million to Public Works and Government Services Canada (PWGSC) for architectural and engineering services.

During the year, the Agency received services without charge which are recorded at fair value in the financial statements as follows:

Contributions covering employer’s share of employee’s insurance premiums and costs paid by Treasury Board Secretariat	9,856
Accommodation provided by Public Works and Government Services Canada	9,904
Services provided by the Department of Canadian Heritage for information management, information technology, finance, human resources and administrative support	7,510
Salary and associated costs of legal services provided by Justice Canada	722
Audit services by the Office of the Auditor General	338
Workers compensation coverage provided by Human Resources Canada	283
	28,613

14. Commitments

- a) The Agency has entered into agreements for leases of equipment and operating leases for accommodations for a total of \$7.1 million. The agreements show different termination dates, with the latest ending in 2021. Minimum annual payments under these agreements for the next five years are approximately as follows:

2000-01	405
2001-02	361
2002-03	340
2003-04	313
2004-05	295

- b) The Agency has entered into contracts for operating and capital expenditures for approximately \$21.7 million. Payments under these contracts are expected to be made in 2000-01, 2001-02 and 2002-03.

15. Contingencies

(a) Claims

In the normal course of business, claims have been made against the Agency totaling approximately \$15.1 million, excluding interest, for alleged damages and other matters.

The final outcome of these claims is not presently determinable and, accordingly, these items are not recorded in the accounts. In the opinion of management, the position of the Agency in all of these actions is defensible. Settlements, if any, resulting from the resolution of these claims will be accounted for in the year in which liability is considered likely and the cost can be reasonably estimated.

(b) Provision for Environmental Clean-up

The Agency has prioritized 222 property assets that require environmental assessment. Following a preliminary assessment of these properties more detailed studies were conducted to determine the degree of remediation required. In addition to the liability described in note 9, the Agency has identified a further contingency for environmental clean up in the amount of \$29.5 million. The contingency reflects the suspected costs or potential additional costs associated with situations where it is uncertain whether the Agency is obligated, or where it is unlikely that the Agency will incur full remediation costs.

16. Pay Equity

Treasury Board Secretariat and the Public Service Alliance of Canada reached an agreement on the implementation of the Canadian Human Rights Tribunal pay equity ruling of July 29, 1998. Parks Canada Agency employs persons from the groups included in the pay equity ruling. Any amounts paid or owing to employees of the Parks Canada Agency as a result of their employment as a member of the public service are the responsibility of Treasury Board. As a result, no amounts have been included in expenditures nor accrued as an obligation of Parks Canada Agency in respect of the recent pay equity agreement.

Printed on recycled paper



Imprimé sur papier recyclé