

**RIDEAU AND TRENT-SEVERN HISTORIC
CANALS: CORRIDORS OF CHANGE**

Prepared for

PARKS CANADA, DEPARTMENT OF CANADIAN HERITAGE

Prepared by

THE CANALS REVIEW TEAM
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CANALS REVIEW TEAM

March 30, 1995

Members of the Steering Committee:

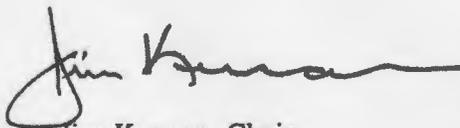
We are pleased to present you with a copy of our final report: **Rideau and Trent-Severn Historic Canals: Corridors of Change.**

Our draft report was distributed in February to all those with whom we had met during the term of the project. We recently met with union local executive, management, staff and interested individuals to review and discuss their comments on the draft report. We also received more than 40 written submissions.

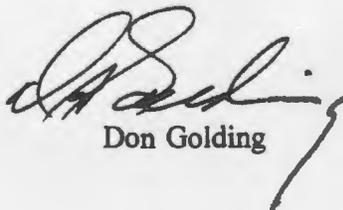
The final report has been modified to reflect many of the issues raised during the consultation process. Although no substantive changes have been made, new recommendations have been added, some removed and additional text has been added to the narrative to clarify misconceptions as to our intent. In addition, a new section has been added at the end of the report that identifies the foundation recommendations which we see as basic priorities for the implementation of this report.

The Rideau and Trent-Severn Canals face many challenges. The one consistent message we received during our consultations was the need for decisions to be taken to allow individuals and organizations to move ahead. We believe that this report provides the direction.

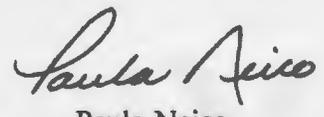
We want to thank the Steering Committee for the opportunity to contribute to this important task and we, as well as those we met with, anticipate an early response.



Jim Keenan, Chair



Don Golding



Paula Neice

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Acknowledgements

The Canals Review Team is indebted to many individuals.

Members of the Steering Committee provided clear and consistent direction and ensured that we had access to information and individual expertise throughout the project. Canal and Department staff provided insightful comments to our many questions. The recommendations in this report are a direct result of their openness and candour in providing the Team with years of experience and expertise. During these difficult time of change, we were continually impressed by the dedication of staff at all levels of the organization.

Residents of the two corridors, and representatives of organizations, business and interest groups gave freely of their time to come to meetings and to review and comment on our draft report. They confirmed the importance of these national treasures to the corridor communities and expressed a willingness to continue to work closely with the Canal organizations in the future.

In particular we want to acknowledge the contribution of Irv Mazurkiewicz, Marie Sharp and Sheila Rogers. Irv provided administrative support, organizing and facilitating all of our requests with speed and good humour. Marie and Sheila transcribed the many versions of the draft document into its final presentation.

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EXECUTIVE SUMMARY

This report was prepared by an independent Review Team and represents the product of six months of consultation with Canal staff, and corridor communities and customers.

The recommendations in this report signal significant changes in the Rideau and Trent-Severn corridors. Some change is recommended to occur immediately, while other recommendations will take longer to implement. Some recommendations require further study to verify that the information and perceptions received by the Canals Review Team can be substantiated and in fact will result in a positive new direction.

The recommendations focus on five directions:

- : Increasing domestic and international tourism
- : Stability in canal hours of operation
- : Efficiency in the delivery of services and the reduction of costs
- : Broadening the range of market based user fees and charges, and
- : Creation of more business like, entrepreneurial Canal organizations

The major change is the move to a more business-like operation driven by the ability to retain revenues and to implement new products and services based upon demand. This calls for a more flexible management structure, delegation of greater responsibility and accountability to staff, and strengthened relationships with corridor communities. Tourism and active, ongoing partnerships require this new direction.

Efficiencies are recommended in a number of areas to reduce the cost of management and operations and numerous recommendations are directed at new and expanded sources of revenue generation.

Advisory Committees and an Annual Report are recommended on both Canals to facilitate ongoing two way communication with customers, corridor communities and businesses.

At lock stations, customer service will be improved. Staffing levels will reflect demand and staff responsibilities will be more encompassing. The role of staff as ambassadors will be recognized. Volunteers will be encouraged to augment staff activities. The lock station role as tourism centres will be supported and some stations will provide retail sales.

The hours of service of the canals will be stabilized for the next five years, based on the aggregate hours for the 1995 season. The distribution of the hours will be determined in consultation with the corridor publics.

Fees will be tied more closely to service costs and market conditions. Corridor communities, business and customers will be consulted regarding future changes.

Land based visitor fees and charges will contribute to the cost of operation of the canals. Negotiations will take place with other agencies to reduce duplication of effort and build on strengths.

The Canals are national treasures. Therefore, financial responsibility for the protection and presentation of cultural heritage resources remains a federal government responsibility. The potential designation of the Rideau as a World Heritage Site demands this commitment. Consideration is also being given to designation of the Trent-Severn Waterway as a National Heritage River.

The canals will emerge as efficient, entrepreneurial organizations that will work in partnership with others for the benefit of the corridors.

INTRODUCTION

In 1993 and early 1994, at the direction of the Government, Parks Canada initiated an examination of the organization and operation of the Historic Canals in order to identify opportunities for streamlining and savings.

The Rideau Canal, and the Trent-Severn Waterway, each completed an Operational Review to determine how the two Canals would deal with budget shortfalls in fiscal years 1994-1995 and 1995-1996.

In August 1994 the two Canals held public meetings in the canal corridors to discuss fees and changes to canal hours of service for the 1995 season.

As a "Next Step" in the review process, Parks Canada established an external and independent Canals Review Team which had its first meeting on August 30, 1994. The Review Team received its direction from, and reported to, a Steering Committee chaired by Tom Lee, the Assistant Deputy Minister, Parks Canada. Other members included Gil Scott, Regional Executive Director, Ontario Region, Department of Canadian Heritage; John Bonser, Superintendent, Rideau Canal; John Lewis, Superintendent, Trent-Severn Waterway; and Christina Cameron, Director General, National Historic Sites.

This report is the product of the Review Team for which the Review Objectives and Team membership are shown in Appendix A.

It should be noted that, as a matter of first priority, the Review Team was directed to prepare an interim report by September 30, 1994 dealing with the issue of canal hours of service, fees and other revenue for the 1995 season.

This report "Canals Review Team: Phase 1 Report" is included as Appendix B. It was submitted in draft form at the end of September and a final report was submitted on October 20, 1994.

The Minister of Canadian Heritage accepted the recommendations of the Canals Review Team and, subsequently, announced significant modifications to the canal hours of service as proposed in the Operational Reviews.

This report represents six months of meetings and consultations with staff, community and business interests in the two corridors.

A first draft of the report was discussed with the Steering Committee on December 20, 1994. In mid February a final draft was sent for comment to all those with whom the Review Team met during the course of its work. A final round of meetings with managers, staff, union local executives and the public was held to discuss the final draft report. The Review Team's final report was submitted to the Steering Committee on March 30, 1995.

1.0 CANADA'S BEST KEPT SECRET

The Rideau and Trent-Severn Canals are Canada's best kept secret.

Off the beaten path, they offer a diverse landscape, through largely rural corridors, a change of pace with easy access to the past, and a safe, navigable system of waterways. They form part of an existing network of North American waterways that, depending on skills, craft, and time, connects the Ottawa River, Quebec Canals, Thousand Islands, Georgian Bay, the Erie Canal and the Intracoastal Waterway to Florida. They are a national treasure.

The Rideau and Trent-Severn Canals are living landscapes unique to the family of National Historic Sites. Designed for military defence and economic development they have a proven resilience to change. City and country, environment and economy, the canals are inseparable from the corridors through which they pass. World class tourist destinations, their future as in their past rests with cooperative and collaborative ventures.

1.1 Review of the Historic Canals

1.1.1 Principles

In preparation for this report, the Canals Review Team met with over 300 people and read countless reports and files including the Operational Reviews and Management Plan documents for the two Canals. We believe we heard most sides of each story. We heard interests and we heard positions. During the process, we developed the following set of principles to measure against our recommendations.

Canals should continue to operate as an integrated navigable network

The significant natural and cultural heritage resources on Crown owned canal lands should be protected and presented consistent with Parks Canada policies

Best efforts should be made to support the protection of natural and cultural heritage resources on other lands within the Canal corridors recognizing that protection is a shared responsibility

Customer service should be a high priority in the management of the Canals

The Canals should continue to be a major contributor to the regional, provincial and national economies, primarily through tourism

The Canals should be operated consistent with the wise, responsible and efficient use of public funds

Revenue generation should be optimized consistent with government and Parks Canada policies and fair market value

The gap between revenue and costs should be reduced

The Canals should be managed with regard for the needs and concerns of the corridor communities

Canal objectives can be achieved only by working with the corridor stakeholders through joint ventures and cooperative action. Stakeholders should be involved in decisions

Staff are a critical resource for the Canals and their future, and all the staff should be involved as accountable partners in the management and decision making process

1.1.2 Working Assumptions

In the production of this report a number of assumptions were made.

A five year time frame was assumed. Major changes will take time to influence behaviour as well as direction. Five years seems an appropriate benchmark.

The Parks Canada Assistant Deputy Minister (ADM) has directed the two Canals to achieve a 20% reduction in costs over a 3 year period. This will lead to significant changes. However, the Review Team sees the need for a certain level of stability.

Having said that, we are also very much aware that the "ground keeps shifting" and flexibility is the key word for operating in the future. To be responsible and responsive, Parks Canada will need to allow managers a certain amount of flexibility to manoeuvre in the years ahead.

The Rideau Canal and Trent-Severn Waterway were built at different times and for different reasons. The corridors are different in their size and in their needs. The recommendations apply to both Canals, however variation in application is assumed.

Similarly, there is great variation among lock stations within and between canals. Variation should be expected in their potential for revenue generation.

Future allocation of resources will be based on approved business plans for the individual canals.

The recommendations of the Canals Review Team: Phase 1 Report, October 1994 remain valid. See Appendix B.

All revenue generated will be retained by the Canals. The Canals will be allowed to carry over unused funds from one year to the next.

For expenditure purposes, there will be no distinction between capital and operating funds.

NOTE TO READER

This report identified 122 recommendations for consideration. Seventeen of these provide the foundation for other recommendations and are considered top priority. These recommendations will be addressed in Section 13.0 and have been identified throughout the report in large print.

"Canals" with an upper case "C" is used in this report to refer to the organization while "canals" with a lower case "c" refers to the waterway.

All recommendations are generic and apply to both the Rideau Canal and Trent-Severn Waterway. No attempt has been made to differentiate.

2.0 NEW DIRECTIONS

There is a new emphasis within Parks Canada on tourism and the economy. The Canals are well positioned to lead this challenge.

Unlike most National Historic Sites, an essential value of the canals lies in their use. They are neither static relics nor pristine natural environments. They are man-made water systems built and operated for navigation. They provide both land and water based recreation opportunities but are distinguished by the nature of their water use. The use of the locks by boaters draws the land based visitors to these sites. As such, the locking of boats is a value added product and a significant canal "resource".

The symbiotic relationship between the natural, cultural, boating and community resources of the canals is symbolically portrayed as a wheel in Figure 1. The wheel is used to show the interdependencies and highlight a major difference between the Canals and other National Parks and National Historic Sites. With the customer at the centre, the stability and smooth passage of the wheel is dependent on the functioning of all its spokes. If any one of the spokes is weak or fails, the wheel will cease to function. Each component is dependent on the others.

The cultural heritage resources are critical as evidenced by the designation of the Canals by the Historic Sites and Monuments Board. Likewise, the 1975 CORTS Agreement signed between the Governments of Canada and Ontario recognized the two canals as magnificent recreational assets incorporating an "overall recreational system... within a one day drive of some sixty million people".

Without the "locking of boats" individual lock stations would warrant recognition of historic status but it is unlikely that the natural resources, on their own, would qualify for national park status. Similarly, the locking boat resource, in the absence of the cultural sites and significant natural environment would not merit status of national significance in Ontario's landscape. The living nature of the landscape and the extent of private lands recognizes the importance of the community. Human, facility and physical resources provide infrastructure to keep the wheel moving. With people at the centre, the wheel is complete, for it is people who built the canals, value the heritage resources, use the resources and generate the economic spin offs that support the future of the canals.

To seize the future, the Canals require a new corporate vision to reflect these relationships.

Recommendation:

- 1 THE CANALS SHOULD BE OPEN, CREATIVE AND RESPONSIBLE ORGANIZATIONS WHOSE STAFF WORK TOGETHER, IN COOPERATION WITH OTHERS, TO PROTECT AND PRESENT NATURAL AND CULTURAL HERITAGE RESOURCES; TO PROVIDE A UNIQUE WATER AND LAND BASED RECREATION AND TOURISM EXPERIENCE; AND TO BUILD ECONOMIC PROSPERITY.**

This vision requires a clear statement of essential services, human relations and an appropriate organizational structure. The change needs to be supported internally and communicated externally.

This corporate vision includes both the management of the Canal organizations and the management of Canal resources. As such, it is not intended to replace vision statements developed through the management planning processes of the two Canal corridors.

HISTORIC CANALS

Canals Review Team



3.0 CORE BUSINESS

The Canals do not fit the traditional mould of an Historic Site in Canada. They have their own special qualities. Transferred from the Federal Department of Transport in 1972, the mandate of the canals moved from a single focus on through navigation to a broader focus that includes protection and presentation of natural and cultural heritage resources.

The Canals directly control a very limited land base but have a significant responsibility in the ownership of the beds of the navigable waters. They pass through populated landscapes largely held in private ownership. Land use planning authority rests with others. The Canals seek to influence thousands of individuals, scores of municipalities and many other resource conservation agencies.

Staff are divided on priorities when it comes to resource allocation. After more than two decades of being a member of the Parks Canada family, staff do not have a shared vision for the canals. Some operational staff place priority on the maintenance of through navigation often at the expense of resource conservation and presentation. Some policy and planning staff place priority on resource conservation and presentation needs over the operation of a navigation system.

Where there is agreement is in the recognition that the Canals offer a very distinctive experience. The natural resources of the corridors were not the *raison d'être* for their inclusion within the Parks Canada family. Unlike many other National Historic Sites, the canals are not only relics from the past, but also operating functional cultural heritage resources that are parts of communities and industry.

Recommendation:

2 THE CORE BUSINESS OF THE CANALS IS PROTECTING, OPERATING AND PRESENTING A NAVIGABLE HISTORIC CANAL SYSTEM FOR TOURISM, RECREATION AND COMMEMORATIVE PURPOSES.

4.0 ORGANIZATION FOR CHANGE

The Rideau Canal and the Trent-Severn Waterway are in the tourism and recreation business. They operate internationally recognized tourist attractions which are the foundation for a thriving tourism and recreation industry - an industry with potential for growth and increased prosperity.

The Canals must be operated in a business-like manner. They must be responsive to customer needs and provide high quality service at the right price. They must be entrepreneurial and be prepared to take calculated risks. They must also operate within their mandate for the protection and presentation of heritage resources in the two canal corridors. At the same time, as government agencies, the Canals must be accountable to their Department, to the Canadian public, to their corridor public and their customers.

To achieve this and, as well, operate in accord with the recommendations put forward in this report, the Canals need a new kind of management and administrative flexibility. This flexibility is not usually available through the normal departmental framework.

The requisite management flexibility and authority are available through designation as a "Business Unit", a type of operation now provided for under Treasury Board policy. A Business Unit would operate within the Department of Canadian Heritage with full accountability within the departmental framework. However, the Canals would have special status, as set forth and approved through a framework document and a business plan.

The framework document would cover the Canals' mission, accountability, relationships with other organizations, special flexibilities and their performance indicators.

The business plan would be strategic and longer term, focusing on the Canals' business and service lines and making specific performance target commitments such as for revenue generation.

The Business Unit approach provides for establishing a clear organizational mandate, a more business-like approach to program delivery within an accountability framework and with performance commitments. It provides for flexibilities that are needed by the organization to do its job, flexibilities that are not available to, or needed by, most parts of government. On

the other hand, the Business Unit is not a separate legal entity from its department, it remains accountable to the department, and staff continue to be members of the public service. A Business Unit should be created for each Canal. The Canals need the Business Unit management tools to allow them to forge stronger, more effective, more entrepreneurial working relationships and partnerships within their respective corridors.

The Business Unit designation allows for the appointment of a Board of Advisors for each Canal. This is very important given the nature of the Canals' operations and relationships within their respective corridors. The corridor oriented Boards can be the formal links between the Canals and the corridor communities as well as providing informed business guidance.

The key to taking the Business Unit approach is that, through the framework document and the business plan, the Canals can negotiate the authorities necessary for them to operate effectively in a business environment while, at the same time, allowing them to continue to deliver the heritage protection and presentation mandate required of them as members of the National Parks and Historic Sites System.

Recommendation:

3 THE RIDEAU CANAL AND THE TRENT-SEVERN WATERWAY SHOULD EACH BE ESTABLISHED AS BUSINESS UNITS WITHIN PARKS CANADA, DEPARTMENT OF CANADIAN HERITAGE, AND ACTION SHOULD BE INITIATED IMMEDIATELY TO ACHIEVE THIS.

4.1 Canal Advisory Committees

The cultural landscape is a creation of nineteenth and twentieth century processes. The canals and their corridors are not separate places. Their history and their future lie together. It is therefore important that the canals not be partitioned from their communities. Arbitrary administrative boundaries will not be helpful in moving into the future.

Proactive community consultation is required to keep the Canals' vision of the future in line with the needs and expectations of the corridor communities. A commitment to long term, two way and continuous avenues of information sharing is required. Opportunities need to be created to build constituencies and "community friendly" prosperity initiatives. The larger concept of the corridor needs to become commonplace and gain a recognition for its sense of place in the Ontario landscape.

Recommendations:

- 4 AN ADVISORY COMMITTEE SHOULD BE FORMED IMMEDIATELY FOR EACH CANAL. IT SHOULD REPORT TO THE SUPERINTENDENT AND ADVISE ON SUBJECTS OF MUTUAL CONCERN. AN IMMEDIATE TASK FOR THE COMMITTEES SHOULD BE TO WORK ON A SHARED VISION FOR THE CORRIDORS AND DEVELOP PROCESSES TO ENSURE MUTUAL SUPPORT BETWEEN CANALS AND NEIGHBOURS. IT SHOULD FACILITATE THE INTEGRATION OF ACTIONS BEING TAKEN THROUGHOUT THE CANAL CORRIDORS, SHARING INFORMATION, INFLUENCING DECISIONS AND HELPING TO DEVELOP THE IDENTITY FOR THE CORRIDORS.**
- 5 MEMBERSHIP SHOULD BE DRAWN FROM BUSINESS AND COMMUNITY LEADERS AND THE GROUP SHOULD BE CONVENED A MINIMUM OF 4 TIMES A YEAR. THIS TIME COMMITMENT HAS BEEN SUGGESTED TO ADD TO THE IMPORTANCE AND LEGITIMACY OF THE COMMITTEE. A TRANSITION INTO A BOARD OF ADVISORS WOULD COME WITH THE ACTIVATION OF A BUSINESS UNIT.**
- 6 IT IS SUGGESTED THAT THE COMMITTEES SHOULD BE VOLUNTARY AND BE PROVIDED WITH ADMINISTRATIVE SUPPORT.**

- 7 THE TERMS OF REFERENCE FOR THE COMMITTEES, THEIR MEMBERSHIP, TENURE AND SIZE SHOULD BE DEVELOPED IN CONSULTATION WITH INTEREST GROUPS ON EACH CANAL.**

- 8 THE ADVISORY COMMITTEE SHOULD MONITOR THE IMPLEMENTATION OF THE "CORRIDORS OF CHANGE" REPORT (MARCH 1995).**

5.0 THE SHAREHOLDERS

On both Canals, the Review Team found indications of divisions between management and staff. This was exacerbated, no doubt, by the recent operational reviews carried out by the Canals at the direction of the ADM Parks Canada. This is counterproductive and actions must be taken to resolve differences and develop a new and more productive way of doing business. The energy of the organization must be directed outwards at customer service. To operate in a more business-like environment, all staff should be viewed as shareholders, recognized and respected for their personal investment in the organization, and involved in future directions. The development of trust will take time and resources and requires a commitment from both management and staff. Outside facilitation and team building skills are seen as a prerequisite.

A dedicated, well informed staff who work together to serve customer needs is an important part of the vision for the Canal organizations. This is a key building block. A higher level of trust and cooperation must be restored on both canals. For instance, staff should be involved in all stages of the development of the Canals' business plans.

A process of team building is a priority. The transition to a Business Unit requires leadership and a shared vision of the organization. Team building is essential to assist in the cultural shift that will be required by the organizations.

The Review Team believes that the establishment of the new Canal Business Units also demands a new participative approach to management and decision making. The members of the Management Committee for each Canal participate in decision-making concerning operational, administrative and planning issues, and provide advice and assistance to the Superintendent. In order to ensure, insofar as is possible, that the ideas and opinions of all of the internal stakeholders are considered, the Review Team believes there should be staff representation on the Canal Business Unit's management committee. This, quite obviously, would require a new, creative, team oriented approach by both management and staff to make this work. Staff representatives should be chosen by staff and should serve for a one year term on a rotating basis. The two members should be from two different functional areas. They need not be members of the Executive of the Union Local. Staff representation on the Management Committee is not intended to replace or interfere with the normal responsibilities of the Union Management Committee. The Review Team is convinced that this will assist the

decision making process and will, in the final analysis, benefit the Canals' customers. It should also have a positive effect on staff relations. Minutes of Management Committee Meetings should be available to all staff.

Recommendation:

9 THE MANAGEMENT COMMITTEE FOR EACH OF THE NEW CANAL BUSINESS UNITS SHOULD HAVE A MAXIMUM OF TWO STAFF REPRESENTATIVES, SELECTED BY STAFF, AS FULL MEMBERS OF THE COMMITTEE. THIS WILL TAKE FULL ADVANTAGE OF THE KNOWLEDGE AND EXPERIENCE OF STAFF AS WELL AS MANAGERS IN ARRIVING AT DECISIONS WHICH WILL BEST SERVE THE NEEDS OF THE CANALS' CUSTOMERS, AND WISE, RESPONSIBLE AND EFFICIENT USE OF PUBLIC FUNDS.

Management Committees work by consensus, and consensus can be achieved only through the members of the Committee working together in the best interests of the customers they serve and the cultural and natural resources they manage and protect. In order to ensure, insofar as it is possible, that the new Management Committees will work effectively, it is essential that management and staff work together to develop the ground rules that will guide its operation. The Review Team believes that it is important to Canals' staff at all levels that this new Management Committee format succeed. It is also essential that it be given time to succeed.

Recommendation:

10 THE SUCCESSFUL IMPLEMENTATION OF RECOMMENDATION NINE REQUIRES THAT A TEAM OF MANAGERS AND STAFF SHOULD BE ESTABLISHED TO DEVELOP GUIDELINES FOR THE OPERATION OF THE RESTRUCTURED MANAGEMENT COMMITTEE.

- 11 **IN ORDER TO ACHIEVE A POSITIVE AND PRODUCTIVE RELATIONSHIP BETWEEN CANAL STAFF AND MANAGEMENT, TEAM BUILDING SHOULD BE UNDERTAKEN. EXTERNAL FACILITATION ASSISTANCE SHOULD BE CONSIDERED.**

6.0 COMMUNICATIONS

The management planning exercises on the Rideau and Trent-Severn Canals are exemplary examples of community consultation processes that both Canals have initiated and carried out within their corridors. However, on the Canals and throughout Canada, communities are asking that their voices be heard and considered on a whole range of issues. Federal managers are being asked to be more accountable for their actions and communities are asking to be consulted and provided with real opportunities to give input and to receive feedback. The public meetings on the canals to review fees and hours of service clearly indicated a lack of understanding by the public of the challenges facing the Canals. The Canals need to engage in more effective ongoing communications with their publics to supplement the current issue oriented consultations. The Advisory Committees, and the Board of Advisors when formed, should facilitate communication.

The Canals appear not to have a strategy for ongoing communication with the corridor publics and Canal customers. One of the results is a poorly informed public with often unrealistic expectations of the Canals.

Recommendations:

12 CANALS SHOULD DEVELOP A COMMUNICATIONS STRATEGY TO KEEP STAFF, CUSTOMERS AND THE CORRIDOR PUBLIC INFORMED.

13 THE SUPERINTENDENTS SHOULD PREPARE ANNUAL REPORTS, FOR RELEASE BY THE MINISTER, TO THE COMMUNITIES IN THE TWO CANAL CORRIDORS. THE ADVISORY COMMITTEES SHOULD, AS ONE OF THEIR FIRST TASKS, RECOMMEND INFORMATION OF RELEVANCE TO THE COMMUNITIES WHICH SHOULD BE INCLUDED IN THE REPORTS.

The length of the canals and the dispersed nature of their operations requires that decisions be based on good information and that staff be kept abreast of significant decisions and actions. Customers and corridor communities also must be informed.

Recommendation:

14 REGULARLY SCHEDULED MEETINGS OF ALL STAFF SHOULD BE HELD WITH AGENDAS SET BY THE STAFF AND MANAGERS. THESE MEETINGS SHOULD OCCUR A MINIMUM OF TWICE YEARLY, AND WOULD BE IN ADDITION TO STAFF MEETINGS NORMALLY HELD IN THE CANAL AREAS AND FUNCTIONAL UNITS.

During our meetings with staff, community, industry and interest groups concern was expressed about "yet another study". We also heard the pride in the voices about the value of the canals to individuals, communities and groups. We believe there is a strong constituency ready to work with Parks Canada to achieve an exciting future for the Canals.

Recommendation:

15 TO INCREASE CREDIBILITY AND TO DEVELOP STRONG SUPPORTIVE CONSTITUENCIES ON THE CANALS, THE DEPARTMENT SHOULD PREPARE AND DISTRIBUTE A RESPONSE TO THE CANAL REVIEW TEAM'S RECOMMENDATIONS IN A TIMELY MANNER.

7.0 TOURISM IN THE CANAL CORRIDORS

The Review Team was asked to "develop mechanisms for the Canals to continue, and indeed expand, their roles as economic stimulants with particular emphasis on the tourism sector".

They were specifically mandated to consider tourism marketing, partnerships and new client offerings, taking account of national tourism initiatives.

The Buchanan Report on Tourism, accepted in late October 1994 by the Prime Minister, called for the establishment of a Canadian Tourism Commission (CTC) to market Canada as a tourist destination to international and domestic tourists, as well as to provide support for existing tourism associations. The Commission is to be directed by a Board of private sector, provincial/territorial and federal representatives. The Prime Minister announced federal funding of \$50 million per year with the expectation that the other governments and the private sector would add a further \$50 million. Programs would be jointly developed and implemented. The Buchanan Report refers specifically to National Parks and Historic Sites, noting concern expressed in Western Canada about "the reluctance of Parks Canada to encourage tourism in our national parks" and acknowledging that "the conflict between Parks Canada's two mandates - preservation and enjoyment - is not easily resolved". The Report goes on to say that "senior administration... is determined to aid the tourism industry while being conscious of the preservation segment of its mandate".

The Heritage Tourism Secretariat of the Department of Canadian Heritage is finalizing a heritage tourism strategy for the Department that takes an aggressive approach to "tap emerging trends in global tourism and improve Canada's position in the international tourism market".

National Parks and National Historic Sites, including the Historic Canals, are an integral and important element in the strategy which seeks to:

- * strengthen social, cultural and natural fabric of Canada;
- * enhance Canada's heritage tourism products;
- * stimulate job creation and regional economic development;
- * encourage the growth of vibrant heritage industries and small business sector; and
- * reduce the travel-related component of the current account deficit.

The strategy "aims to build on current successes in an effort to increase Canada's market share of key markets in Europe (France, Britain, Germany), the Asia-Pacific (especially Japan) and the United States". Domestically "the strategy aims to target long-haul or inter-regional travellers in an effort to encourage Canadians to understand, appreciate, and enjoy the richness of their own heritage and provide them with the opportunities to share with other Canadians the social and economic benefits associated with this travel".

The strategy sets forth four strategic areas for action:

1. communicate and promote our heritage to travellers; (eg. co-operative marketing, advertiser-supported travel guides, building a brand/look/signature for heritage tourism)
2. focus on authentic and sustainable products; (eg. packaging heritage experiences, historic sites)
3. work increasingly in partnership; (eg. support the CTC and regional bodies, consulting and working with partners and stakeholders) and
4. invest wisely (eg. client-focussed approach to product development; entrepreneurial approach to working with private sector and collaboration to promote products to specific markets).

In summary, the Buchanan Report, the Prime Minister's speech, and the Department of Canadian Heritage strategic planning for tourism, all recognize the importance of tourism to the Canadian economy and society and indicate a much more aggressive approach by the federal government. They also recognize the need and desirability of much enhanced co-operation and partnerships between the federal government, other governments and the private sector.

7.1 Tourism and the Economy

The Trent-Severn Waterway and the Rideau Canal are estimated to create \$44 million GDP through direct expenditure and the expenditures of canals visitors. This is a significant economic impact. In the summer of 1994 corridor residents and customers expressed concern

about the economic impact of proposed changes in hours of service on municipalities and the private sector. The canals are major tourist attractions of international importance and any changes to how the canals are operated can have serious effects on their corridors and regions. These concerns were echoed in meetings which the Review Team had with tourism working groups, municipalities, other groups and organizations and individuals as well as in written submissions received by the Review Team.

7.2 What We Heard

Many comments were received by the Review Team:

- * It is better to increase fees than reduce service - don't promote to tourists unless you can deliver service.
- * Waterways marketing is poor - the canals are a best kept secret - must market to U.S. Boaters.
- * Build tourism in the shoulder seasons - bus tours, focus on seniors - promote visits to specific sites.
- * To get economic benefit there is need to slow visitors down and keep in area.
- * May need differential fees to attract boaters in lower use periods.
- * Lock staff are critical to good service to boaters - should be better trained in providing general area tourist information, perhaps through familiarization tours.
- * Parks Canada should look for marketing partnerships - should be private sector marketing leadership - Canals need to bring dollars to the table to get involved in marketing partnerships - problem with tourism players all "doing own thing", need to work together.

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K6H 6S3

- * Need to market both canals together - need more marketing to Quebec market - potential for joint marketing with New York State Canals - don't waste money marketing at local events.
- * Don't give tourists a reason to stay away (with reference to changes in canal hours of service and fee increases).
- * For marketing, corridors need more identity - corridor logos (the Parks Canada Beaver won't do) - need corridor entrance-ways and, at a future time, corridor information centres - corridor scenic/historic drive and directional signage on major highways - there is now inadequate Trent-Severn and Rideau signage.
- * A low clearance highway bridge over the Tay Canal severely restricts boat traffic into Perth, a town which is making major investments to increase tourism.
- * "Trent-Severn Waterway" does not have strong marketing recognition - should use "canal" which has world wide recognition and also identify with "National Parks" which has strong market appeal.
- * Marketing plans are needed for the corridors - make sure marketing is done right even if no implementation until 1996.
- * Canals data is inadequate - need good data for planning and decision making.
- * We are tourism professionals who work in an expanding tourism industry - use us.

7.3 A Time For Action

Federal Government, Department of Canadian Heritage and Parks Canada policies and initiatives open the door to a much more proactive and co-operative role in tourism for the two Canals. The tourism industry and municipalities in the corridors want Parks Canada to be more involved and are prepared to work more in partnership to improve and increase tourism in the corridors.

It remains for the two Canals to seize the opportunity, to become active partners with the industry, to provide the leadership without seeking control - to occupy one "seat at the table". Without losing sight of the heritage protection mandate of Parks Canada, they must broaden their vision and, along with their stakeholders and partners, work to build upon the remarkable tourism resource represented by the two waterways and their associated communities, attractions, facilities and services. The Canals must get more involved in the tourism industry. As operators of world class tourist attractions they must provide a quality product to their customers. As members of the tourism industry they must work with the industry and the other corridor communities to further develop the tourism potential of their areas. As major landowners in the corridors and because of their heritage protection mandate, the Canals must also work with all of the stakeholders and partners to ensure the protection of the natural and cultural heritage resources and the environment which are so important to a healthy tourism and recreation industry.

The Review Team convened two tourism workshops, one in each of the two corridors, to determine how Parks Canada could strengthen its contribution to the economy through increased tourism. The focus was on marketing, facilities and services, co-operation and partnerships. Because of the importance of the tourism industry it was also raised in most other meetings held by the Review Team as well as in written comments.

Prior to the Team commencing its work, during the public meetings held by the Canals to discuss fiscal constraints and their proposed impact on canal hours of operation, there were repeated references to tourism by those in attendance.

The two tourism workshops directed attention to tourism throughout the entire canal corridors and brought together people in the tourism industry - operators and organizations and governments. They were very productive and successful sessions and will lead, we are convinced, to ongoing partnerships and alliances which will have a major impact on the growth of tourism - both land based and water based - in the corridors.

7.4 Tourism Marketing and Development

Both from the two corridor tourism workshops and from other meetings and representations, the message is very clear that the Canals should become active partners in tourism marketing.

In the Trent-Severn, the Canal is already a participant in the marketing being done by The Friends of the Trent-Severn to the boater market in the Northeastern United States with funding from Tourism Canada and corridor private sector and municipal partners. While there may ultimately be another organization developed to concentrate on marketing that corridor, there was consensus that the Friends should continue in this role at least for the time being. The Tourism Canada funds are time limited and new funding will have to be found to continue this program.

Also in the Trent-Severn corridor, the Ontario Ministry of Culture, Tourism & Recreation has initiated a community planning and development project which includes a major focus on tourism. The staff of the Trent-Severn Waterway are key participants. This initiative should make an important contribution to the marketing and development of tourism throughout the corridor.

In the Rideau there is now no corridor marketing organization. However, at the tourism workshop those present decided to meet again to consider a mechanism for marketing the entire corridor and, as a probable first step, develop a marketing strategy. The Canal undertook to convene the first meeting of this group.

Review Team meetings and written comments provided many creative ideas for marketing the canals and their corridors, ideas which need to be taken into account in developing marketing strategies. Reference was made to working with communities in their desire to increase public access to the canals. The Town of Perth spoke to the need to work together in their proposal to reconstruct a bridge that presently limits access to the redevelopment along their waterfront.

The Department of Canadian Heritage and the Friends of the Rideau are currently attempting to have the Rideau Canal designated as a World Heritage Site. This designation would have significant tourism marketing potential both domestically and internationally.

Amongst the ideas discussed for product development initiatives in the two corridors, the proposal for scenic/heritage drives and bicycle routes deserves careful attention. Land based visitors present the greatest potential for tourism growth in the two corridors, and yet there is no concerted effort to attract the automobile tourist to travel the corridors. There is inadequate signage on the major highways. Visitors would have difficulty locating the canals if they were looking for them and almost no chance of discovering them by accident. There is no identification on highway maps of the "scenic/heritage" route, nor is there any road signage to direct the traveller who happens to find the canals, except for individual lock station signage.

The need for highway signage and canal "entranceway" identification should be pursued under the tourism marketing strategy. Municipalities along the two corridors should be encouraged to cooperate in designating and signing canal scenic/heritage routes. The Loyalist Parkway is one example of what can be done. Corridor logos would help. Parks Canada in cooperation with others should design more attractive signage for access to canal lock stations and other attractions. The current "beaver" signage is not effective.

Recommendations:

16 THE CANALS SHOULD INCREASE THEIR CONTRIBUTION TO THE NATIONAL AND REGIONAL ECONOMIES, RECOGNIZING THEIR ROLE AS MANAGERS OF INTERNATIONALLY SIGNIFICANT TOURISM ATTRACTIONS.

17 THE RIDEAU CANAL AND THE TRENT-SEVERN WATERWAY SHOULD BE MARKETED AS INTERNATIONALLY SIGNIFICANT TOURISM ATTRACTIONS.

18 THE CANAL ORGANIZATIONS SHOULD BE FULL MEMBERS OF THEIR RESPECTIVE CORRIDOR MARKETING ORGANIZATION.

19 WHILE PROVIDING LEADERSHIP AS APPROPRIATE, THE CANALS SHOULD NOT HEAD THE ORGANIZATIONS OR SEEK TO CONTROL THEM.

- 20 PARKS CANADA SHOULD PROVIDE FINANCIAL SUPPORT TO THE TWO CORRIDOR MARKETING ORGANIZATIONS CONSISTENT WITH FUNDING BY OTHER CORRIDOR PARTNERS AND BASED UPON MARKETING AND BUSINESS PLANS PREPARED BY THE ORGANIZATIONS.**
- 21 MARKETING SHOULD BE DONE, IN SO FAR AS IS POSSIBLE, BY EXISTING ORGANIZATIONS.**
- 22 TOURISM MARKETING SHOULD TARGET THE GROWTH POTENTIAL OF INTERNATIONAL AND DOMESTIC LAND BASED VISITORS AS WELL AS BOATERS.**
- 23 PROVINCIAL HIGHWAYS SHOULD HAVE UNIQUE SIGNAGE TO IDENTIFY THE TWO CANAL CORRIDORS AND DIRECT TRAVELLERS INTO THE CORRIDORS.**
- 24 SCENIC/HERITAGE AUTOMOBILE AND CYCLING ROUTES SHOULD BE ESTABLISHED AND SIGNED ALONG THE TWO CANAL CORRIDORS.**
- 25 THE MANY OTHER MARKETING AND PRODUCT DEVELOPMENT IDEAS DISCUSSED IN THE TOURISM WORKSHOPS SHOULD BE CONSIDERED IN THE PREPARATION OF THE MARKETING PLANS.**
- 26 DURING 1995, THE TOURISM PARTNERS IN EACH CANAL CORRIDOR SHOULD PREPARE, FOR SUBMISSION TO THE PROVINCE OF ONTARIO AND THE NEW CANADIAN TOURISM COMMISSION, A COMPREHENSIVE INITIATIVE FOR MARKETING THE CORRIDORS IN THE DOMESTIC, U.S.A. AND OVERSEAS MARKETS. THIS COULD BE PART OF A BROADER PARKS CANADA INITIATIVE.**

7.5 Managing the Canals For Tourism

The Trent-Severn Waterway and the Rideau Canal are major international tourist attractions with potential to draw many more tourists and generate much greater economic impact. As manager of these attractions, the Canals must be much more involved in the industry and must establish their own tourism expertise in each of the Canal organizations. The Canals must provide the quality of services and facilities which will attract and hold tourists and keep them coming back. They must be sensitive to the fact that tourism is an extremely competitive business and tourists have a wide choice of places to go in the domestic and international marketplace and, as someone remarked, "don't give tourists a reason to stay away". Issues such as the concern and controversy over the canal hours of operation can be such a "reason" and can undo much good marketing effort. Accordingly, the Canals must be especially sensitive to what they do and how they do it.

Canal tour boats such as the Kawartha Voyageur not only result in significant economic impact in the two corridors but also market the canals both domestically and internationally, thus increasing the market profile. They also make good use of the canals during the shoulder seasons. For these reasons it makes sense for the Canals to continue to provide the best possible service to such cruises recognizing their schedule obligations.

There is a critical lack of reliable canal visitor data which makes planning and decision making difficult. Available surveys provide some useful data but not enough. These data needs must be defined and reliable data gathering instituted in order to understand the dynamics of canal use, and measure response to management actions and to corridor marketing programs.

Parks Canada staff also need to be more business-like and entrepreneurial in negotiating special arrangements and agreements with municipalities, organizations and the private sector. These arrangements would be for the purpose of supporting events and promotions and, at the same time, increasing canal use and revenues. While this is done to a certain extent now, this type of cooperation and facilitation should become a way of doing business for the Canals and a further expression of their aggressive tourism role in the canal corridors. The new Business Units should be given the requisite authority and encouragement to do this.

Recommendations:

- 27 THE CANALS SHOULD WORK IN PARTNERSHIP WITH OTHERS TO ENSURE THE CONSERVATION AND PRESERVATION OF THE NATURAL AND CULTURAL HERITAGE RESOURCES OF THE CORRIDOR IN WHICH THE CANALS ARE SITUATED. AN ECOSYSTEM APPROACH IS THE FOUNDATION OF A HEALTHY AND SUSTAINABLE TOURISM AND RECREATION INDUSTRY.**
- 28 THE CANALS SHOULD EACH APPOINT A STAFF MEMBER TO SERVE AS THEIR TOURISM SPECIALIST TO WORK WITH THE INDUSTRY, SERVE ON THE CORRIDOR MARKETING ENTITY, AND PROVIDE INTERNAL DIRECTION, ADVICE AND ASSISTANCE ON ALL TOURISM MATTERS. THE CANALS SHOULD ALSO TAKE FULL ADVANTAGE OF THE ADVICE AND EXPERIENCE OF TOURISM OPERATORS AND OTHER TOURISM EXPERTS IN THE CORRIDORS.**
- 29 THE CANALS SHOULD IMPLEMENT A RELIABLE VISITOR DATA SYSTEM FOR BOTH WATER AND LAND BASED VISITORS IN ORDER TO MEASURE KEY RESULTS AND MAKE BETTER MANAGEMENT DECISIONS. THESE DATA SHOULD BE MADE AVAILABLE TO OTHERS.**
- 30 CONSIDERATION SHOULD BE GIVEN TO DIFFERENTIAL OPERATING HOURS AT SPECIFIC LOCKS AND/OR DURING SPECIFIC TIME PERIODS AS A WAY TO INCREASE SYSTEM CAPACITY AND TO BETTER SERVE CANAL CUSTOMERS.**
- 31 FUTURE FEE CHANGES, OR OPERATIONAL CHANGES DIRECTLY AFFECTING CUSTOMERS, SHOULD INVOLVE CONSULTATION WITH**

CUSTOMERS AND CORRIDOR COMMUNITIES. THESE DECISIONS SHOULD BE MADE AND COMMUNICATED WELL IN ADVANCE OF THEIR IMPLEMENTATION ALONG WITH APPROPRIATE RATIONALE.

- 32 THE CANALS SHOULD GIVE CONSIDERATION TO A FEE SYSTEM THAT CONTRIBUTES TO REDUCING THE TRAVEL SPEED THROUGH THE SYSTEM AND ENCOURAGES LONGER STAYS IN THE CORRIDORS.**
- 33 SPECIAL MARKETING ATTENTION SHOULD BE GIVEN TO UNDERUTILIZED SECTIONS OF THE CANALS SUCH AS THE TRENT SEGMENT OF THE TRENT-SEVERN. DIFFERENTIAL FEES SHOULD BE CONSIDERED AS ONE WAY OF ATTRACTING CUSTOMERS.**
- 34 CANALS AND OTHERS SHOULD COOPERATE TO PRODUCE BROCHURES THAT SERVE THEIR COMMON INFORMATION PURPOSES. CORRIDOR MAPS SHOWING BOTH WATER AND LAND TRANSPORTATION ROUTES, MUNICIPALITIES AND ATTRACTIONS SHOULD BE A HIGH PRIORITY FOR THE CANALS AND THEIR PARTNERS.**
- 35 CANALS SHOULD ENSURE THE PROVISION OF IMPROVED FACILITIES AND SERVICES AT KEY LOCATIONS SUCH AS OTTAWA, WHERE BETTER DOCKING FACILITIES ARE NEEDED ON THE OTTAWA RIVER, AN ENTRY POINT FOR MANY QUEBEC BOATERS; AND IN DOWNTOWN OTTAWA AT THE NATIONAL ARTS CENTRE. THERE IS ALSO A NEED TO IMPROVE SERVICES AND FACILITIES FOR LAND BASED VISITORS. OTHER SPECIAL SITES ARE BIG CHUTE AND THE KIRKFIELD LIFT LOCK ON THE TRENT-SEVERN WHERE FACILITIES AND SERVICES TO SERVE THE MANY CUSTOMERS ARRIVING BY BUS AND CAR ARE NOT ADEQUATE.**
- 36 CANALS SHOULD DEVELOP OPERATIONAL POLICIES TO ACCOMMODATE THE NEEDS OF MAJOR TOUR BOAT OPERATORS, PROVIDING FOR PRIORITY LOCKAGE AS NECESSARY SUBJECT TO THE IMPOSITION OF APPROPRIATE COMMERCIAL SERVICE CHARGES.**

37 TO PROMOTE AND SUPPORT TOURISM IN THE CORRIDORS, THE NEW CANAL BUSINESS UNITS SHOULD HAVE THE AUTHORITY, AND BE ENCOURAGED, TO NEGOTIATE SPECIAL ARRANGEMENTS WITH CORRIDOR PARTNERS FOR THE PROVISION OF CANAL FACILITIES AND SERVICES IN SUPPORT OF CORRIDOR EVENTS AND PROMOTIONS. SUCH ARRANGEMENTS SHOULD, AT A MINIMUM, PROVIDE FULL COST RECOVERY TO THE CANALS. THIS COULD INCLUDE SPECIAL OPERATING HOURS OR FEE DISCOUNTS.

7.6 Customer Service

Good Customer service is essential to all successful businesses. The Canals have a tradition of good customer service defined by good practices delivered by caring employees.

As Canals' programs are refined to ensure the wise, responsible and efficient use of public funds, the needs of the customer must not be neglected. The concern for the Canals' many and varied customers must not be lost.

Special attention needs to be given to serving needs that are now not fully met, needs that have been expressed to the Canals and the Review Team.

How can congestion and delays be reduced? Longer hours at some locks? Processing efficiencies? More holding docks to mitigate the problems of delays?

How can the problem of boat wake and its impact on shoreland, shore facilities and shore owners be reduced? More enforcement? A system of boat fees that reduces the incentive to speed?

Should lock stations facilities be improved? Better washroom? Showers? Fish cleaning tables?

The list of customer service improvements is long and the financial resources are short. Priority should be given to improvements that can be made cost recoverable. But most essential, customers must know that they are considered important. That, while there may be

facility or service shortcomings, the Canal business is doing the best it can and that best is delivered by helpful, considerate and efficient staff.

Recommendations:

38 CANALS SHOULD PUT A PREMIUM ON DELIVERING GOOD CUSTOMER SERVICE.

39 PRIORITY SHOULD BE GIVEN TO COST RECOVERABLE CUSTOMER FACILITY IMPROVEMENTS.

40 THE CANALS SHOULD ENSURE THAT ALL FRONT LINE STAFF RECEIVE MORE TRAINING IN TOURISM HOSPITALITY AND ARE ABLE TO PROVIDE APPROPRIATE TOURISM INFORMATION TO VISITORS. THE OPERATION OF LOCKS SHOULD BE USER FRIENDLY. DISTINCTIVE AND FUNCTIONAL UNIFORMS SHOULD CONTINUE TO BE PROVIDED FOR ALL STAFF WHO DEAL WITH THE PUBLIC.

7.7 Economic Impact of Tourism

The Review Team did not have the time or expertise to estimate the economic impact of the recommended actions by the Canals and their corridor partners. There can be no doubt, however, that there is an opportunity to increase significantly the number of tourists visiting the two canal corridors and, consequently, the economic impact of tourism on the economy. The impact will be especially significant if tourism can be increased during the shoulder seasons when unused capacity exists in all, or most, segments of the industry. This economic impact will result in more employment, which is critical to the economic health of the corridors and their surrounding regions.

8.0 EFFICIENCY OF CANAL OPERATIONS

The Canals carried out operational reviews which were a part of program-wide reviews mandated by the ADM Parks Canada. While these reviews confirmed the canals as a "vital component of the Parks organization and should continue to be operated as systems providing for navigation, recreation and the conservation of natural and cultural resources...this review recognized, however, that costs of operation far outweigh revenues received by the Government of Canada for the services provided... it is clear that if the Canals are to continue to provide the full range of services which they presently provide and act as major generators of economic activity beyond the year 2000, ways must be sought to increase revenues and also reduce costs by increasing operational efficiencies".

The Canals Review Team was asked to examine requirements for, and methods of, service delivery to ensure efficiency with minimal negative impact on client requirements.

The Review Team received many comments relating to efficiency in its meetings with public groups and individuals, as well as in meetings with the management and staff and with the Union Local executives in both Canals organizations. It also had access to, and reviewed carefully, the staff and management comments and papers leading to the Operational Review Reports for the two Canals.

It seems to the Review Team that the Canals have not been provided with an adequate level of funding to support their mandated role in heritage resource conservation, environmental protection and education/interpretation. This would appear to have exacerbated the problem of public and staff understanding as well as resulting in inadequate enforcement of the Historic Canal Regulations to the dissatisfaction of many corridor residents and visitors and to the frustration of committed staff.

It is not surprising that, in the face of proposed cutbacks to canal operating hours, there is strong reaction from some staff, corridor residents and other customers to the effect that these so-called fringe activities should be cut back first and that overhead staff at all levels should be reduced. However, discussion of potential efficiency measures cannot, and should not, ignore the full policy mandate of the Canals because all of its elements are important to the management of the corridors. It should be added, though, that Parks Canada must do a better job of communicating its policies and programs to both staff and the public generally.

It should be noted that the period since the Review Team began its work in late August 1994 has been also a somewhat turbulent period for the Canals. They have been dealing with organizational issues concerning their place within the relatively new Department of Canadian Heritage and, at the same time, have been grappling with significant 3-year budgetary constraint targets which are well in excess of those under discussion at the time of the public meetings in August. During the course of this work, the Review Team has been looking at potential efficiency measures which, as a consequence of discussions with Canals' management, have in effect become incorporated into their thinking with respect to their more immediate constraint activities.

It is critical that Canal customers and those whose businesses depend on tourism in the two corridors be given, as soon as possible, a clear picture of where the canals are going over the next three to five year period. This was an important "working assumption" of the Review Team (see Section 1.1.2). It is public knowledge that the ADM Parks Canada has mandated a 20% reduction in the operating and maintenance budgets of the two canals over the next three years. The Review Team believes it is essential that there be no further reductions in the canal hours of operation beyond those established for the 1995 season. This is of utmost importance. It should be noted that, in the discussion of marine fees later in this report, (Section 9.2) reference is made to the possibility that there could be a trade-off between the extent of increase of marine fees and the hours of service.

Recommendations:

41 THE CANALS SHOULD MAINTAIN ANNUAL BASIC MINIMUM HOURS OF SERVICE, FOR A FIVE YEAR PERIOD IN ORDER TO PROVIDE STABILIZED HOURS OF OPERATION AND TO SUPPORT TOURISM MARKETING INITIATIVES.

42 THE CANALS SHOULD FIND COST SAVINGS FROM A COMBINATION OF MORE EFFICIENT PROGRAM DELIVERY AND A REDUCTION IN CANALS OVERHEAD COSTS.

8.1 Canal Administration

There have been suggestions that the costs of operating the Canals could be reduced substantially by amalgamating the headquarters of the two Canals. The Department of Canadian Heritage is reviewing this issue.

There are some program support services that might be delivered more efficiently using a "service centre" approach. The service centre could provide administrative, technical and professional support services to the two Canals but would not be control centres. The service centre could be part of an amalgamated headquarters, could be at one of the Canals or at some other appropriate location. Different services could be provided from different centres.

However, Canal program delivery (e.g. water management, cultural resource management) and some program planning (e.g. tourism marketing and development), must remain in their respective corridors. A major thrust of this report is placing more emphasis on the corridor, developing effective working relationships with corridor communities, and creating co-operative program delivery mechanisms. The achievement of the Canal's core business and other objectives depends upon these corridor relationships and arrangements.

Recommendations:

- 43 EACH CANAL BUSINESS UNIT SHOULD, AT MINIMUM, HAVE RESPONSIBILITY FOR PROGRAM DELIVERY AS WELL AS SOME CORRIDOR SPECIFIC PROGRAM PLANNING, SUCH AS TOURISM MARKETING. THE UNIT WILL WORK WITH COMMUNITIES AND OTHERS IN DEVELOPING CREATIVE PROGRAM DELIVERY MECHANISMS**

- 44 THE DEPARTMENT SHOULD DETERMINE IF ADMINISTRATIVE, TECHNICAL AND PROFESSIONAL SUPPORT SERVICES CAN BE PROVIDED MORE EFFICIENTLY THROUGH A CENTRALIZED SERVICE CENTRE. POTENTIAL CANDIDATE SUPPORT SERVICES INCLUDE FINANCIAL SERVICES, HUMAN RESOURCE SERVICES, REALTY SERVICES, ENGINEERING AND SHOP SERVICES. IN MAKING THIS RECOMMENDATION IT IS RECOGNIZED THAT CERTAIN SERVICE**

ELEMENTS MUST REMAIN AT EACH CANAL TO SUPPORT DAY TO DAY DELIVERY.

From discussions with Canal managers and other staff, with other canal organizations and from public comments, the Review Team is convinced that, at the canal level, operations and maintenance should be much closer integrated, with appropriate empowerment, to manage sectors of the canals. This would not only make more efficient use of operating and maintenance staff, but would also reinforce the canal stewardship role of staff.

Also, there is a need within the Canals generally to flatten the organizational structures and reduce the total number of supervisors.

The Review Team was told also that lock staff could play a much greater role in Interpretation because of their local knowledge and their daily contact with large numbers of visitors. The Team believes that many lock staff are capable of undertaking this work and should be trained to do so. This training should include the broader Parks Canada mandate.

Recommendations:

45 THE CANALS SHOULD, THROUGHOUT THEIR ORGANIZATIONS, REDUCE THE LEVELS OF SUPERVISION AND THE NUMBER OF SUPERVISORS.

46 CANAL OPERATIONS AND MAINTENANCE SHOULD BE INTEGRATED AS FAR AS POSSIBLE, WITH SPECIALIZED SKILLS AVAILABLE ON CALL FROM A CENTRALIZED MAINTENANCE UNIT.

47 OPERATING STAFF SHOULD BE GIVEN MORE RESPONSIBILITY, WITH APPROPRIATE TRAINING, TO CARRY OUT SITE AND CORRIDOR INTERPRETIVE FUNCTIONS.

48 STUDENTS HIRED FOR OPERATIONAL AND INTERPRETIVE DUTIES AT LOCK STATIONS SHOULD BE CAPABLE AND AVAILABLE TO CARRY OUT BOTH FUNCTIONS AND SHOULD BE HIRED AT THE SAME STUDENT PAY RATE.

8.2 Efficient Canal Management

Because of the proportion of the Canals' budgets allocated to canal operations, ways must be found to find savings in this area without adverse impact on canal operating hours, customer service and safety. There is general acceptance of this so long as cutbacks are fair, relative to other parts of the Canal organizations. Some staff have offered to take a percentage pay reduction if everyone in the organization were similarly cut back. While this seems not to be possible given union agreements, it is indicative of the sincerity of staff in their willingness to be part of the solution.

The problem is that, at present, the operating costs are too high for the number of boaters served during significant parts of the year, mainly the shoulder season, and in certain under utilized parts of the canals. The Canals can no longer afford the luxury of current staffing levels and practices. On the other hand, as earlier noted, reducing the hours and season of operation would have a major impact on the present tourism industry and would undermine efforts to increase use.

In its interim report dealing with hours of service and the then 3% budget constraint, the Review Team recommended that "required expenditure reductions be achieved through a combination of overhead reductions such as, but not limited to, those proposed in the Operational Reviews, reductions to other term and seasonal staff and reduced lock staff hours". The Review Team suggested changes in staffing procedures at the locks which affected spring call-back timing, the use of flying crews in shoulder seasons, using one staff at certain locks during the shoulder season and other actions. That report is included as an appendix to this report.

Recommendation:

- 49 THE CANALS SHOULD ACHIEVE MORE EFFICIENT USE OF LOCK STAFF THROUGH ADJUSTMENTS TO STAFFING LEVELS BASED UPON TRAFFIC VOLUMES, WHILE MAINTAINING A BASIC LEVEL OF SERVICE DURING LOW VOLUME PERIODS. THIS LEVEL OF SERVICE SHOULD BE DEFINED IN OPERATING GUIDELINES. THE PROPOSALS AND RECOMMENDATIONS PUT FORWARD IN THE REVIEW TEAM'S INTERIM REPORT REMAIN RELEVANT.**

The search for efficiency in all areas of government program delivery has led to consideration of alternative delivery mechanisms, including use of the private sector. As they grapple with their own budgetary challenges, the two Canals must take a serious look at this option in appropriate program areas. They must take into account whether real cost savings can be achieved while ensuring operating standards, including safety; while meeting their obligations under relevant Union agreements and other rules and regulations; and while taking account of the full range of activities carried out by Canal staff now and in the future (e.g. interpretation and tourism information functions carried out by lock staff). The Canals must also ensure adequate maintenance standards.

The Ontario Marina Operators Association (OMOA) have advanced the idea of privatizing lock and bridge operations. Subject to appropriate operating guidelines and controls, including safety, and subject to the application of union agreements and other rules and regulations, the Review Team believes this idea has sufficient merit to warrant further investigation as an optional means to achieve cost savings. In considering private sector delivery, adjacent municipalities, past and present staff and others should be included as potential contractors.

Recommendation:

50 THE CANALS SHOULD INVESTIGATE THE FEASIBILITY OF HAVING THE PRIVATE SECTOR OPERATE CERTAIN LOCK STATIONS AND BRIDGES; AND CONTINUE DISCUSSION WITH THE ONTARIO MARINA OPERATORS ASSOCIATION AND ANY OTHER PROSPECTIVE OPERATORS.

It has also been suggested by the OMOA, as well as others, that the maintenance of navigation aids could be done by the private sector provided that certain specialized equipment owned by the Canals were made available when required. There are staff concerns about boat safety and the Canals' liability aspects of this proposal and the impact on duties performed by the maintenance staff on behalf of other Canals functions such as resource conservation and realty services.

Recommendation:

51 CANALS SHOULD CONSIDER HAVING ALL, OR PART OF, THE MAINTENANCE OF THE NAVIGATION AIDS SYSTEM CARRIED OUT BY THE PRIVATE SECTOR.

Grounds maintenance of lock stations is costly. While well kept and attractive grounds are a source of pride to staff and commendation from customers, the current budgetary climate indicates that the proposals advanced in the Canals Operational Reviews should be implemented. These involved converting lawn and garden areas to a more natural state and using more maintenance free materials. While it can be argued that the maintenance is carried out in the "spare time" of lock operating staff, it is a fact that there will be less spare time as staffing is reallocated and/or reduced. In some locations agreements should be negotiated with other agencies or organizations to contribute to grounds maintenance.

Recommendation:

52 THE CANALS SHOULD IMPLEMENT LESS EXPENSIVE AND MORE ENVIRONMENTALLY SOUND GROUNDS MAINTENANCE STANDARDS AT ALL LOCK STATIONS.

The Parks Canada Maintenance Management System (MMS) is a subject of controversy and disagreement within the Canals. By many it is seen as being too complex and not user-friendly. There are questions about the reliability of the data input. It is said to be designed to answer questions that might be asked but normally aren't. Some management and engineering staff like it. Others have mixed views. Almost everyone agrees it is very costly and some believe the maintenance standards used in the system are no longer relevant to the current fiscal environment. It needs an objective evaluation.

Recommendation:

53 THE EXISTING CANAL MAINTENANCE MANAGEMENT SYSTEM SHOULD BE EVALUATED BY AN EXTERNAL EXPERT TO DETERMINE WHETHER IT MEETS THE NEEDS OF THE CANALS IN A COST-EFFECTIVE MANNER AND WHETHER A SIMPLER, LESS COSTLY SYSTEM WOULD BE ADEQUATE.

THE EVALUATION SHOULD INCLUDE THE LEVEL OF MAINTENANCE USED BY THE CANALS. PRIORITY SHOULD BE GIVEN TO THE NEEDS OF FRONT LINE MANAGERS AND STAFF.

In all of this consideration of reducing maintenance costs, it is important to ensure that basic maintenance needs are met and that the canals remain safe and presentable attractions for visitors.

The Team has heard a number of comments which suggest that there are computerized locking fee and customer data recording systems which would speed up the administrative processing of boats, would provide for the collection of accurate and complete boat and boater statistics, and would make the completion of reports by lock staff easier and quicker. Such a system is now in place in the Quebec Canals and is said to be working well. In addition, it has been suggested that use of credit cards and smart cards would provide better customer service and, in the case of the latter, also provide some information gathering potential.

Recommendation:

54 THE CANALS SHOULD GIVE IMMEDIATE CONSIDERATION TO THE USE OF A COMPUTERIZED SYSTEM SUCH AS THAT USED AT QUEBEC LOCKS FOR ISSUING PERMITS AND COLLECTING DATA; THE USE OF CREDIT CARDS FOR VISITORS SHOULD BE AUTHORIZED; AND THE USE OF SMART CARDS SHOULD BE INVESTIGATED.

It has been recommended previously that consideration be given to reducing engineering costs through establishing an engineering service centre for the two canals. There have also been comments made about the need for existing levels of engineering staff at the canals given the extent to which engineering contracts are used for canal projects, and the potential for other staff to supervise small contracts. There may be the opportunity for further cost savings in this area without jeopardizing the canal assets. There were many concerns expressed about the maintenance of cultural heritage assets.

Recommendation:

55 THE CANALS AND CORNWALL ENGINEERING STAFFING LEVELS SHOULD BE EXAMINED TO IDENTIFY COST SAVINGS.

The use of volunteers to provide assistance at lock stations to carry out grounds and building maintenance and interpretive functions needs to be examined. This is a difficult issue for the Union because of its concern for lost employment. However, it is worth considering how and where volunteers might be utilized to benefit the customers and the canals to carry out work over and above that of lock staff. "Adopt-a-Lock" is another approach to the same issue - it has worked well in other situations including the New York State Canals where in some instances volunteers maintain the gardens.

Recommendation:

56 CANALS SHOULD EXPLORE WITH THEIR UNION HOW VOLUNTEERS COULD BE USED AT CANAL LOCK STATIONS FOR WORK, OVER AND ABOVE THAT CARRIED OUT BY STAFF, FOR GROUNDS AND MINOR BUILDING MAINTENANCE AND FOR INTERPRETATION AND OTHER VISITOR SERVICES. THIS IS NOT INTENDED TO REPLACE THE WORK OF EXISTING STAFF.

Much has been made of the "canal cruisers" in both the Trent-Severn and the Rideau. They have been criticized for not being cost effective and for being under-utilized. It has also been alleged that inspection boats along the canals are not used to their full potential and it would be less expensive to rent boats as required.

Recommendation:

57 THE NEED FOR THE CANAL CRUISERS SHOULD BE STUDIED. CONSIDERATION SHOULD BE GIVEN TO INCREASING THEIR UTILIZATION BY USING THEM FOR TOURISM MARKETING PURPOSES OR WHERE APPROPRIATE RENTING THEM OUT FOR OTHER PURPOSES. IF USE FOR THESE PURPOSES IS NOT COST EFFECTIVE, THEY SHOULD NOT BE REPLACED.

58 THE NEED FOR DEDICATED INSPECTION BOATS SHOULD BE REVIEWED.

The Review Team has been told that the presently mandated method of vehicle acquisition causes vehicles to be purchased sooner than would be the case if vehicles could be purchased by other methods. The reason for this is the reported long period between ordering and receipt. In order not to be caught with an inoperative vehicle, it is the practice not to take a chance and, therefore, to order it early. Obviously, getting the maximum use from a vehicle saves money so long as repair costs are reasonable.

Recommendation:

59 THE VEHICLE PURCHASE SYSTEM SHOULD BE EXAMINED TO DETERMINE HOW THE TIME BETWEEN ORDERING AND ACQUISITION CAN BE SHORTENED. THE CANALS SHOULD BE AUTHORIZED TO USE THE NATIONAL STANDING OFFER TO MAKE DIRECT PURCHASES.

The Canals are often requested to participate in corridor events and, as "good corporate citizens", try to be as accommodating as possible. This, however, is a cost which the Team believes can no longer be afforded and should be refused unless there are quantifiable benefits to the Canals or the out-of-pocket costs are covered. Similarly, the Rideau Canal has staged canal "opening day" events which, in the present budgetary climate, seem to the Review Team to be inappropriate.

Recommendation:

60 THE CANALS SHOULD DECLINE TO PARTICIPATE IN LOCAL CORRIDOR EVENTS UNLESS THERE ARE DEFINABLE BENEFITS OR THE OUT-OF-POCKET COSTS ARE COVERED; AND THE CANALS SHOULD REFRAIN FROM STAGING SPECIAL EVENTS SUCH AS CANAL "OPENING CEREMONIES" BECAUSE OF THE COST.

During the Canal's public meetings in August 1994 and at various meetings held by the Review Team the issue of inadequate enforcement was raised. The concerns focused on lax enforcement of boating regulations, speed and wake. There is no doubt that enforcement is not adequate. The Canals agree that this is a problem.

In order to simplify law enforcement procedures, draft legislation was proposed approximately two years ago. Currently a charge for a boating offence by police forces results in court action. Court costs are assigned to Canals, with any resulting revenue generated going to the Consolidated Revenue Fund. As a result, court action is onerous and parties are reluctant to engage in it. A simplified process would allow fines to be administered on site or by mail with proceeds returning to the Canals.

Recommendations:

61 PARKS CANADA SHOULD MAKE EVERY EFFORT TO HAVE THE NEW CONTRAVENTION ACT PASSED AS QUICKLY AS POSSIBLE.

62 PRIOR TO THE 1995 SEASON OPENING, CANALS SHOULD CONTINUE TO DIALOGUE WITH PROVINCIAL AND MUNICIPAL POLICE FORCES FOR AN ENHANCEMENT OR UPGRADING OF THEIR PRESENCE, OR OTHER OPTIONS, FOR GREATER ENFORCEMENT OF BOATING REGULATIONS INCLUDING SPEED AND WAKE.

For resource protection purposes, the inadequacy of penalties under the Historic Canal Regulations is, in the absence of significant court orders for environmental rehabilitation, a "licence to commit infractions".

Furthermore, these Regulations remain under the Transport Act notwithstanding the transfer of the Canals to Parks Canada over 20 years ago. This makes the handling of Regulations more difficult.

Recommendations:

63 THE HISTORIC CANALS REGULATIONS SHOULD BE PLACED UNDER AN ACT ADMINISTERED BY THE MINISTER RESPONSIBLE FOR PARKS CANADA AS SOON AS POSSIBLE. PENALTIES FOR INFRACTIONS SHOULD BE INCREASED TO REFLECT CURRENT REALITY.

64 INCREASED ENFORCEMENT AUTHORITY SHOULD BE GIVEN TO CANAL STAFF AND THE CANALS CONTINUE TO SIMPLIFY APPROVAL PROCESSES SO AS TO ENCOURAGE COMPLIANCE WITH REGULATIONS.

8.3 Efficiencies in Heritage Conservation

The Canals share a concern for ecosystem management and issues in natural resource conservation with the Ontario Ministries of Natural Resources, Energy and Environment and the various Conservation Authorities. All have a mandate for the protection of significant wetlands, fish habitat, water quality and rare and endangered species. This is reflected in the Canals' Conservation and Management Plans. Protection is provided under the authority of federal and provincial legislation. The Canals implement their mandate through dredge and fill regulations, charges under sections of the Fisheries Act and authority granted under the Federal Environment Assessment Act. Ontario's Bill 163 will place greater responsibility for conservation and protection in the hands of the municipalities.

Duplication of services is seen throughout the corridors. The LandOwner Resource Centre in Manotick is an attempt to provide a one window approach to providing landowners with information on issues of private land stewardship. A pilot project on the Rideau Canal is designed to respond effectively to the planning needs of municipalities and shoreline approvals by having the Conservation Authorities, Ministry of Natural Resources and the Canal work together to review and provide one voice to development proposals within the corridor. Similarly, a conservation coalition has formed on the Trent. There are no Conservation Authorities on the Severn section of the Trent-Severn Waterway and, because of the apparent changing role of the field staff of the Ministry of Natural Resources, there are concerns about resource conservation and protection.

Non Government Organizations (NGO's) are also becoming partners in conservation and private land stewardship, forming foundations, community land trusts and friends organizations to work towards the larger conservation goals.

Financial restraint is forcing agencies to focus more clearly on their conservation function, reduce resources to some areas and specialize in others.

In all discussions, enforcement was seen as under-resourced yet necessary to the protection mandate of the Canals.

The resource conservation function of Parks Canada has never been adequately resourced on either Canal. In addition, as other agencies are seen to becoming less effective, Parks Canada has tried to be all things to all people. With limited resources the task is overwhelming.

Recommendations:

- 65 BOTH CANALS SHOULD CONTINUE TO TAKE AN ECOSYSTEM APPROACH TO RESOURCE CONSERVATION AND DEVELOP WITH OTHER AGENCIES, COOPERATIVE PLAN/DEVELOPMENT REVIEW MECHANISMS. SUCH MECHANISMS MAY PROVIDE A TRANSITION PROCESS TOWARD HAVING ANOTHER AGENCY DELIVER THIS SERVICE ON BEHALF OF THE CANALS.**
- 66 CANALS SHOULD INITIATE DISCUSSIONS WITH CONSERVATION AUTHORITIES AND OTHER APPROPRIATE AGENCIES TO DELIVER PLAN REVIEW/DEVELOPMENT CONTROL FUNCTIONS RELATING TO NATURAL RESOURCES OF THE CANALS WITHIN AUTHORITY AREAS. THE CANALS SHOULD CONTINUE TO PROVIDE EXPERT COMMENT ON NATURAL RESOURCES IN AREAS NOT COVERED BY CONSERVATION AUTHORITIES.**
- 67 CANALS SHOULD WORK CLOSELY WITH CONSERVATION AUTHORITIES AND OTHER AGENCIES TO IDENTIFY AREAS OF MUTUAL INTEREST AND TO AVOID DUPLICATION OF EFFORT.**
- 68 CANALS SHOULD SUPPORT THE WORK OF OTHER AGENCIES AND NGO'S IN CONSERVATION EDUCATION AND PRIVATE LAND STEWARDSHIP INITIATIVES RATHER THAN SPEARHEADING THIS WORK. THESE GROUPS CAN DELIVER CONSERVATION MESSAGES AT THE COMMUNITY LEVEL.**

Parks Canada has a major responsibility for cultural heritage. Its Cultural Resource Management Policy prescribes the management responsibilities on canal lands. The Canals are also concerned about other cultural resources and landscapes in the corridors.

Recommendation:

69 THE CANALS SHOULD CONTINUE TO DEMONSTRATE STEWARDSHIP AND PROVIDE LEADERSHIP IN CULTURAL RESOURCE MANAGEMENT THROUGHOUT THE CORRIDORS. THE CANALS SHOULD PROVIDE EXPERT COMMENT ON CULTURAL RESOURCES MANAGEMENT CONCERNS RELATIVE TO PLAN REVIEW AND DEVELOPMENT CONTROL.

9.0 CANAL REVENUE GENERATION

9.1 General Issues and Opportunities

The Federal Treasury Board has an established policy which says that users should pay a reasonable and fair share of the cost of services. For Parks Canada, this has been stated to mean that services which benefit the public in general should be funded from non-user sources but services that provide primarily personal benefits to individual users should be funded out of revenues collected by charging user fees. For example, the cost of locking boats through the canals would be considered a personal benefit; whereas the cost of protecting historical resources would be seen as a general public benefit.

Parks Canada has detailed guiding principles for user fees which require consideration of fairness, appropriateness, efficiency, simplicity and benefit.

In addition to the principle of user pay there is, of course, a much more practical need for revenue generation to assist in meeting fiscal needs.

However, provision has also been made for the departments of government to retain new revenues generated, which gives an incentive for enhancing revenues. The retained revenues are available to offset the effects of budget reductions and to maintain, and possibly enhance, important programs such as those of the Canals.

The Canals Review Team was asked to "identify the revenue potential of the Canals in Ontario within the Parks Canada mandate relating to protection of natural and cultural resources and the provision of appropriate experiences. Revenue generation must also respect the overall government policy of fairness and appropriateness of fees charged to specific user groups". The Team was asked to consider both the revenue from existing sources as well as revenue from potential new sources having regard for the cost/benefit of revenue options and the effects of any fee changes on customers.

The Review Team, in its Interim Report, suggested a number of revenue generating possibilities as well as noting that, from its discussions, it considered that if hours of canal operation were to be maintained more or less as they were, then boaters would likely accept a

fee increase. Subsequent to this, the Minister of Canadian Heritage announced a fee increase for mooring and lockage averaging ten percent.

The Review Team received many ideas and recommendations for revenue generation from the Canals staff and the public. However, it must be emphasized that the enthusiasm and creativity evident in the proposals were based upon the assumption that the revenue generated would benefit the management and operation of the Canals. There is little enthusiasm for revenue which "disappears into the black hole" in Ottawa or elsewhere, otherwise known as the Consolidated Revenue Fund.

It is important, therefore, to emphasize that revenue generation and retention will, in fact, reduce the Canals' dependence on budget allocations as well as reduce the impact of fiscal constraints. It will allow the Canals to continue to deliver services to their customers.

While the Review Team will make a number of revenue generation recommendations relating to new services at the locks and along the canals, it is important to emphasize that such services must be provided consistent with the maintenance of commemorative and ecological integrity, in compliance with the Parks Canada Guiding Principles and Operational Policies, with concern for the impact on nearby communities and businesses, and in a manner that is acceptable to customers. Also, the revenue must be well in excess of the cost of generating it. And, finally, revenue generation must not interfere with the safe and efficient locking of boats.

There is a strong feeling amongst many boaters that they are being asked to shoulder an unfair share of the Canal operating costs while the day visitor is enjoying the lock station facilities and services without having to pay fees or charges.

The fact is that boat fees fall well short of covering the cost of operating the locks. It is inevitable that this gap will have to be closed through a combination of cost reductions and revenue generation. On the other hand, it is also true that day visitors do not pay fees or contribute in any meaningful way to covering the cost of the services provided to them. This too will have to change. And that is only fair.

As a final general comment, it should be cautioned that the British Waterways encountered a problem when they discovered that a too aggressive approach to revenue generation "turned

off" both customers and staff - a point to be kept in mind as the Canals seek to increase their revenues.

Recommendations:

70 THE CANALS SHOULD BE AUTHORIZED TO RETAIN ALL REVENUES GENERATED.

71 IN SUPPORT OF THE CANAL BUSINESS PLAN A REVENUE PLAN SHOULD BE PREPARED WHICH WOULD INCLUDE REVENUE GENERATION OPPORTUNITIES AT LOCK STATIONS. THIS PLAN MUST ENSURE THAT THE HERITAGE INTEGRITY OF THE CANALS IS NOT COMPROMISED.

Retail sales at lock stations present many opportunities for revenue generation. Ice machines and soft drink machines were mentioned frequently. There also seems to be a market for good quality canal souvenirs - people want to "take something home". It is not necessary that sales be handled by staff. It may be best to use concessions wherever possible so as to keep lock staff free for their primary functions and avoid unfair competition with the private sector. On the Trent-Severn, the Friends of the Trent Severn now operate a number of retail concessions to assist in funding their excellent work in support of the Waterway. A request for proposal (RFP) could be created for all concessions on each canal and proposals could be invited for all, and/or any part of the RFP packages.

Recommendation:

72 CONSIDERATION SHOULD BE GIVEN TO CREATING A REQUEST FOR PROPOSAL PACKAGE FOR EACH CANAL, COVERING PROPOSED SALES CONCESSIONS ON THE CANAL. PROPOSALS SHOULD BE PERMITTED FOR ALL, OR ANY PART OF, EACH PACKAGE.

73 THE CANALS SHOULD COMMUNICATE WITH CUSTOMERS AND OTHERS AS THEY DEVELOP PLANS FOR REVENUE GENERATION SO THAT THERE ARE NO SURPRISES AND ADVERSE IMPACTS CAN BE MINIMIZED.

Every lock station is different, and whether and how day visitor fees will be collected will require an analysis of each station. In some cases it will be feasible to install a system to administer parking charges. In other cases it may be feasible to require payment for the use of specific facilities and services such as picnic tables, washrooms, interpretive programs and trails. Or it may make more sense to use a donation box with a recommended donation amount. It may be possible, in certain high use areas, to use a gate and charge admission. Again, the solutions will vary depending on whether one is dealing with the Ottawa locks which are visited by some 400,000 people annually, or a small station on a back road. As a variant from the normal land based use, it was noted to the Team that, at some lock stations, the parking lots are occupied on a regular and long term basis by cottagers parking their cars and boat trailers.

Recommendations:

74 LAND BASED DAY VISITORS SHOULD BE REQUIRED TO PAY WHERE FEASIBLE FOR THE USE AND ENJOYMENT OF CANAL FACILITIES AND SERVICES.

75 A DAY VISITOR REVENUE PLAN SHOULD BE DEVELOPED FOR EACH LOCK STATION OR OTHER CANAL PROPERTY FREQUENTED BY DAY VISITORS. THIS PLAN SHOULD BE PART OF AN OVERALL REVENUE PLAN FOR EACH STATION OR CANAL SECTOR. HIGH PRIORITY SHOULD BE GIVEN TO ESTABLISHING PAY PARKING WHEREVER IT IS FEASIBLE.

Bus tours are a potentially lucrative tourist market that will be targeted in the tourism marketing strategy. They should be, and will expect to be, charged for the services provided to them. For this package tour market it is essential that the tour companies know well in advance the fees and charges which will be levied so they can be built into their prices.

Recommendation:

76 THE REVENUE PLAN SHOULD CONSIDER CHARGING BUS TOURS, AND SHOULD RECOGNIZE THE NEED FOR NOTIFYING TOUR OPERATORS WELL IN ADVANCE.

School tours are frequent visitors to Canal facilities. It is reasonable for such tours to pay an appropriate fee as they do consume services the same as other visitors.

Recommendation:

77 SCHOOL GROUPS SHOULD BE ASSESSED A CHARGE BASED UPON THEIR USE OF FACILITIES AND SERVICES AND THIS SHOULD BE INCLUDED IN THE REVENUE PLAN.

A serious concern to many boaters is the fact that boaters who do not use the canal locks do not pay anything toward the cost of operating the system. They use and enjoy the dredged and marked channels and the stable water levels, but pay no fees. There is a strong feeling that there should be a boat licence for boats using the two canal systems. The Review Team understands that the Governments of Canada and Ontario are discussing the implementation of boat licences which would apply throughout the province, not just the canals. It would seem reasonable that, if this occurs, a portion of the fees should go to any agency involved in providing navigation services, such as the Canals. Another suggestion was that canal/waterway boat owners be asked to make a voluntary contribution to the upkeep of the systems through the purchase of boat decals or pendants.

Another sore point for many boaters is the fact that none of the revenue from gasoline taxes is directed to the canals and other waterways, but they are used to subsidize land transportation routes. This is exacerbated by the fact that many remember when taxes did not apply to boat fuels. However, it must be remembered that these taxes go into the Consolidated Revenue Fund that support the canals through budget appropriations. It is unlikely that either the federal or provincial governments would, at this time, be prepared to " earmark " these funds, so no action is recommended.

It has been suggested to the Review Team that businesses or corporations should be approached about sponsoring one or more locks. Sponsorship would, for a suitable cash payment, allow the corporation exclusive advertising rights at the station(s) in a manner acceptable to Parks Canada. Such an arrangement has to allow vending machines and sponsored publications.

Recommendation:

78 CANALS SHOULD LOOK INTO THE FEASIBILITY OF SEEKING BUSINESS OR CORPORATE SPONSORS FOR LOCK STATIONS SUBJECT TO APPROPRIATE AESTHETIC CONTROLS. SUCH SPONSORSHIP COULD INVOLVE MORE THAN ONE LOCK STATION.

Businesses along the two canals have, over time, made requests to the Canals to have the lock stations display brochures and/or to allow advertising along the canal or at the locks. This has not been permitted by policy although some area brochures have been displayed. The Review Team believes that the display of individual business brochures would assist both the tourist industry and the customer. It should be done in a display rack separate from those holding Canal brochures. The businesses would be responsible for ensuring the supply of brochures is maintained and lock staff would ensure the racks were stocked.

Recommendation:

79 CANALS SHOULD SELL DISPLAY SPACE FOR LOCAL BUSINESSES TO DISPLAY THEIR BROCHURES.

The Review Team also believes that tasteful advertising boards, to a controlled design and colour, should be permitted along the canals and at lock stations where appropriate taking into account aesthetics and the Cultural Resource Management Policy. These would be available to, and would support, local businesses which would pay an annual fee plus the cost of the sign. Sign replacement costs would also be a charge to the advertisers.

Recommendation:

80 CANALS SHOULD SELL ADVERTISING SPACE FOR TASTEFUL ADVERTISING BOARDS OF A CONTROLLED DESIGN AND COLOUR AT LOCK STATIONS AND AT SELECTED LOCATIONS ALONG THE CANALS.

The two Canals spend a considerable annual sum on publications. There have been numerous suggestions that the cost of these publications could be covered through sale, sponsorships or the sale of advertising. The boater market is an upscale market which should be attractive to advertisers and sponsors. It has also been suggested that there should be some rationalization between the Canals, the Province and tourism and trade associations with respect to what is seen as overlapping and duplication in the production and distribution of publications. This should be investigated, possibly through the mechanism of the corridor marketing organizations.

Recommendation:

81 CANALS SHOULD SELL, OR FIND SPONSORS OR ADVERTISERS TO PAY THE COST OF, ALL PUBLICATIONS.

Presentation, or interpretation, of natural and cultural heritage resources is, by policy, a mandated function of the Canals. There are different ways in which this can be carried out including the provisions of print materials; on site signs and displays, personal interpretation by interpretive staff and interpretation carried out by lock staff.

Personal, sometimes costumed, interpretation can be expensive. It is also a function for which, in many cases, a fee could be charged through admission charges or by way of a "suggested contribution" using a donation box. The Review Team believes this should be done, given the cost and the fiscal circumstances. It is also consistent with policy.

Organizations such as the Friends of the Trent-Severn and other volunteers also can be effective in delivering interpretive programs and should be encouraged and assisted wherever possible.

Recommendations:

82 PERSONAL CANAL INTERPRETATION SHOULD BE CARRIED OUT ON A COST RECOVERY BASIS WHEREVER FEASIBLE.

83 USE SHOULD BE MADE OF VOLUNTEER GROUPS TO DELIVER INTERPRETIVE PROGRAMS.

The Rideau, more so than the Trent-Severn, carries out a significant education program aimed primarily at schools. This type of program, while laudatory, can also be costly. The Review Team believes that such programs should be on a cost recovery basis and, wherever possible, should be done in partnership with other agencies such as the Conservation Authorities. Given the considerable involvement of the Authorities in natural resource education, the Rideau should consider investing its expertise in cultural heritage education if there is demand and the costs can be covered. Volunteers should also be used.

Recommendation:

84 CANALS SHOULD RECOVER THEIR COSTS FOR THEIR EDUCATION PROGRAMS DIRECTED AT SCHOOLS; THEY SHOULD WORK WITH THE CONSERVATION AUTHORITIES IN NATURAL RESOURCE CONSERVATION EDUCATION; AND SHOULD MAKE MAXIMUM USE OF VOLUNTEERS.

Camping is now allowed at some lock stations for boaters who pay overnight mooring fees. Occasionally, camping is authorized for bicyclists. It has been suggested, to raise revenue and provide a further service, that camping for land based visitors be provided at some locks - where not in competition with the private sector, where adequate space is available, and where the visitor service facilities are adequate. Some lock staff have indicated that a few (five or six) tent sites could be managed without a problem although security, when staff are not on the site, could be an issue. While it could work, the Review Team would prefer to see it tested before a final decision is made.

Recommendation:

85 CANALS SHOULD PROVIDE TENTING CAMPSITES FOR LAND BASED VISITORS AS A PILOT PROJECT.

It has been suggested that more boat launching ramps be added at lock stations. It has also been suggested that boaters should pay for launching their boats, which would be in keeping with the user pay policy. There is, however, a problem with how to administer a fee system in a cost-effective way. A voluntary payment of a suggested amount might work where the fee collection box could be emptied without too much difficulty. Or, at lock stations, boaters could be directed to pay at the station. Where numbers justify, the collection of fees might be "contracted out" on a revenue sharing basis.

Recommendations:

86 WHERE FEASIBLE AND COST-EFFECTIVE, THE CANALS SHOULD INSTITUTE A FEE FOR BOAT LAUNCHING TO BE ADMINISTERED BY STAFF, VOLUNTARY PAYMENT OR BY CONTRACTING OUT OF COLLECTION WITH SHARING OF THE REVENUE.

87 NO NEW LAUNCHING RAMPS SHOULD BE CONSTRUCTED UNLESS THE COSTS CAN BE RECOVERED.

A number of boaters have indicated the need for more grey wall tie-up and mooring space at various locks and have suggested the provision of more docking as both a service to boaters and a way to obtain revenue. Because of the cost of grey wall, it has been further suggested that the Canals provide good quality floating docks as a viable alternative.

Recommendation:

88 CANALS SHOULD INVESTIGATE THE FEASIBILITY AND COST-BENEFIT OF CONSTRUCTING FLOATING DOCKS AT LOCK LOCATIONS WHERE TIE-UP AND MOORING SPACE IS IN SHORT SUPPLY AND THERE ARE NO NEARBY PRIVATE SECTOR FACILITIES. SUCH DOCKS MUST BE ABLE TO PAY FOR THEMSELVES.

9.2 Marine Fees

During discussions it was suggested to the Review Team that changes be made in the lockage fee system to make the fees fairer and, as well, to encourage boaters to stay longer in the system. It was noted that time-limited fees, such as daily and 6-day permits, had the effect in some cases of causing boaters to travel more quickly to pass through as many locks as possible on their permit. In addition to potential speed and wake problems, it also tends to discourage more leisurely exploration of the corridor and its communities. This phenomenon was confirmed by the experience of the New York State Canals.

The Review Team also was told that per unit of boat length fees would be fairer and would likely yield more revenue.

As a consequence the Team believes the fee system should be changed.

Recommendations:

- 89 CHARGES FOR BOAT USE LOCKAGE SHOULD BE BY THE METRE FOLLOWING THE LEAD OF THE QUEBEC CANALS SYSTEM.**
- 90 THE CATEGORIES OF LOCK PERMITS SHOULD CHANGE AND BE SOLD AS PER LOCK PERMITS, A ONE-WAY THROUGH SYSTEM PERMIT AND A SEASON PERMIT. THE THROUGH PERMIT WOULD ALLOW BOATERS THE OPPORTUNITY TO PASS THROUGH EACH LOCK ONCE BUT WITHOUT A TIME RESTRICTION.**
- 91 PER LOCK PERMITS SHOULD HAVE A RATE SET FOR THE LONG HOUR SEASON. THIS RATE MAY BE REDUCED IN THE SHOULDER SEASONS TO ENCOURAGE USE.**
- 92 AUTHORITY SHOULD BE GIVEN TO SUPERINTENDENTS TO NEGOTIATE WITH OTHERS FOR SPECIAL FEES IN SUPPORT OF PROMOTIONAL EVENTS IN TOURISM PACKAGES.**

The Federal Government and Parks Canada policies are very clear. Where services are provided primarily for personal user benefit, the cost must be recovered through user fees that are fair, appropriate, efficient, easy to understand and administer. Marine fees very clearly fall under this user-pay policy.

Marine fees constitute the largest source of revenue in both the Rideau Canal and the Trent-Severn Waterway. However, the revenue falls far short of covering the cost of providing marine services. In addition, the ADM, Parks Canada has directed the two Canals to increase their revenues over a 3 year period from \$1.9 million to \$4.8 million.

During the Review Team's meetings and discussions, boaters and marina operators supported the principal of fairness in the application of fees. They also indicated that fee increases were more acceptable than a significant reduction in canal hours of service. This report has recommended that hours of service be stabilized for five years. It now remains to determine what fee increase would be appropriate and fair.

The Review Team is aware that some boaters believe they have been asked to pay a disproportionate share of the Canals' costs. They say they are paying for the costs of services such as washrooms, garbage collection, and lock station maintenance from which other visitors benefit without paying. While acknowledging that, indeed, other visitors have used these services and others without paying, the Review Team would emphasize that boaters pay only a small fraction of the costs of the canal services. Nevertheless, the Review Team believes that other customers should pay a fair share and has made recommendations to this effect.

As a result, the Review Team decided to develop a scenario in order to better understand the relationship between marine user costs and marine revenues. The two Canal organizations provided the Review Team with the cost information on which to base marine fee recommendations. Government financial information is not organized to provide accurate cost information for specific customer services. For instance, the cost of boat lockage is not directly available. Because this cost information is not available, staff have, on the basis of their knowledge and experience, estimated the applicable costs. A better cost accounting system would provide more accurate information.

The Canals' staff first of all allocated the canal system costs between marine use and land based use. This took account of costs such as lockage services, aids to navigation, a share of water management, site services, site and building maintenance, docks and wharves, etc.. Note that only canal system costs were taken into account. No provision was made for overhead costs, or for capital depreciation costs. Thus the allocated costs are much less than those which a normal business would consider. This was done in recognition of the very large gap between revenues and true costs, a gap which the Review Team feels is too large to be bridged over the next five years by reasonable increases in fees and charges, and cost efficiencies. Therefore, the fees issue will be dealt with based upon the operating costs of the canal systems.

Based on the above, the marine costs for the two canals were determined to be \$5.8 million in 1994. This is 67% of the total cost of \$8.7 million for both marine and land based operations.

However, efficiency measures over the next several years will reduce this cost. At this time, it is not possible for the Review Team to estimate in what areas the reductions will take place. The ADM, Parks Canada has directed that the overall costs of the two Canal organizations be reduced by 20% over the next three years from 1995/96 to 1997/98. The Review Team decided that, in the absence of more precise information, it would assume that the operating costs of the canals would be reduced by this amount. It should be noted that the actual cost reduction may be less than this because of the Review Team's recommendation to stabilize the canals hours of service, and the impact of the Canals' reductions in operating costs for the 1995 season. For the two canals the assumed 20% reduction would result in a marine cost base of \$4.6 million.

Referring back to the government policy on user fees, the canal systems base cost includes both costs chargeable to identifiable customers i.e. boaters, and costs appropriately charged against public benefit. The latter costs are covered by appropriations from the Consolidated Revenue Fund - in other words, paid by the general taxpayer. Based upon the knowledge and experience of Canals' staff, it was determined that a fair assignment of these costs would be 60%, or \$2.8 million, to personal benefit user fees, and 40%, or \$1.8 million to public benefit to be funded by the CRF. For instance, the cultural heritage resources of the two Canals would have to be maintained, for the benefit of all Canadians, whether or not any boats used the locks. This is a public benefit cost allocation.

A similar cost allocation has been done for land based use of the canal system. The comparable costs for current operations is \$2.9 million which, discounted by savings of 20%, reduces to \$2.3 million. The proportion of land based costs allocated to public use is 56%, or \$1.3 million, and to personal or private benefit is 44%, or \$1.0 million.

The total 1994 revenue from boat lockage and mooring is \$867,000. This amounts to only 31% of the private benefit marine cost. In other words, marine fees would have to increase by a factor of 3.2 to cover the direct cost. To achieve this increase over a five year time frame would require a fee increase of 25% per year. This rate of increase is not realistic.

Because there is no "market value" rate with which the two Canals can compare in setting a fee, the fee increases should be set at a level which is fair to the boaters and also considers the interests of the general public which is subsidizing, and will continue to subsidize through taxes, boater use of the canal systems.

In determining the level of fee increases consideration should be given to other factors. First, the proposed increased efforts to market the two corridors to tourists will, it is hoped, result in more boats and more direct revenue for the Canals and the communities. Second, the other revenue generation recommendations should result in a considerable increase in Canals' revenues to supplement revenues from existing sources. And finally, there will be ongoing efforts to operate the canal systems more efficiently. It is not unreasonable for Parks Canada to expect that, at some point in the future, Canals' customers will pay the full costs of personal benefit services. Indeed, if the proportion of these costs covered by revenues does not increase substantially over the next five years, the range and level of services presently provided by the Canals may need to be reduced. This could well include reducing the hours and/or season on all or part of the two canals. The shoulder season would appear to be the most vulnerable. Clearly, as was voiced so strongly in the August 1994 public meetings, no one wants to see this happen. The corridor communities and businesses will benefit from increased use of the systems throughout the year with particular attention to under-utilized canal sections and shoulder seasons. Conversely, the Canals, corridor communities and businesses share the responsibility to work towards this revenue goal. The Canals should involve the corridors' businesses, communities, and customers in considering changes in fees and charges that will be fair and reasonable and will ensure the continuation of boating services. These new marine fees may not cover the Canal systems' costs. Previously recommended revenue generation measures will help to reduce the gap.

While any fee increase will no doubt have some impact on the use of the canals by current customers, it is hoped that boaters will understand the reasons for increases and appreciate the importance of these increased fees in ensuring the continued provision of an acceptable level of canal facilities and services. As previously indicated, reduced hours of service may be a trade-off for higher fees.

For example, a marine fee change of 10% per year for 5 years would increase total marine revenues from \$867,000 to \$1,396,000. This would reduce the cost-revenue gap in the review team's scenario from 69% to 50%. A fee change of 15% per year would reduce the gap to 38%.

Earlier in this report, recommendation 41, page 35 and recommendation 31, page 30 speaks to the need to stabilize hours of service and involve the communities regarding changes in future operational and fee changes.

Recommendations:

93 PARKS CANADA SHOULD INCREASE MARINE FEES TO REDUCE SIGNIFICANTLY, BY THE YEAR 2000, THE EXISTING GAP BETWEEN COSTS AND REVENUES.

94 THE CANALS, THROUGH THEIR BUSINESS PLANS, SHOULD DEVELOP A NEW COST ACCOUNTING SYSTEM THAT WOULD ACCURATELY REFLECT ALL REVENUES AND COSTS. THE SYSTEM SHOULD BE IN USE FOR THE 1996 SEASON.

The many marinas throughout the two canal corridors make it possible to establish mooring fees based on fair market value. The Review Team believes that mooring fees should be based on the price charged by full service marinas. They believe that the lower level of services available at Canal mooring sites is offset by the ambience of the environment at most sites. The Team also believes that mooring fees could differ between the two canals and, as well, could vary within a canal corridor where there are significant market price differences.

Consistent with lockage fees, mooring fees should be calculated on the basis of per metre of boat length. There should be an overnight fee and seasonal fee.

Recommendation:

95 MOORING PERMITS SHOULD BE SOLD IN TWO CATEGORIES, A SEASON MOORING PERMIT, AND A PER NIGHT MOORING PERMIT. BOTH SHOULD BE CALCULATED BY THE METRE, AND SHOULD BE EQUATED TO FULL SERVICE FACILITIES. PRICING SHOULD BE BASED ON MARKET VALUE AT MARINAS IN THE AREA, AND COULD DIFFER BOTH WITHIN EACH CANAL AND BETWEEN CANALS.

9.3 Day Use of Grey Line Space

At certain lock stations boaters use grey line space as a parking lot for boats. The primary purpose for using the site is to dock for access to adjacent services and facilities. Examples are in Bobcaygeon and the upper wall at Ottawa locks.

Recommendation:

96 AN INVENTORY OF SITES USED FOR "BOAT PARKING" SHOULD BE MADE AND A GREY LINE DAY USE FEE SHOULD BE ESTABLISHED AND IMPLEMENTED WHERE COST EFFECTIVE. THIS FEE SHOULD BE BASED ON THE PER METRE OF BOAT LENGTH.

9.4 Premium Rates

At high use lock stations, boaters have identified a requirement to continue locking boats after regular hours. This is usually associated with congestion due to high volumes of boat traffic.

Recommendation:

97 CANALS SHOULD BE GIVEN THE AUTHORITY TO DECIDE ON EXTRA LOCKAGES. THESE LOCKAGES WOULD BE CHARGED A PREDETERMINED PREMIUM RATE THAT WOULD BE IN ADDITION TO REGULAR PERMITS. PREMIUM LOCKAGES WOULD ONLY TAKE PLACE IF A MINIMUM PROFIT

MARGIN COULD BE ACHIEVED BY THE CANALS. SAFE LOCKAGE WILL CONTINUE TO BE A PRIMARY CONCERN AND WILL BE DETERMINED BY THE LOCKMASTER.

9.5 Commercial Land Use Fees

Canal properties are in demand as filming locations. Some park organizations have policies for this use which includes a fee schedule.

Recommendation:

98 THE CANALS SHOULD CHARGE A FEE FOR THE USE OF CANAL LANDS FOR FILMING AND OTHER COMMERCIAL USES.

10.0 CANAL PHYSICAL ASSETS

The Canals Review Team was asked to look at "all canal physical assets such as land, buildings and equipment and develop plans for retention, revenue production or disposal".

The Review Team emphasizes the need to take into account both natural and cultural heritage values in considering the disposition of lands and buildings.

10.1 Land and Buildings

Information on land and buildings is not readily available in a form that permits ease of access. Records are kept for individual parcels and buildings in hard copy, but aggregated data is not available in the form of maps, reports or computer generated data.

Accordingly, the Review Team was not able to get a handle on the "big picture" other than a very general oral description. Information is also limited on federal Crown lands under water. A complete and easily accessible inventory of property assets is a basic tool for good management.

Recommendation:

99 ALL LAND RECORDS SHOULD BE COMPUTERIZED IN A MANNER COMPATIBLE WITH OTHER REGISTRY SYSTEMS.

The Canals, on behalf of the Review Team, undertook to examine a cross-section of lands and buildings in the two corridors to determine their revenue potential. It should be emphasized that there is no intent to dispose of, or otherwise compromise, valuable heritage resources.

There appear to be a significant number of opportunities along the canals. For most of the properties, there are opportunities to increase revenue, reduce administration and/or maintenance costs, or both. Presently there are some lands previously used for Canal purposes which now appear to be surplus to Canal needs and offer potential for significant revenue generation and this should be followed up.

Licences are typically below levels that the market may be willing to pay. Changing the licence fee calculation for commercial properties and waterlots, and agreement tenure (i.e. longer term and/or lease structure) would likely increase fees.

Current licence tenure encourages a low quality of improvement. Longer term leases would provide incentive for improvement, would enhance the lessees' investment and make third party financing easier. Thus, individual leaseholders would benefit from a lease, revenue would be increased, and the Canals would still maintain requisite land use control.

The majority of licenced properties have been licenced for a number of years and do not appear essential to canal operations. In many cases, these properties are costly to administer and to maintain. There are buildings which have been determined not to have historical significance, have limited use for the Canals, and which will continue to need costly maintenance. These buildings could be disposed of. The sale option should be considered where the market is not receptive to a long-term lease and where there are actual and rising costs to the Canals in holding the property without commensurate benefit.

It appears that new hydro sites could have considerable revenue generation potential. Securing these sites should be given top priority. The land required for development of potential hydro sites should be protected prior to undertaking land leases or sales.

Some existing hydro generation sites on the Rideau are currently open for negotiation and should be brought in line with market rates.

Recommendations:

- 100 EXPIRED HYDRO GENERATION AGREEMENTS SHOULD BE RENEGOTIATED IMMEDIATELY AT MARKET VALUE RATES.
- 101 CANALS SHOULD, WHERE FEASIBLE AND APPROPRIATE, INCREASE REVENUE THROUGH ADDITIONAL HYDRO ELECTRIC GENERATION. THE CANALS SHOULD CATALOGUE ALL POTENTIAL HYDRO SITES AND PROTECT ANY FEDERAL CROWN LANDS REQUIRED FOR THE DEVELOPMENT OF THE SITES.
- 102 WHERE FEASIBLE, LICENCES SHOULD BE CONVERTED TO LAND LEASES, OR THE PROPERTY SOLD, TO INCREASE CUSTOMER SATISFACTION THROUGH IMPROVED TENURE, TO INCREASE CANALS REVENUE, AND TO REDUCE COSTS.
- 103 WHERE APPROPRIATE, AND CONSISTENT WITH MUNICIPAL POLICIES, LICENCES AND LEASES SHOULD PROVIDE FOR YEAR ROUND USE OF THE PROPERTIES.
- 104 THE CANALS SHOULD MAKE AN EARLY DECISION ON THE DISPOSITION OF THOSE PROPERTIES PREVIOUSLY USED FOR CANAL PURPOSES, WHICH ARE NOW SURPLUS TO THEIR NEEDS AND HAVE REVENUE GENERATION POTENTIAL.
- 105 THE REVENUE FROM PROPERTY SALES SHOULD REMAIN WITH THE CANALS TO FUND THE ACQUISITION OF LAND REQUIRED FOR CONSERVATION OR OTHER APPROVED CANAL PURPOSES, OR TO PROVIDE UP FRONT FUNDING FOR REVENUE GENERATION INITIATIVES, E.G. PARKING LOTS.
- 106 TO ENSURE THAT CANAL LANDS ARE DISPOSED OF AT FAIR MARKET VALUE, CANALS SHOULD CHANGE THE LICENCE FEE CALCULATION FOR COMMERCIAL PROPERTIES, INCLUDING WATER LOTS, AND SHOULD CHANGE THE AGREEMENT TENURE TO LONGER TERM

LICENCES OR LEASES. CONSIDERATION SHOULD BE GIVEN TO PHASING IN THE REVISED FEES WHERE THE INCREASE IS SUBSTANTIAL.

107 THE CANALS SHOULD GIVE HIGH PRIORITY TO COMPLETING THE DETAILED CATALOGUING OF ALL PROPERTIES THAT CAN BE SOLD OR LEASED INCLUDING ESTIMATES OF PROCEEDS AND TIMING OF DISPOSITION.

The Federal Real Property Act stipulates that land appraisals must be done by the Department of Public Works. These appraisals relate to Canal lands which are licenced or leased. This has resulted in problems for the Canals. The appraisals are not always done on time, thereby creating administrative and customer service problems with licences. The Canals have no control over the appraisal costs, and because of its "monopoly" position, there is no incentive for the Department of Public Works to reduce costs. The Trent-Severn, with the largest number of licensed properties, believes cost savings could be made by assigning an appraiser full time to the Canal, but have been unable to achieve this.

This would seem to be an area where use of the private sector would make sense. It would likely be cheaper and would undoubtedly be more responsive. This will be even more important if, as recommended, reappraisals are done for commercial licences and most licences are converted to leases.

Recommendation:

108 THE DEPARTMENT OF CANADIAN HERITAGE SHOULD TAKE ACTION TO PERMIT THE CANALS TO USE PRIVATE SECTOR REAL ESTATE APPRAISERS. THE DEPARTMENT OF PUBLIC WORKS SHOULD BE ALLOWED TO BID ON THIS WORK.

It appears that many real estate related transactions are made more complex and time consuming by the administrative processes and levels involved.

Recommendation:

- 109 THE DEPARTMENT OF CANADIAN HERITAGE SHOULD REVIEW REAL ESTATE POLICIES AND PROCESSES WITH A VIEW TO MAKING REAL ESTATE TRANSACTIONS MORE EFFICIENT.**

As discussed in Section 9.1, the issue of charges to shoreland property owners was raised during discussions and during the August 1994 public meetings. There appear to be two issues. The first is the use of Crown lands for structures such as boat houses without payment of any occupancy fee to the Canals. The Canals are regularizing these uses as they are identified.

The second issue relates to the benefits derived by shoreland property owners from residing and boating on waterways where water levels are regulated and navigable channels and aids are maintained. It would seem fair that these boaters, should contribute, as do other canal and waterway users, to the cost of managing the system. These boaters may never contribute directly to the Canals through using the locks or mooring. This may be achieved if a boat licence fee is established by agreement with the federal and provincial governments and if the Canals receive a fair share of the proceeds.

Recommendations:

- 110 THE CANALS SHOULD CONTINUE TO REGULARIZE SHORELAND OWNER OCCUPANCY OF FEDERAL CROWN LANDS INCLUDING THE BEDS OF THE NAVIGABLE WATERS.**
- 111 PARKS CANADA SHOULD RECEIVE A FAIR SHARE OF ANY REVENUE FROM BOAT LICENCES IMPLEMENTED BY THE FEDERAL AND PROVINCIAL GOVERNMENTS.**

10.2 Equipment

Earlier recommendations in this report are directed at overall fleet and equipment management, the acquisition of vehicles and the use of some boats. Fleets appear to be well managed.

However, concerns have been raised about certain major equipment purchases as well as the underutilization of some equipment. Cranes were most frequently mentioned. The Review Team were told that, for certain specialized equipment, rental is not a feasible option. The reason given is that such equipment has to be available to respond urgently to lock breakdowns; and some lock station access roads limit the dimensions of equipment that can be transported. In addition, maintenance and repair operations often require equipment on site, but not in constant use, for extended period of time.

Criticism was also heard that equipment repair and rental were not adequately investigated. This may be due to the present separation in government financial appropriations of capital funds from operation and maintenance funds. In other words, a piece of equipment may be purchased because the organization has capital funds to buy it, but no operations and maintenance funds to repair or rent. This can lead to a public perception of illogical expenditure decisions. Under the Business Unit approach, removal of this differentiation between the two categories of appropriations can be negotiated. The Review Team is aware that Parks Canada is currently working with Treasury Board to remove this impediment to business-like management.

Recommendation:

112 CANALS SHOULD ENSURE THAT OPTIONS OF REPAIR AND/OR RENTAL ARE CONSIDERED WHEN EQUIPMENT PURCHASE DECISIONS ARE MADE.

This also raises the question of renting out specialized equipment such as cranes, scows and work boats for revenue generation. We were advised that rental with or without operators was legally feasible. We were also advised that rental with an operator other than for short periods of time would pose problems as equipment operators perform other maintenance jobs needed

on the canals. Rental of canal equipment would have to take into consideration private sector competition, market value and provide for emergency recall.

Recommendation:

113 CANALS SHOULD WHERE FEASIBLE GENERATE REVENUE THROUGH SPECIALIZED EQUIPMENT RENTAL AT FAIR MARKET VALUE.

10.3 Canal Locks

The study did not include the review of canal structures. However, potential was identified for greater use of some canal locks for dry docking and storage of large boats in the off season. This service has been requested and provided at two flight locks on an informal basis. The fees schedule under the Historic Canal Regulations for this service is far below market value. This use should be formalized and encouraged subject to the ability to charge fair market value and taking into account competition with the private sector.

Recommendation:

114 CANAL FEES AND CHARGES SHOULD BE UPDATED TO CHARGE FAIR MARKET VALUE FOR DRY DOCKING SPACE IN SUITABLE LOCATIONS IN THE OFF SEASON.

11.0 RESOURCE BASE FOR THE CANALS

The Review Team was asked to "identify a base level of funding that will continue to be provided". This was to be determined by applying the findings of the efficiency and the revenue generation components of the project. Because of current changes in the organization and budgets of the Canals, the Review Team has been unable to do this.

Since the activation of this project, the "target has been shifting". Constraint measures contemplated in the Canals Operational Reviews have been superseded by considerably higher constraints - 20% over three years. This, in effect, has established the new "resource base". At the same time, the new organization of the Ontario Region of the Department of Canadian Heritage has been evolving.

While unable to determine the ongoing resource base, some comments and observations are offered:

The Canals are significant national heritage resources important to all Canadians. Those resources must be protected.

Resource allocation must recognize the vital importance of maintaining healthy ecosystems to protect the environments that are so necessary to tourism and recreation.

Resource allocations must sustain a satisfactory level of customer services and facilities. Otherwise customers will go elsewhere and the economy will suffer. The infrastructure including the cultural resources must be maintained.

The more successful the Canals are in developing cooperative arrangements, the more efficient will be the use of resources.

The multi-year resource base needs of the Canals must be estimated and refined through the business planning process of the proposed new Business Units.

The business plan must provide for the upfront developmental funding to increase revenues - direct and indirect - through revenue generation and tourism.

Recommendation:

- 115 THE RESOURCE BASE REQUIRED FOR THE EFFECTIVE MANAGEMENT OF THE CANALS SHOULD BE ESTABLISHED THROUGH THE BUSINESS PLANNING PROCESS FOR THE PROPOSED NEW CANAL BUSINESS UNITS.**

12.0 STAFF

Many of the efficiency recommendations will have an impact on staff - staff at all levels of the organization. Given the budgetary realities, action must be taken to reduce costs. Revenue generation may help to offset some reductions, but will not eliminate the need for reductions. Jobs will be lost - it is unfortunate but inevitable. Management must use all means available to them to cushion the adverse impact of these changes on staff. These staff - again at all levels - have been valuable and productive employees of the Canals and their loss of jobs result from lack of budgets, not performance. Management must ensure that every effort is made to make the necessary changes as sensitively and fairly as possible. The Canals should be creative in order to achieve vacant positions. An opportunity appears to be available to offer incentives for early retirement and/or career change by utilizing existing federal, provincial and other programs. This action would create vacant positions but in so doing would result in immediate costs to the Canals. Nevertheless, the Review Team believe the Canals should be pursuing this option. Staff must be involved as much as possible in the process. Good communication is essential.

Recommendations:

- 116 THE CANALS SHOULD DEVELOP HUMAN RESOURCE PLANS, WITH STAFF CONSULTATION, TO COMPASSIONATELY ACCOMMODATE AND FOCUS THE DELIVERY OF STAFFING CHANGES.**
- 117 CANALS SHOULD PREPARE PLANS TO DELIVER STAFF RETRAINING AND REORIENTATION PROGRAMS RESULTING FROM THE NEW BUSINESS LIKE APPROACH AND THE FOCUS ON ENTREPRENEURSHIP, REVENUES GENERATION AND PARTNERSHIPS.**
- 118 A STAFF SKILLS INVENTORY SHOULD BE PREPARED AND USED AS JOB RESPONSIBILITIES ARE CHANGED AND NEW SKILLS ARE SOUGHT BY THE ORGANIZATION.**
- 119 CANALS SHOULD DEVELOP A PROGRAM TO RECOGNIZE AND SHOW APPRECIATION TO STAFF WHO DEMONSTRATE A SPECIAL**

COMMITMENT TO DELIVERY OF SERVICES TO CANAL CLIENTS. THIS AWARDS PROGRAM SHOULD BE IN ADDITION TO OTHER PUBLIC SERVICE AWARDS.

120 THE CANALS SHOULD UTILIZE AND FUND AVAILABLE EARLY RETIREMENT PROGRAMS TO CREATE VACANT POSITIONS. SIMILAR ACTION SHOULD BE TAKEN WITH RESPECT TO OPPORTUNITIES FOR THE SECONDMENT OF EMPLOYEES TO OTHER DEPARTMENTS AND/OR THE PRIVATE SECTOR.

121 CANALS SHOULD IDENTIFY FEDERAL AND PROVINCIAL CAREER TRAINING PROGRAMS WHICH MAY BE USED BY THEIR EMPLOYEES.

122 TO CREATE VACANT POSITIONS IN ORDER TO ACHIEVE EFFICIENCIES AND STAFFING FLEXIBILITY, THE DEPARTMENT SHOULD PURSUE AGGRESSIVELY OTHER AVAILABLE GOVERNMENT PROGRAMS FOR RETRAINING AND EARLY RETIREMENT.

13.0 IMPLEMENTATION PRIORITIES

This report identifies 122 recommendations. All recommendations are important to the initiation of a new direction for the Canals. However, 17 recommendations are seen by the Review Team to be foundational. It is this set of recommendations that provide the strategic direction for the new organizations, define their roles and responsibilities and their relationships with their customers. The 17 foundation recommendations are basic to both Canals whereas some of the supportive recommendations allow for flexibility of interpretation and implementation within and between the two corridors. This diversity is seen to be essential for the Canals to operate successfully within the context of their respective corridors.

The foundation recommendations are:

- 2 THE CORE BUSINESS OF THE CANALS IS PROTECTING, OPERATING AND PRESENTING A NAVIGABLE HISTORIC CANAL SYSTEM FOR TOURISM, RECREATION AND COMMEMORATIVE PURPOSES.**

- 3 THE RIDEAU CANAL AND THE TRENT-SEVERN WATERWAY SHOULD EACH BE ESTABLISHED AS BUSINESS UNITS WITHIN PARKS CANADA, DEPARTMENT OF CANADIAN HERITAGE, AND ACTION SHOULD BE INITIATED IMMEDIATELY TO ACHIEVE THIS.**

- 4 AN ADVISORY COMMITTEE SHOULD BE FORMED IMMEDIATELY FOR EACH CANAL. IT SHOULD REPORT TO THE SUPERINTENDENT AND ADVISE ON SUBJECTS OF MUTUAL CONCERN. AN IMMEDIATE TASK FOR THE COMMITTEES SHOULD BE TO WORK ON A SHARED VISION FOR THE CORRIDORS AND DEVELOP PROCESSES TO ENSURE MUTUAL SUPPORT BETWEEN CANALS AND NEIGHBOURS. IT SHOULD FACILITATE THE INTEGRATION OF ACTIONS BEING TAKEN THROUGHOUT THE CANAL CORRIDORS, SHARING INFORMATION, INFLUENCING DECISIONS AND HELPING TO DEVELOP THE IDENTITY FOR THE CORRIDORS.**

- 9 THE MANAGEMENT COMMITTEE FOR EACH OF THE NEW CANAL BUSINESS UNITS SHOULD HAVE A MAXIMUM OF TWO STAFF REPRESENTATIVES, SELECTED BY STAFF, AS FULL MEMBERS OF THE COMMITTEE. THIS WILL TAKE FULL ADVANTAGE OF THE KNOWLEDGE AND EXPERIENCE OF STAFF AS WELL AS MANAGERS IN ARRIVING AT DECISIONS WHICH WILL BEST SERVE THE NEEDS OF THE CANALS' CUSTOMERS, AND WISE, RESPONSIBLE AND EFFICIENT USE OF PUBLIC FUNDS.**
- 10 THE SUCCESSFUL IMPLEMENTATION OF RECOMMENDATION NINE REQUIRES THAT A TEAM OF MANAGERS AND STAFF SHOULD BE ESTABLISHED TO DEVELOP GUIDELINES FOR THE OPERATION OF THE RESTRUCTURED MANAGEMENT COMMITTEE.**
- 12 CANALS SHOULD DEVELOP A COMMUNICATIONS STRATEGY TO KEEP STAFF, CUSTOMERS AND THE CORRIDOR PUBLIC INFORMED.**
- 16 THE CANALS SHOULD INCREASE THEIR CONTRIBUTION TO THE NATIONAL AND REGIONAL ECONOMIES, RECOGNIZING THEIR ROLE AS MANAGERS OF INTERNATIONALLY SIGNIFICANT TOURISM ATTRACTIONS.**
- 17 THE RIDEAU CANAL AND THE TRENT-SEVERN WATERWAY SHOULD BE MARKETED AS INTERNATIONALLY SIGNIFICANT TOURISM ATTRACTIONS.**
- 27 THE CANALS SHOULD WORK IN PARTNERSHIP WITH OTHERS TO ENSURE THE CONSERVATION AND PRESERVATION OF THE NATURAL AND CULTURAL HERITAGE RESOURCES OF THE CORRIDOR IN WHICH THE CANALS ARE SITUATED. AN ECOSYSTEM APPROACH IS THE FOUNDATION OF A HEALTHY AND SUSTAINABLE TOURISM AND RECREATION INDUSTRY.**

- 28 THE CANALS SHOULD EACH APPOINT A STAFF MEMBER TO SERVE AS THEIR TOURISM SPECIALIST TO WORK WITH THE INDUSTRY, SERVE ON THE CORRIDOR MARKETING ENTITY, AND PROVIDE INTERNAL DIRECTION, ADVICE AND ASSISTANCE ON ALL TOURISM MATTERS. THE CANALS SHOULD ALSO TAKE FULL ADVANTAGE OF THE ADVICE AND EXPERIENCE OF TOURISM OPERATORS AND OTHER TOURISM EXPERTS IN THE CORRIDORS.**
- 38 CANALS SHOULD PUT A PREMIUM ON DELIVERING GOOD CUSTOMER SERVICE.**
- 41 THE CANALS SHOULD MAINTAIN ANNUAL BASIC MINIMUM HOURS OF SERVICE, FOR A FIVE YEAR PERIOD IN ORDER TO PROVIDE STABILIZED HOURS OF OPERATION AND TO SUPPORT TOURISM MARKETING INITIATIVES.**
- 42 THE CANALS SHOULD FIND COST SAVINGS FROM A COMBINATION OF MORE EFFICIENT PROGRAM DELIVERY AND A REDUCTION IN CANALS OVERHEAD COSTS.**
- 65 BOTH CANALS SHOULD CONTINUE TO TAKE AN ECOSYSTEM APPROACH TO RESOURCE CONSERVATION AND DEVELOP WITH OTHER AGENCIES, COOPERATIVE PLAN/DEVELOPMENT REVIEW MECHANISMS. SUCH MECHANISMS MAY PROVIDE A TRANSITION PROCESS TOWARD HAVING ANOTHER AGENCY DELIVER THIS SERVICE ON BEHALF OF THE CANALS.**
- 70 THE CANALS SHOULD BE AUTHORIZED TO RETAIN ALL REVENUES GENERATED.**
- 71 IN SUPPORT OF THE CANAL BUSINESS PLAN A REVENUE PLAN SHOULD BE PREPARED WHICH WOULD INCLUDE REVENUE GENERATION OPPORTUNITIES AT LOCK STATIONS. THIS PLAN MUST ENSURE THAT THE HERITAGE INTEGRITY OF THE CANALS IS NOT COMPROMISED.**

74 LAND BASED DAY VISITORS SHOULD BE REQUIRED TO PAY WHERE FEASIBLE FOR THE USE AND ENJOYMENT OF CANAL FACILITIES AND SERVICES.

No attempt has been made to prioritize the remaining recommendations or put them within a time frame. The Canals and their communities offer different strengths and opportunities at this time and this will drive the scheduling of implementation. Some of the recommendations will need resources to be reallocated and this will take careful planning. The anticipated release of this report and the Departments' response comes at the same time the Canals prepare for another operating season and time and resources may be limited. This being recognized, the one common theme that was presented to the Review Team, by all with whom we spoke, was that decisions needed to be made and actions taken.

14.0 CORRIDORS OF CHANGE - HOW WILL THE HISTORIC CANALS CHANGE?

The recommendations in this report will result in significant changes in the management of the Rideau Canal and Trent-Severn Waterway, and in their relationship with their customers and with the communities in the two corridors.

The Canals will be managed in a more entrepreneurial and business-like manner.

They will be much more active members of the tourism industry in the corridors.

The Canals will be more customer-oriented.

The Canals will operate more efficiently throughout their organizations.

The 1995 aggregate number of hours of service of the canals will be maintained, as a minimum, for the next five years.

Boaters will pay a greater proportion of the cost of the services they use.

Land based visitors will pay for the services they use wherever the administration of fees and charges is cost-effective.

While giving increased attention to tourism, the Canals will continue to protect and present their natural and cultural heritage resources.

The Canals will be much more active in developing mutually advantageous co-operative and partnership arrangements with other organizations and individuals in order to achieve Canal objectives.

The Canals will consider opportunities to privatize/contract out Canal activities where there is a clear benefit to be gained from doing so.

The Canals will be much more entrepreneurial in seeking out and developing revenue generation opportunities and total Canal revenues will be substantially increased. Revenue generation will include retail sales, advertising and sponsorship as well as more profitable management of the real estate holdings of the two Canals.

Revenues generated by the two Canals will be retained by the Canals to fund facilities and services and will reduce the Canals' dependence on annual appropriations.

The two Canals will be much more involved with their corridor communities and will ensure that Canal management and decision-making takes account of community interests and concerns.

The Canals will give more attention to good communications both within the Canal organizations and with customers and corridor communities.

Internal relations will be improved with staff and Union Locals.

In achieving greater efficiencies, the Canals will also find compassionate and creative ways to manage staffing changes.

Staff will participate in Canals management decision-making through membership on the Management Committees.

Staff and the Union Locals will be encouraged to be partners with management in building stronger, more effective and more entrepreneurial Canal organizations.

Canals will better utilize staff skills and recognize outstanding performance.

APPENDIX A

REVIEW OBJECTIVES

- . Develop mechanisms for the Canals to continue and indeed expand their roles as economic stimulants with particular emphasis on the Tourism Sector.
- . Examine requirements for, and methods of, service delivery to ensure efficiency with minimal negative impact on client requirements.
- . Identify the revenue potential of the Canals in Ontario within the Parks Canada mandate relating to protection of natural and cultural resources and provision of appropriate experiences. Revenue generation must also respect overall government policy of fairness and appropriateness of fees charged to specific user groups.
- . Develop indicators of fair market value for services provided or proposed.
- . Identify a base level of funding which will continue to be provided.
- . Examine all physical assets such as land, buildings, and equipment and develop implementation plans for retention, revenue production, or disposal.

CANALS REVIEW TEAM

Jim Keenan (Chair)
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APPENDIX B

CANALS REVIEW TEAM: PHASE 1 REPORT

1.0 INTRODUCTION

The Canals Review Team was charged with the responsibility to prepare recommendations on the hours of operation and non boating fees for implementation in the 1995/96 operating season of the Rideau and Trent-Severn Canals. This task was to be undertaken from the perspective of identifying efficiencies to meet reductions in the 1995/96 operating budget and to identify new sources of revenue generation.

The Review Team recommendations were prepared after an intensive period of consultation and report evaluation.

Consultations were held on both canals with:

- . management, staff and union representatives;
- . four focus groups representing the interests of local business, marine and boating interests, tourism, canal front property owners and the community development sectors;
- . lock station and area office maintenance staff during site visits;
- . individuals who facilitated the Parks Canada public meetings; and
- . representatives of the British Waterways and New York State Canal Authority.

The Review Team also had the opportunity to listen to the concerns of the members of the Eastern Ontario Caucus regarding proposed changes to hours of service and boating fees and meet with a representative of the Public Service Commission to discuss the Workforce Adjustment Directive.

Reports, including the operational reviews, public meeting summaries, data on lockages and other were reviewed.

The following points summarize what we heard relative to hours of operation and revenue generation.

- . Review team meetings further confirmed the deep concern for the service cuts proposed in the two Operational Reviews. This concern focuses on economic, recreational and canals staff issues.
- . The economy of the two waterways depends upon a healthy tourism industry. The proposed change in hours is seen as having a negative impact on tourism both immediate and future.
- . There needs to be a close working relationship between the Canals and "their communities", including creative business relationships.
- . There are many creative suggestions for solving the budgetary problem and making the Canals more viable.
- . Business would not reduce service and increase fees.
- . Boaters will pay more provided the service level is acceptable. Differential fees and service levels are acceptable if not too complex.
- . Land users must pay a fair share - they should not be subsidized by boaters.
- . Staff feel that management should share in the constraints' while management contend that constraints to management and administration over the years have left them with little choice now but to cut back on other parts of the organization.
- . Boaters are very concerned about the potential impacts on customer service of the proposed cuts to operating staff.
- . The Workforce Adjustment Directive and its Regulations appear not to be fully understood nor creatively applied.

- . Lockstaff are seen to be key "front line" staff who have a potential for greater contribution to the Canal organizations. They have many creative cost-saving and revenue generation ideas.
- . There are significant concerns between the union and management and between field staff and the canals main offices. Notwithstanding, there is a real willingness to seek out creative and effective solutions.

2.0 PRINCIPLES

In the consultations, we were told that the canals are directly linked to the economic prosperity of the communities through which they pass; they have an international reputation for the high quality of service and the heritage and navigational objectives of Parks Canada are delivered at the lock stations.

The following principles have been applied in discussing actions and developing recommendations.

- . Minimize impact on service to the public
- . Protect the Parks Canada heritage and navigation priorities
- . Protect present and future tourism
- . Protect lockmasters' hours
- . Retain flexibility for the implementation of Phase 2 of this Review

3.0 POTENTIAL ACTION ITEMS

Two potential action areas have been identified to address operational efficiency for the 1995/96 season. A third identifies potential sources of short term revenue generation. These actions are not mutually exclusive.

There may well be other actions which the Canals could take which the Review Team was not able to identify in the time available to them to prepare this interim report.

3.1 Maintain Acceptable Service and Staffing levels

- . Protect all high season hours and shoulder season weekend hours
- . Shoulder season week day hours should be adjusted
- . Protect the lockmaster positions and make greater use of their skills where operations require
- . Call back only the lockmasters on April 1
- . Keep the lockmasters on in the fall shoulder season
- . Initiate "flying maintenance crews" of lockmasters for early season maintenance for jobs requiring more than 1 person
- . Lockmasters would be responsible for minor maintenance responsibilities which require only 1 person
- . Use 1 person (lockmaster) at appropriate locks in the fall shoulder season
- . Protect long hours in high season but reduce staff time by staggering crew hours at most locations (lockmaster generally works full hours)
- . Use canalmen on weekends in shoulder season
- . Use flying crew in some sections in the fall shoulder season during the week
- . Canalmen should be called back consistent with operational requirements
- . Look for opportunities to provide winter work to canalmen to make up full or partial PY requirement

Results: Dollar savings

- : Protect high season hours
- : Protect shoulder season weekend hours
- : Maintain lockmasters hours
- : Potential reduction of canalmen's hours

*Differential lock hours will be addressed in Phase 2.

3.2 Efficiency Through Overhead/Other Programs

- . Efficiencies identified in the Operational Reviews with respect to supervisory and administrative staff may be achieved through a broader, creative application of the Workforce Adjustment Directive e.g. Rideau Operational Review, vulnerable staff = \$150K + 20%
- . Eliminate/reduce student employees (\$500 K)
- . Pay interpretive staff etc. at or closer to non COSEP level
- . Review seasonals and term maintenance positions for savings versus full time staff hours
- . Reexamine the cost effectiveness of "official openings" and participation in local events

Results: Greatest dollar saving

- : No change to navigational objective/service
- : Levelling of pay scales at lock stations
- : Reduction in land based heritage interpretation
- : Reduction in overhead

3.3 Short Term Revenue Generation

The initiation of revenue generation programs is based on the assumption that there is 100% revenue retention.

- . Donation boxes
- . Pop machines, etc
- . Continue negotiations with NCC agreements
- . Initiate a fee for priority passage for any commercially scheduled watercraft
- . Charges for live interpretation e.g. Jones Falls
- . Review voluntary involvement in community events
- . Sell the Rideau Canal's floating docks or charge full market value for their use
- . Boat launch and parking fees at selected lock stations
- . Pilot car tent camping at selected lock stations
- . Charge for school and tour bus use of lock facilities e.g. Big Chutes, Kingston Mills*
- . Charge for multi-day car and trailer parking for cottage owners at lock stations
- . Food concessions (pop, ice, ice cream) at selected lock stations on a pilot basis e.g. Ottawa, Kingston Mills
- . Ensure collection of current mooring and locking fees
- . Rent out the Rideau Boat for writers tours, tour bus operator tours etc.
- . Offset some publication costs through private sector sponsorship
- . Sell "tasteful" heritage sensitive advertising space at lock stations - standardized signage.

Boating Fees will be reviewed in Phase 2 by the Review Team. During the consultations, boaters and staff consistently indicated that boat fees could be increased (a minimum range of 3-5% was offered) if hours of operation was protected. Suggestions for change included the elimination of the day fee in favour of a lockage fee, reduction of the annual fee, elimination of the 6 day pass, the initiation of a through pass, boat charges by the foot and the addition of a fourth category to cover the largest boats.

*Tour bus companies require adequate notification. Assume charges would be initiated in the 1996/97 season.

4.0 RECOMMENDATIONS

The Canals Review Team recommends as follows:

1. For 1995/96 the current long hours be continued and changes to the shoulder seasons be limited to weekdays.
2. Required expenditure reductions should be achieved through a combination of overhead reductions such as but not limited to, those proposed in the operational reviews, reductions to other term and seasonal staff, and reduced lock staff hours.
3. Selected revenue generation initiatives should be implemented in 1995/96.

Note: If hours of service are maintained, there is an indication that an increase in boat fees may be acceptable for 1995/96.

5.0 IMPLEMENTATION

Several encumbrances stand in the way of implementing one or more of the action areas.

- . Recommendations were prepared under the assumption that revenue will get "credited" to reduce expenditure constraint;
- . To protect the hours of navigational service, policy and practise needs to be changed regarding the requirement to have more than one person per station and the need to remove the supervisory differential which presently "requires a boss" at any location with more than one worker;
- . The Workforce Adjustment Directive needs to be revisited to allow flexibility for the elimination of positions, separation incentives not tied to the elimination of a position and opportunity for benefits of promotion to accrue from redeployment; and

Revenue generation through land based camping at lock stations will require a change in the Heritage Canal Regulations.