# 2025 Federal Budget Written Submission for Pre-Budget Consultations Submitted on March 10, 2025 by:

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Canadian Museums Association
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## INVESTING IN HERITAGE: MADE IN CANADA SOLUTIONS FOR DRIVING ECONOMIC GROWTH, CREATING JOBS, AND BUILDING COMMUNITY RESILIENCE

### Joint Pre-Budget Submission to the Department of Finance for Budget 2025

Submitted by: Canadian Association of Heritage Professionals, Canadian Museums Association, Indigenous Heritage Circle, ICOMOS Canada, and National Trust for Canada

#### **EXECUTIVE SUMMARY**

As Canada navigates economic uncertainty in 2025, strategic investments in the heritage sector offer immediate economic stimulus while strengthening national unity and advancing Reconciliation commitments. The arts, culture and heritage sector contributes approximately \$60 billion in direct GDP and supports over 850,000 jobs in Canada. Heritage conservation in particular delivers high returns on investment, with rehabilitation of historic buildings generating around 21% more jobs than the same investment in new construction.

Heritage is not merely cultural enrichment—it is essential economic infrastructure that drives tourism, creates local jobs, and revitalizes communities. <u>94% of Canadians</u> believe museums help visitors and tourists explore a region or place, and <u>97%</u> agree that museums are places to learn and be inspired. This overwhelming public support provides a clear mandate for investment.

Our recommendations align directly with the government's economic recovery, Reconciliation, and climate action priorities:

- Indigenous Cultural Heritage Rights (\$23M): Fulfill UNDRIP and TRC commitments through Indigenous-led heritage frameworks, creating economic opportunities in Indigenous communities.
- 2. **Heritage Places and Museums (\$86.5M)**: Restore critical funding programs that create good jobs, stimulate rural economies, and protect irreplaceable assets, with every dollar invested leveraging additional provincial and private funding.
- 3. **Youth Employment in Heritage (\$40M over five years)**: Expand successful programs that tackle youth unemployment while addressing heritage sector succession planning and skills gaps.

These **targeted investments totaling less than \$150M over five years** will generate substantial economic returns through job creation, tourism growth, and community revitalization. In uncertain times, heritage investment represents prudent fiscal policy with both immediate and long-term benefits across all regions of Canada.

#### **ALIGNMENT WITH GOVERNMENT PRIORITIES**

Our recommendations directly advance key government priorities:

- **Economic Growth and Job Creation**: Heritage conservation creates more jobs per dollar than new construction, particularly in rural communities and small towns where economic opportunities are needed most, helping to ensure the Canadian economy is more self-reliant and better insulated from tariff shocks.
- **Reconciliation with Indigenous Peoples**: Supporting Indigenous-led cultural heritage initiatives fulfills TRC Calls to Action and UNDRIP commitments related to cultural heritage rights and repatriation.
- **Climate Action**: Rehabilitating existing buildings is more environmentally sustainable than new construction, supporting emissions reduction targets, and making more efficient use of Canada's substantial past investment in the built environment.
- **Regional Development**: Heritage tourism benefits all regions, especially rural communities where a historic main street or local museum anchors the tourism economy, helping ensure no Canadian gets left behind.
- Youth Employment: Expanded heritage programs directly address youth unemployment while building career pathways in a growing sector and fostering the Canadian economy of the future.

## RECOMMENDATION 1: Indigenous Cultural Heritage Rights

#### Investment: \$23 million over 5 years

- \$20M over 5 years for Indigenous-led development of a National Framework for Indigenous Cultural Heritage Rights:
  - Aligns with past federal investments to preserve, promote and revitalize Indigenous languages and cultures. While language preservation has received structured, longterm funding, Indigenous cultural heritage remains critically underfunded, despite its equal importance in Reconciliation efforts. This investment would address that gap.
  - o Fulfills Canada's commitments under the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Truth and Reconciliation Commission's (TRC) Calls to Action 67-70, which emphasize Indigenous leadership in heritage protection, repatriation, and museum policy reform. Currently, Canada lacks a national strategy to implement these commitments in heritage governance.
  - Supports economic growth through cultural tourism and job creation, ensuring Indigenous communities can develop, protect, and manage their own cultural heritage assets while benefiting from increased visitor engagement and employment in conservation, education, and tourism sectors.
  - Funding covers extensive, multi-year consultations with First Nations, Inuit, and Métis communities across all provinces and territories to co-develop a national framework.
- \$3 million over 5 years in dedicated funding to support comprehensive research and initial repatriation activities in Canada.
  - Similar to the preliminary research phase of the U.S. Native American Graves
     Protection and Repatriation Act—to determine the scope of repatriation needs while
     also enabling immediate repatriation efforts where possible.
  - As of 2019, Canadian institutions were estimated to hold 6.7 million Indigenous belongings and 2,500 ancestral remains, with some institutions undertaking this work largely on an ad hoc basis due to lack of a national strategy and funding supports.
  - o A national study is essential to identify the full extent of holdings, assess associated costs, and allocate resources effectively.
  - Will provide a critical foundation for a comprehensive national repatriation strategy, ensuring that research directly informs action while ensuring that institutions can begin or continue their repatriation work without delay.

#### **Economic and Social Returns:**

- Ensures Canada meets its legal obligation under the <u>UNDRIP Act</u> (2021), particularly regarding Indigenous peoples' right to maintain, control, protect, and develop their cultural heritage, traditional knowledge, and cultural expressions.
- Creates sustainable jobs in Indigenous communities through cultural heritage management, ensuring that no Canadians are left behind.
- Develops cultural tourism opportunities that can generate substantial economic benefits for Indigenous communities.
- Fulfills TRC Calls to Action 67-70 specifically addressing museum policies and repatriation.
- Empowers Indigenous communities to lead their own economic and cultural development.

#### **Implementation Pathway:**

• Framework development can be led by existing Indigenous organizations, such as the Indigenous Heritage Circle, in collaboration with other National and heritage organizations and Indigenous governments.

## Recommendation 2: Support for Heritage Places and Museums

#### Investment: \$86.5 million over 5 years

- \$60.5M over 5 years to restore the National Cost-Sharing Program for Heritage Places to \$12.1M per year and an additional \$25M over 5 years to expand the program to include cultural World Heritage Sites.
  - Represents inflation-adjusted equivalent of 2016-17 funding level (\$10M), when the program was fully subscribed. Responds to recommendation 10 from House of Commons ENVI Committee report Preserving Canada's Heritage (2017).
  - o Current funding of only \$2M (2023-24) meets just 20% of demand, with applications exceeding available funding by 5:1.
  - Canada has 22 UNESCO World Heritage Sites but there is no dedicated conservation funding for these sites, leaving them vulnerable to climate change, visitor impact, and preservation challenges. Without dedicated funding, these internationally significant sites risk deterioration that would damage Canada's reputation and tourism potential.
- \$5M over five years to increase the Museums Assistance Program funding by \$1M per year
  - Represents an inflation-adjusted increase, ensuring the program keeps pace with rising operational costs.

- This is a flat annual increase of \$1M per year, totaling \$5M over five years, not a cumulative increase.
- The 1990 National Museums Policy set a goal of \$18M annual funding by 1994-95, yet current funding remains at approximately \$6.7M, a significant decline in real terms over three decades.
- This decline has made it increasingly difficult for museums to maintain operations, invest in programming, and adapt to evolving visitor expectations.

#### **Economic and Social Returns:**

- Creates immediate employment in restoration, conservation, and skilled trades.
- Each rehabilitation project generates approximately 21% more jobs than new construction, helping create
- Preserves irreplaceable national assets that attract visitors.
- Leverages additional provincial, municipal, and private investment through matching requirements.
- Focuses on Canadian labour rather than materials (many of which are imported), thereby ensuring the Canadian economy is more self-reliant and better insulated from tariff shocks.

#### **Implementation Pathway:**

- Mechanisms already exist through Parks Canada and Department of Canadian Heritage
- Projects ready to launch within months of funding approval
- Distributed economic impact across all provinces and territories

#### Recommendation 3: Youth Employment in Heritage

- **Investment: \$40 million over 5 years \$40M** over five years to permanently integrate supplemental funding into Young Canada Works and core funding to Youth in Heritage.
  - Extend the 2023-24 supplemental funding to the heritage component of the Young Canada Works (YCW) program of \$7.23M that supported 803 additional youth positions and continue the Youth In Heritage program.
  - Without this funding, the YCW program will have to reduce placements by approximately 40%. A further 150 student jobs were created through Youth in Heritage, which will be lost.

 83% of Youth in Heritage participants identified with at least one employment barrier, demonstrating these programs' exceptional reach to underrepresented youth.

#### **Economic and Social Returns:**

- Will create and sustain thousands of jobs for young people in the heritage sector, particularly as the impact of trade disruptions and tariffs are likely to threaten youth employment.
- These programs are proven workforce development tools, ensuring that young people gain the skills, experience, and industry connections needed for long-term employment in the heritage sector.
- Engages Canada's youth in stewardship of heritage places critical to Canadian identity and societal sense of wellbeing.

#### **Implementation Pathway:**

- Existing programs allow immediate implementation
- Can be launched for summer 2025 employment cycle
- Youth from all provinces and territories will benefit

#### **MEASURABLE OUTCOMES**

Investment in these recommendations will deliver measurable economic and social benefits:

- **Economic Growth:** Significant return on investment through direct GDP contribution
- Job Creation: Thousands of jobs supported annually across all regions
- Tourism: Increase in heritage tourism spending
- Public Engagement: Millions of Canadians directly benefiting annually
- Reconciliation Progress: Tangible advancement on TRC Calls to Action
- Skills Development: Thousands of youth gaining employable skills over five years

#### **BROAD-BASED SUPPORT**

These recommendations have been endorsed by national organizations from the heritage sector including provincial and territorial museum associations, as well as the CMA Indigenous Council.

#### CONCLUSION

There is nothing more distinctly Canadian than our heritage. In times of economic uncertainty, strategic investments in heritage deliver what Canadians need most: jobs, economic growth, community resilience, and hope. These modest, targeted investments will generate substantial returns while preserving what makes Canada unique and addressing Reconciliation commitments.

As communities across these lands face increasing pressures and complex global challenges, now more than ever we need all levels of government to invest in our heritage sector – in museums, historic places, and Indigenous cultural heritage. These institutions have untapped potential to strengthen social cohesion, foster cross-cultural understanding, and bring people together during these turbulent times. These serve as anchors of community identity, diverse histories, and collective memory across urban centres and rural communities alike.

We urge the Department of Finance to include these recommendations in Budget 2025. Their implementation will support economic recovery in communities of all sizes, create meaningful employment opportunities, and strengthen Canada's cultural foundations. Our organizations stand ready to support implementation and to provide any additional information required.

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