

The Five Canada-wide Cultural Heritage Organizations Are Disappointed by Federal Budget 2024



In a federal budget appropriately focused on creating new housing, advancing Indigenous self-determination, combatting hate, and creating a clean economy, there is an unfortunate lack of recognition of the role cultural heritage places and existing buildings play in creating housing, wellbeing, and supporting a green economy. The five Canada-wide cultural heritage organizations – Canadian Association of Heritage Professionals (CAHP), Canadian Museums Association, Indigenous Heritage Circle, ICOMOS Canada, and the National Trust for Canada – assess the 2024 budget against cultural heritage sector recommendations in five areas:

Indigenous Cultural Heritage

The five Canada-wide cultural heritage organizations acknowledge and commend the new budget for delivering sustainable funding for advancing Indigenous self-determination. Additional investment in the work of documenting, locating, and memorializing burials connected to residential schools, along with funds to support developing a strategy for combating residential school denialism are welcome. There is a recognition that restoring and promoting language and culture is an important part of healing, reconciliation, and fostering a

strong sense of identity and community, with funds provided to Canadian Heritage support the *Indigenous Languages Act* and the Indigenous Screen Office. It is silent and falls short, however, on the heritage sector's recommendation to strengthen the essential leadership capacity needed to advance cultural heritage priorities that are of importance to Métis, Inuit, and First Nations Peoples by providing an initial investment of \$50 million over three years for the Indigenous Heritage Circle, an Indigenous-led national heritage organization.

In light of the rapidly increasing amount of development across Canada to meet housing and infrastructure demands, First Nations, Inuit, and Métis Nations have been responding to increasing requests for consultation. Many Nations, however, have limited staff resources with which to respond to overwhelming demand. With thousands of archaeological sites already being surveyed and excavated across the country each year to make way for development, and with the current budget's push to accelerate and intensify this, there is a need to include funding resources and training opportunities for First Nations, Inuit, and Métis Nations to increase their capacities to meet new demand.

Housing Creation, Building Reuse, and Decarbonization

World experts and government representatives at the March 2024 UNEP Buildings and Climate Global Forum in Paris (March 2024) said emphatically in their [Declaration de Chaillot](#) that we can't mitigate the climate emergency through new construction alone – the immediate priority must be the reuse and maximization of existing buildings and infrastructure. The creation of every new building releases massive amounts of carbon (to say nothing of the ecological damage from natural resource extraction for building materials) that can only be paid back over decades of reduced operational energy savings. We need to reduce the release of carbon into the atmosphere now. At the same time, Canadians recognize the need to massively scale up housing creation. This creates a “wicked problem” and potential paradox: by building our way out of the housing crisis we will be accelerating an even larger threat, the climate emergency.

And yet, these two “wicked problems” need not be at odds with each other. The federal government's ambitious new *Solving the Housing Crisis: Canada's Housing Plan* aims to leverage federal real property and lands by leasing them for new affordable housing creation through its “Public Lands for Homes Plan.” This offers a tremendous opportunity for the federal government to accelerate the never demolish and always reuse paradigm (firmly established in Europe) and spur private sector innovation in the adaptive reuse industry, mainstream heritage building rehabilitation, and rapidly expand industry capacity, including labour. To disrupt the take-make-waste dynamic that currently holds sway in the Canadian construction industry, there needs to be substantial investments aimed at shifting the next generation workforce away from predominantly new construction, to a focus on building maintenance/longevity and creative adaptation. It is hoped that some of the \$10 million earmarked for the Skilled Trades Awareness and Readiness program to encourage high school students to enter the skilled trades, includes promoting heritage trades skills essential for sustaining the historic built environment. In addition, the federal Housing Plans aim to provide \$100 million in low-cost loans from the Apartment Construction Loan Program to build above existing shops and business across, promises strong positive impacts for Canada's historic Main Street corridors.

And yet, there are powerful barriers to the re-use of existing and heritage buildings in Canada which if addressed, would increase Canada's ability to provide affordable housing and move forward on decarbonization goals. Unfortunately, the Budget does not include action to recognize the material value of older buildings by integrating LCA/embodied carbon calculation, does not correct biases in the federal tax system that promote needless demolition, resource extraction and new construction, and does not introduce incentives to attract investment to building reuse despite longstanding rehabilitation incentive recommendations from the heritage sector.

For instance, Federal Budget 2024 introduces an Accelerated Capital Cost Allowance (CCA) for Apartments, increasing the CCA rate "from 4% to 10% to incentivize builders to get more projects moving by increasing their after-tax return on investment." Introducing a similar CCA rate increase for the rehabilitation of heritage buildings and those over 50-years-old, to maintain existing or create new housing, could be transformative for both housing and climate impacts. And similarly, the Federal Budget 2024 provision to Extend Mortgage Amortizations for First-Time Buyers Buying Newly Built Homes to 30 years doubles down on engrained tax system bias to new construction. Shutting out existing homes from consideration reaffirms the 1940s-era building depreciation paradigm baked into the Income Tax Act (allowing the value of buildings to be depreciated to zero at the rate of 4% over 27.5 years) that views buildings as rapidly obsolete and disposable goods.

While the Budget foregrounds the need for housing affordability, there is a missed opportunity – a disconnect, even – with essential action on climate and the imperative to use and re-use existing buildings. Budget 2024 announced \$30 million over five years, starting in 2024-25, to continue developing a national approach to home energy labelling, which will empower prospective home buyers with information about the energy efficiency of their new home. While this new labelling system is commendable, a parallel energy analysis tool needs to be put in place to help Canadians assess and adapt existing homes, one that would allow them to compare the carbon and broader environmental impacts of building reuse, energy retrofits, or demolition and new construction. Canadians are currently "flying blind" and need robust, trustworthy tools to help them make informed choices and avoid climate maladaptation.

We are encouraged by the funding commitments outlined in Budget 2024 that may be of relevance to heritage places:

- \$1.5 billion under the Green and Inclusive Community Buildings program, which supports green and physically accessible retrofits, repairs, and upgrades of existing public community facilities (including cultural facilities), and the construction of new publicly accessible community facilities;
- \$477.2 million over five years, starting in 2024-25, and \$147.8 million in future years, to launch a new \$1.5 billion Canada Rental Protection Fund, to be administered by the Canada Mortgage and Housing Corporation, to protect the stock of affordable housing in Canada. The Fund will provide \$1 billion in loans and \$470 million in contributions to support affordable housing providers to acquire units and preserve rents at a stable level for decades to come, preventing those units from being redeveloped into out of reach condos or luxury rental units; and

- Over \$4 billion over seven years, starting in 2024-25, to implement an Urban, Rural and Northern Indigenous Housing Strategy and to establish a National Indigenous Housing Centre.

Support to National Heritage Places

We welcome steps that the federal government has taken for Parks Canada sites, providing \$156.7 million over five years, starting in 2024-25, with \$388.5 million in remaining amortization, to the Parks Canada Agency for capital investments in in Canada's national parks, national marine conservation areas, and historic sites. There is no mention, however, of increased funding for the over 700 National Historic Sites not federally owned and other places of historical significance managed privately or by nonprofit organizations – despite a longstanding recommendation to set the funding level for the National Cost-Sharing Program for Heritage Places to a minimum of \$60 million over 5 years. Moreover, the Budget did not mention of financial support for Canada's World Heritage Sites. In 2023, the World Heritage Committee inscribed two new Canadian sites onto UNESCO's World Heritage List, Tr'ondëk-Klondike in Yukon and Anticosti in Quebec. Over the last few years, we've seen World Heritage Sites across Canada, especially those which aren't managed by Parks Canada, struggle to afford to protect Canada's World Heritage. The Town of Lunenburg, for example, has recently estimated that they need at least \$40 million in urgent support to stabilize the site's heritage resources. Canada has a responsibility to appropriately fund its designated sites under the World Heritage Convention. We do however see opportunities to recognize the heritage places of historically marginalized or under-represented groups through the Budget's additional funding to the Canada Anti-Racism Strategy (\$25.4 million over 5 years).

These heritage places create a sense of belonging that builds social cohesion and plays an integral role in bringing diverse communities together, preserving and telling the stories of Canadians from all walks of life. Government investments in heritage places consistently leverage at least 5 times more in private investment, and in addition create new green jobs, enhance economic efficiency by renewing not replacing existing infrastructure, drive sector innovation, and better protect investments from the rising costs of carbon.

Support for Youth Employment in Heritage

While Budget 2024 provided \$200.5 million in 2025-26, for Canada Summer Jobs to provide well-paying summer job opportunities, including in sectors facing critical labour shortages, such as housing construction, it did not increase funding to the Young Canada Works (YCW) funding streams, YCW in Heritage Organizations and YCW at Building Careers in Heritage.

Young Canada Works is a youth employment program that enables youth to gain work experience at heritage sites and in related organizations. The National Trust functions as a delivery organization for the program under the Department of Canadian Heritage. Each year, the National Trust receives three times the number of applications relative to funding available. The requested funding would address this gap, creating work experience opportunities across the country, including in small and remote communities. Funding invested by the federal government under this program is matched by at least 25% funding from the recipient. Young

Canada Works is an important contributor to charitable organizations and an important training ground for young people in developing work experience. The current level of YCW funding is inadequate to address the needs from employers and from youth. The inadequacy of funding levels and variability from one year to another create uncertainty. By providing adequate multi-year funding, employers can be more strategic in planning, hiring and providing valuable experiences to youth, including disadvantaged youth.

Similarly, the request for expanded funding for Youth in Heritage (YIH), for which ICOMOS Canada acts as delivery agent, was not signaled in Budget 2024. This program focusses on developing training for youth, especially EDI targeted training for heritage workers to help increase capacities for employers in the sector. The program is currently funded at \$175,000 per year until the end of 2025, but this is only half of the amount the program was funded at in 2021. Restoring the program's funding to the 2021 amount of \$350,000 per year would help the program meet overwhelming youth and employer demand.

Existing Museums Left Behind

The five Canada-wide cultural heritage organizations note the investments made in Budget 2024 to support arts, culture, and heritage in Canada. There are approximately 2,700 museums in Canada, spread across its territories and provinces. These museums are vital anchors for their communities. As the Canadian Museums Association (CMA) has repeatedly highlighted through its pre-budget [submissions](#), advocacy [meetings](#) with policymakers, as well as written briefs towards the in-progress forthcoming National Museums Policy, museums are in critical danger of obsolescence due to a raft of challenges. Big-ticket investment announcements towards new museums as well as increased funding towards specific museums are all welcome, but this does not in any way ameliorate the very real challenges museums continue to face - whether due to lack of operational funding, talent shortages, and absence of targeted policy support.

As such, while we can only support the museum-specific announcements made in Budget 2024 as well as the other announcements that museums can potentially leverage, the overall Budget falls far short of the sector's expectations. We are, however, cautiously encouraged by the funding commitments outlined in Budget 2024 that may be of relevance to museums:

- Investments in new museums and cultural centres that showcase the diversity of Canada's cultural fabric, such as the museum space dedicated to Sikh arts and heritage, the museum on South Asian Canadian history, and the new Filipino cultural centre.
- \$500 million over five years for the Green and Inclusive Community Buildings program to support green and accessible retrofits, upgrades, and new community facilities across Canada.
- \$156.7 million over five years for capital investments in Canada's national parks, marine conservation areas, and historic sites through Parks Canada.
- Revision to the Charitable Donation Tax Credit, allowing individuals to claim 80 per cent (instead of the previously proposed 50 per cent) when calculating the Alternative Minimum Tax (AMT).

- \$25 million over five years for the Department of Canadian Heritage to support Anti-Hate programming and promoting intercultural ties and community-based activities.

However, we are deeply concerned by the lack of funding committed to supporting existing museums' operations. We note with concern that the budget did not include the specific funding levels that the CMA recommended for the Museums Assistance Program (MAP). An increase in MAP funding to, at the very least, keep pace with inflation, remains crucial for museums to fulfill their important role in communities across Canada.

This budget also fails to support decolonization and repatriation activities, which are delegated to Heritage Canada under the Department of Justice's UNDRIP Action Plan. Budget 2024 fails to address two crucial recommendations for supporting Indigenous heritage. First, the heritage sector's call for a \$50 million investment over three years to strengthen the Indigenous Heritage Circle's capacity to advance cultural priorities important to Metis, Inuit and First Nations Peoples; and second, the CMA's request for a more modest \$2.5 million annual operational support for Indigenous led heritage organisations.

While the budget did not specify an increase to the Young Canada Works (YCW) program, as recommended in our submission, we are hopeful that the funding for job creation and youth employment outlined in the budget will translate into opportunities for youth to gain work experience in museums. Furthermore, the already announced [proposed changes](#) to the Department of Canadian Heritage's Grants and Contribution programs, including reductions to the Canada Cultural Investment Fund, Canada Cultural Spaces Fund, and the Digital Access to Heritage component of MAP, have the potential to impact various aspects of museum operations and development.

We also call upon the federal government to release the draft of the in-progress National Museum Policy, so that museums receive targeted fiscal and regulatory support to continue playing their key role in Canadian communities. The CMA remains steadfast in its commitment to advocating for a strong museum sector, and will continue to engage with policymakers in Ottawa, emphasizing the immeasurable value museums bring to our society. As details of the budget measures are finalized, we look forward to working with the federal government to determine how museums can leverage the announcements made in Budget 2024 to their fullest potential. Together, we can ensure that Canada's museums continue to thrive as pillars of education, innovation, and cultural preservation, enriching the lives of Canadians from coast to coast.

Read the recommendations from the five cultural heritage organizations in the Pre-Budget Consultation 2024 submissions here:

- [Canadian Museums Association](#)
 - [CAHP, Indigenous Heritage Circle, ICOMOS Canada, National Trust](#)
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