Beyond the Public Park Paradigm

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THERE IS NO QUESTION THAT PARKS AND PROTECTED AREAS ENRICH THE QUALITY OF LIFE of Canadians, providing many valuable recreational and environmental amenities. From the majestic grandeur of Canada's first national parks in the Rocky Mountains of British Columbia and Alberta, to the remote beauty of the newest Arctic parks, these areas are symbols of the diversity of the Canadian landscape, and the challenges to and opportunities of its people. These parks have also become powerful symbols of Canada's commitment to the environment and its conservation.

This commitment is evident in the steady growth of Canada's network of public parks and protected areas. Between 1989 and 2003, the area of land permanently protected through legislation to prohibit logging, mining, hydro-electric, oil and gas, and other large-scale developments has grown 178% (see Figure 1). These protected areas add up to nearly 82 million hectares, or 8.4% of Canada's total land mass. Parks Canada manages just over one-third of this total.

This growth gained new momentum with the federal government's 2002 action plan to create ten new national parks and five new marine conservation areas, and to expand the size of three existing parks, by the end of 2008. Three of these new parks have since been established, increasing the size of the national park system by another 30,533 square kilometers.[1]

While the immediate reaction of environmentally conscious citizens might be to celebrate these developments, there is growing recognition that government ownership and regulation is failing our parks. Canada's auditor general recently looked at the situation and found that Canada's parks and historic sites are indeed threatened, not from natural stressors or a lack of legislation, but from government mismanagement and neglect (OAG 2003). Twenty percent of the heritage buildings managed by Parks Canada have been lost in one generation and two-thirds of cultural assets are in fair or poor condition (Parks Canada, 2004a: 10). This steady deterioration represents a tragic loss to the people of Canada who have placed their trust and their tax dollars in government hands to manage and protect these heritage resources.

This government failure suggests it may be time to move beyond the traditional public park paradigm to insulate protected areas against their vulnerability to the political process. This can be achieved through the diversification of income and decentralization of park management and service provision to independent agencies, and other private and non-profit entities. These reforms, judged against a standard of accountability, equity, and efficiency, will create the incentives and flexibility needed to make best use of resources available to protect our parks.

The politics of public parks

The vulnerability of government-run protected areas can be attributed to what former director of the U.S. National Park Service James Ridenour has called "park barrel politics." As Ridenour has observed, the push to add new park units to the federal estate was driven by the U.S. Congress, "which has treated the National Park Service as if it were an economic development agency, rather than the protector and conservator of the nation's finest resources" (Ridenour 1997; see also Ridenour 1994). Because politicians tend to gain more environmental brownie points from announcing the establishment of new parks than overseeing behind-the-scenes repairs and upkeep, parks in both the United States and Canada have expanded at the expense of existing ones (Anderson and Leal 2001; Doern and Conway 1994; OAG 1983).

This is especially problematic when, as Parks Canada Chief Executive Officer Alan Latourelle observed last year, "The most fundamental operational issue facing Parks Canada is also the least glamorous one" (Parks Canada 2004a: 5). Translated into the political arena, this means that basic maintenance and conservation priorities continue to take a back seat to more "glamorous" initiatives such as the establishment of new marine conservation areas, parks, or historic sites. As David Anderson, then the federal minister responsible for Canada's

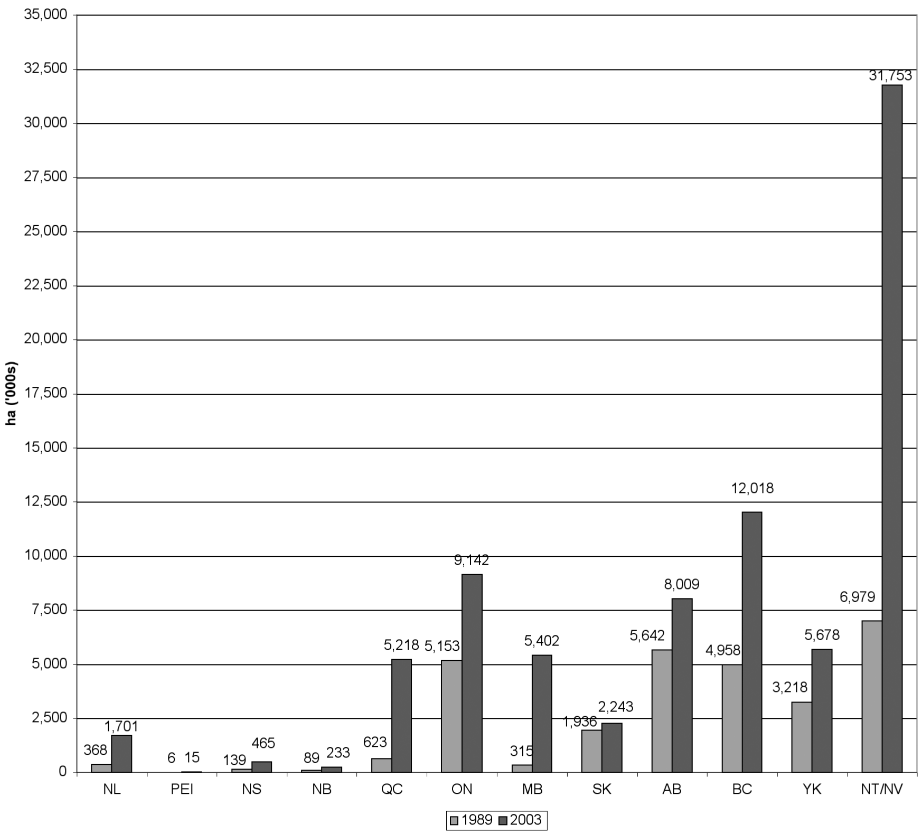


Figure 1. Total area protected in Canada, 1989 and 2003.

national parks, told the *Vancouver Sun* in June 2004, "My feeling is we should grab it [new properties] even if we do not have money in the budget to maintain it the way we would like. I am not going to stop acquiring properties even though I am short on maintenance money, because I know maintenance money is going to come in eventually" (Hogben 2004).

Parks Canada's budgetary history suggests that Anderson's confidence in the appropriations process is misplaced, and recent events confirm it. New public investments announced in the 2003 and 2005 federal budgets[2] still leaves Parks Canada short the $140 million needed annually to restore and replace its asset base (Parks Canada 2004b: 44).

Income diversification

As long as public parks depend on government appropriations for the majority of their income, their fate, including their ecological health and the safety of basic infrastructure, is ultimately beyond the control of park managers. While numerous possibilities exist, the most obvious way to diversify income towards non-government sources is through user fees. Indeed, as government appropriations have decreased and visitation to parks has increased, there has been a global trend for park systems to rely increasingly on user fees both to manage the number of visitors and raise scarce revenue (see C. R. Brown 2001).

The provision of services also becomes more efficient, innovative, and responsive to the public when parks depend on internally generated revenue for significant portions of their operational budget, because managers have new incentives to keep visitors happy and encourage repeat use. While public parks have long charged far less than visitors are willing to pay to enjoy the recreational and educational opportunities they provide, a reliance on user fees can also encourage more realistic pricing within parks (Anderson and Leal 2001; Leal and Fretwell 1997)

The pricing and methods of collecting user fees are best kept as local as possible, reflecting the reality that people place different values on visits to parks, depending on such variables as the location and quality of the park, the time of year, the day of week, etc. (Hanson 2001). Not only can such differential pricing generate greater revenues, it can serve as a park management tool, helping to disperse congestion and limit traffic at ecologically sensitive sites, encouraging visitation to underutilized sites (C. Brown 2001; O'Toole 1999; Ibrahim and Cordes 1993).

Equity

User fees ensure a more equitable distribution of the costs and benefits of maintaining parks and recreation areas, as non-users are no longer being taxed for a service they don't use (Manning et al. 1984). Given that those living in higher-income brackets have more money and leisure time to travel, and thus visit protected areas more, this subsidization raises ethical as well as economic concerns. User fees internalize the costs of parks, imposing costs directly on users rather than taxpayers who may rarely (or never) have the opportunity to enjoy them (C. Brown 2001).

Despite this benefit, concerns have been raised that fees will prevent low-income citizens from accessing public parks. Recent research suggests that such concerns are unfounded. While some survey evidence suggests that access fees can limit outdoor recreational use by low-income families

(More and Stevens 2000), these surveys use responses to hypothetical questions that may differ from actual behavior. Other studies have found that where low-income families have been priced out of outdoor recreation, it is generally due to the high costs of traveling to national parks and forests, not user fees (Grewell 2004b).

Even if high user fees may discourage visitation by low-income individuals who live near public parks, such equity concerns are better addressed through means other than universal subsidies. As J. Bishop Grewell of the Property and Environment Research Center (PERC), an environmental think tank based in Bozeman, Montana, has noted, "recreation policy may not be the best avenue for addressing welfare concerns. Because poor people use the parks less, they might like to see the tax dollars spent elsewhere than on public lands" (Grewell 2004a: 8). Indeed, in light of the fact that higher-income people generally use the parks more than the poor, addressing such welfare concerns through parks policy is actually regressive. Targeted programs, such as privately sponsored vouchers or coupons, or free and discount days, are more appropriate ways to address these equity concerns. Parks Canada, for instance, provides free access to the parks on Canada Day.

Accountability

The introduction of user fees must be accompanied by proper administrative and accountability mechanisms. Unless this revenue is protected from competing claims, public support for otherwise sensible user fees will quickly wane (Swope et al. 2001: 12). To put it another way, the public must see tangible benefits from user fees at the parks they are paying for.

This accountability and transparency can be achieved by decentralizing park management, giving local managers authority to retain and reinvest internally generated revenue into visitor services and facilities. As Terry Anderson and Holly Fretwell of PERC have observed, many of the problems in government-run parks have not arisen not because of, but in spite of, the best intentions of park managers. Indeed, "their ability to manage environmental assets is severely constrained because they are not free to consider the benefits that might come from shifting both budget priorities and uses of some park land" (Anderson and Fretwell 1999: 5).

Given more autonomy and accountability for ensuring resources are wisely invested, park managers may consider the development of new revenue generation mechanisms, such as concessionaire contracts or the establishment of new visitor services and recreational opportunities.[3] Following the example of the National Audubon Society, consideration should also be given to turning a small portion of land in some parks to multiple use: commodity production that can generate revenues to enhance and preserve more ecologically sensitive areas (DeAlessi 2005: 20; Anderson and Leal 2001: 84–85; Baden and Stroup 1981: 28–36).[4]

Parks Canada assumed new autonomy in the late 1990s, when it was transformed into an independent agency with new authority to retain and reinvest all park-generated revenue on a non-lapsing basis. That was a significant development. With new incentives for the agency to increase the revenue generated from its products and services, and to link revenue to real costs, revenue generated from entrance and recreation fees alone has more than doubled (see

Figures 2–4).

Unfortunately, while Parks Canada is required by its revenue policy to redirect internally generated revenues into park and visitor services, the agency's rapidly expanding mission and mandate has been used to justify rechannelling this revenue, "partially to fund the development and operation of new parks and sites" (Parks Canada, 2000: 13-3). In Jasper, one of only two national parks that come close the self-sufficiency,[5] fees are being used to offset Parks Canada's general operating budget, paying for research and the salaries for parks wardens and interpreters rather than going to repair infrastructure and maintain visitor services (Walker 2004). Clearly new resources and efficiencies are still needed.

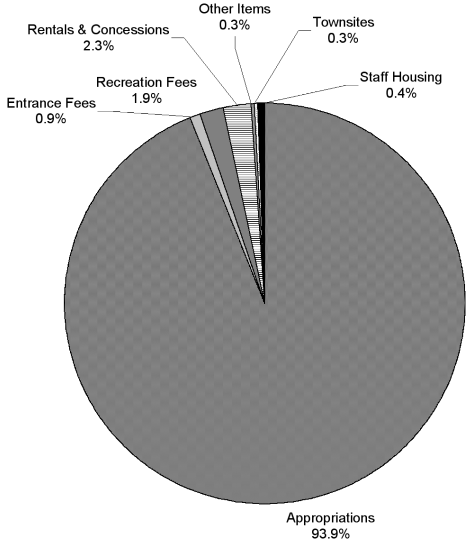
Figure 2 (right). Parks Canada income sources, 1983–1984.

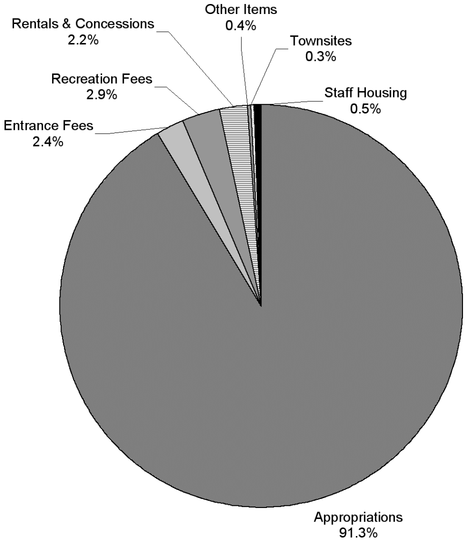
Figure 3 (lower left). Parks Canada income sources, 1993–1994.

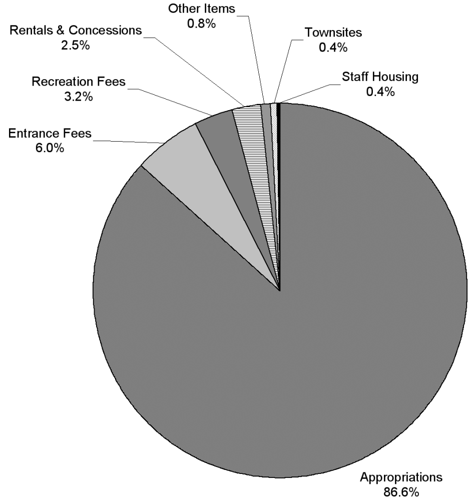
Figure 4 (lower right). Parks Canada income sources, 2003.

Efficiency

Other privatization techniques, such as outsourcing services previously provided in-house, can also help generate efficiencies needed to maintain our parks and protected areas over the long-term. By introducing competition into the provision of park services, from custodial work, fee collection, security service, to the entire operations of individual parks, costs can be lowered while improving the levels of service provided







and encouraging parks managers to focus on core services (Hanson 2000). While a government bureaucracy has little incentive to keep costs down, competitive private firms are driven to keep costs down in order to survive and produce a profit. For public parks, these "profits" can be reinvested into services, facilities, and ecological concerns.

One model for achieving efficiencies while retaining the institutional knowledge and expertise of public park employees is the employee takeover (ETO) policy initiated by Parks Canada in the mid-1990s. This policy let employees establish their own companies and then bid for their jobs against private contractors. This policy gave entrepreneurial-minded employees the opportunity to own and profit from their own business, with the public retaining full ownership and ultimate control of the parks. The three-year contracts, subject to extensive environmental and heritage conditions and requirements, would be for the provision of services only, involving no fixed investments and no revenue sharing. Despite the potential millions in cost savings, public-sector unions and environmental groups mobilized against it and the ETO process was abandoned (for further discussion see Bruce 2001: 118–119).

The fears of environmental groups and unions were unfounded. Indeed, the involvement of private-service contractors and providers has been the norm in many Canadian provinces since the early 1990s (Hanson 2000). Outsourcing in British Columbia's parks, beginning in the late 1980s, resulted in significant cost savings and high visitor satisfaction ratings. Alberta has also relied heavily on private-sector providers for the operation of campgrounds since the late 1990s. Since 1996, Ontario's outsourcing of activities such as janitorial services, grounds maintenance, and enforcement services, and even the entire operations of small recreational parks, has resulted in better service and greater revenues, with cost recovery on operating and capital expenditures increasing from 45% to 70%. Newfoundland went even further, contracting out the management of 21 of its 34 parks. During the very first season under private management, 13 operators at newly privatized parks had made capital improvements (Government of Newfoundland and Labrador 1997).

Private Initiatives

Trends in private land stewardship provide further evidence that it is no longer necessary to rely on government to meet valued conservation goals. In particular, private non-profit land trusts and conservancies have achieved considerable success by recognizing that conservation goals can best be advanced through a system of well-enforced property rights that give private landowners the incentives to provide both environmental and recreational amenities. Short of buying tracts of land outright, these groups work cooperatively with landowners to establish conservation easements in which landowners agree to impose permanent restrictions on activities that might threaten the environmental value of the land.

Over the past five years the number of land trusts known to be operating in Canada has more than doubled, from 60 to 125. While the amount of land protected by these non-profit groups may seem small in comparison to the massive expanses under the stewardship of federal and provincial governments, the geographic location of these properties is significant. For instance, in Atlantic Canada, private stewardship groups were responsible for creating over 70% of new protected areas between 1987 and 1996 (Statistics Canada 2000). At least 26% of all "ecogifts" made between 1995 and 2003 included wetland, among Canada's most threatened habitats (Barstead 2004).[6]

Unfortunately, government conservation projects can actually work against these private initiatives. By subsidizing environmental and recreational amenities, government can actually crowd out private individuals or non-profit groups who seek to make private conservation areas self-sustaining (Dennis 1981). When public parks tend to charge below-market costs for everything from park entrance to camping to hunting and fishing opportunities, private property owners have little incentive to devote more land to activities other than traditional commodity production for which a market is established and assured (Anderson and Leal 1988).[7]

Fiduciary trusts

Rather than competing against them, policy-makers should learn from these models of private stewardship, many of which are protected by the common law doctrine of trust, defined broadly as "a fiduciary relationship in which one person or organization holds or manages property for the exclusive benefit of another" (Fairfax and Guenzler 2001). As first proposed by economist John Baden and political scientist Richard Stroup (1982), management of public land can be devolved to independent "wilderness endowment boards" made up of a mixture of government representatives, stakeholders representing environmental, resource, and other community interests, as well as experts in wildlife, forestry, and water management.

Appointed to staggered terms, these boards can be charged with a fiduciary responsibility to manage a park in perpetuity, according to clearly defined goals. Established with an initial endowment and provided a set budget for a limited number of years, the trust is obligated to assume self-sufficiency by raising sufficient revenues to cover costs. Non-profit "friends" groups, registered to accept tax-deductible donations, can provide important financial, volunteer, outreach, and educational support, while playing an important role in monitoring and enforcing the rules of the trust. U.S. federal experiments with trustee management at San Francisco's Presidio national park, the Valles Caldera National Preserve, as well as proposals to establish trusts at the Grand Staircase–Escalante National Monument and the Upper Missouri River Corridor, provide concrete examples of how to put these private management principles into action (Anderson and Fretwell 1999; Fairfax and O'Toole 2002; Yablonski 2004).

Conclusion

Mention "park" and "private" in the same sentence and the image frequently conjured is one of paradise paved. This stems from an assumption that government ownership and control is needed to protect nature and wildlife areas that the market will fail to provide, or will provide only in insufficient quantities or at prices beyond the reach of most consumers (see for example, Manning and More 2002). The deteriorating state of many public parks, however, suggests that the government has failed to live up to this protective mandate. The growing success of private conservation initiatives shows how realistic market pricing and non-profit or private management models can help create the incentives needed to secure the health of our parks and other protected areas for future generations.

Endnotes

1. These new parks include Gulf Islands National Park in British Columbia (established May 2003), Ukkusiksalik (Wager Bay) National Park in Nunavut (established August 2003), and Torngat Mountains National Park Reserve in Labrador (established January 2005).
2. The February 2005 federal budget committed $269 million in new funding for national parks, including $209 million earmarked for capital infrastructure. While hailed by CEO Latourelle as the biggest budgetary increase in Parks Canada's history (Winks 2005), once the amortization expenses associated with recapitalizing assets is accounted for, the $209 million infrastructure investment has a budgetary impact of just $39 million (Government of Canada 2005). Scheduled to be phased in over five years, Parks Canada will see just $4 million over the next two years, by which point the next federal election (with new election promises that could override the current commitment) is expected.
3. This is particularly important for remote and rarely visited parks that may have difficulty supporting themselves solely through user fees.
4. While opposed to oil and gas development in the Alaska National Wildlife Refuge and other public wilderness areas, the Audubon Society have allowed carefully controlled and regulated oil and gas development in their privately owned Paul J. Rainey Wildlife Sanctuary since the 1980s. This has generated more than $25 million for the group to invest in other conservation projects.
5. Banff is the only national park in which internally generated revenue exceeds expenses. In Jasper, less than 80% of operating expenses are covered by internally generated revenues. The Kootenay and Yoho field unit (incorporating both Rocky Mountain national parks) come next in terms of revenue generation, with less than 40% of expenses covered by internally-generated revenues.
6. "Ecogifts" of ecologically sensitive land are afforded special tax treatment under Canada's Income Tax Act.
7. This is exacerbated by government subsidization of forestry and agriculture that also encourages property owners to stick with traditional commodity production.

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