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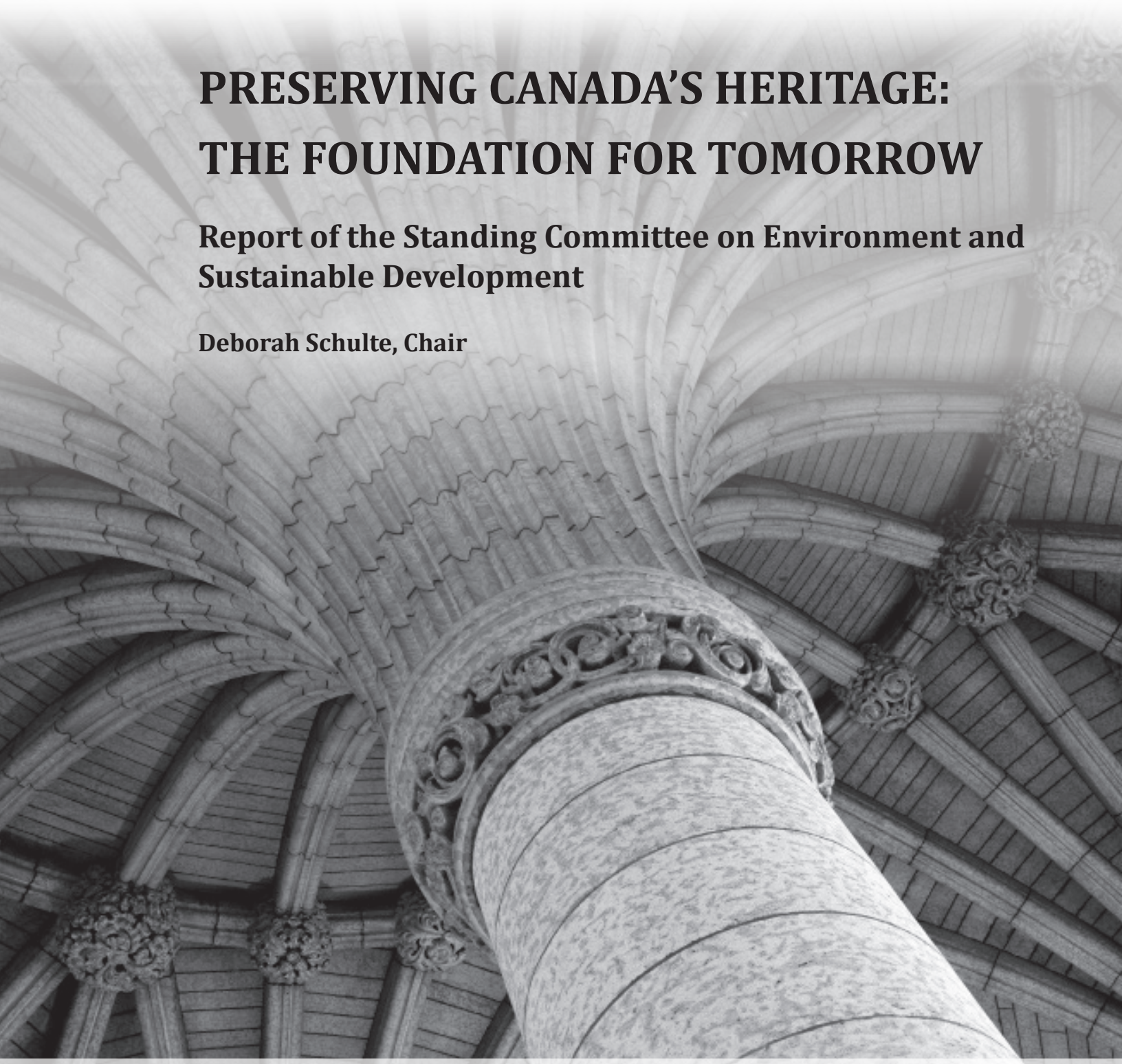
PRESERVING CANADA'S HERITAGE: THE FOUNDATION FOR TOMORROW

Report of the Standing Committee on Environment and Sustainable Development

Deborah Schulte, Chair



DECEMBER 2017
42nd PARLIAMENT, 1st SESSION

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NOTICE TO READER

Reports from committee presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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ACKNOWLEDGEMENT

The Committee would like to acknowledge the significant contributions of Mr. Wayne Stetski to this study and report.

THE STANDING COMMITTEE ON ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

has the honour to present its

TENTH REPORT

Pursuant to its mandate under Standing Order 108(2), the Committee has studied heritage preservation and protection in Canada and has agreed to report the following:

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SUMMARY

Canada's historic places are a source of pride for Canadians. They are part of our collective history and a legacy that we pass on from generation to generation.

About 13,000 of these places have received an official heritage designation from various public authorities. They are owned by non-governmental organizations, private owners or federal, provincial, Indigenous or municipal governments.

Many of our historic places are disappearing or under threat. The Standing Committee on Environment and Sustainable Development believes the federal government needs to take stronger action to preserve Canada's historic places.

First, the government must take a leadership role to safeguard the heritage character of its own designated buildings if it wants to be recognized as a credible voice on this issue. Departments, agencies and Crown corporations that are custodians of federal heritage buildings should be required to preserve the heritage character of the buildings and places under their stewardship, and resources should be provided to prevent their demolition by neglect. Ideally, this obligation should be entrenched in legislation.

During its study, the Committee learned that Canada is the only G7 country that has not passed legislation to protect historic places and archaeological resources under its jurisdiction. In light of the extensive testimony on this issue, the Committee recommends that the federal government introduce such legislation. This is not a new recommendation. In 2003, the Office of the Auditor General of Canada also recommended that the federal government strengthen the legal framework for built heritage in Canada.

The government must also show leadership and support Canadians' efforts to preserve the national historic places and heritage buildings they own. For this, the government must give priority to existing and heritage buildings when it leases or buys real estate. It must also expand the range of financial tools available to owners of heritage places.

Parks Canada's National Cost-Sharing Program for Heritage Places is the main program providing financial support to owners and lessees of national historic sites, heritage lighthouses and heritage railway stations that do not belong to the federal government. During our study, a number of witnesses reported that organizations' needs greatly exceed the funding available. To correct the problem, the Committee recommends that the annual funding for the National Cost-Sharing Program for Heritage Places be set at a minimum of $10 million.

Philanthropy is another option to consider. The federal government could offer to match the amounts contributed by individuals and businesses to charitable organizations that undertake projects to renovate heritage places.

The Committee also sought to identify the best way to encourage businesses to invest in restoring historic buildings. Multiple witnesses praised the American federal government's tax credit program for historic buildings. The Committee believes that introducing a similar tax credit in Canada would attract private investment to preserve and restore historic buildings.

The National Building Code should also be revised to facilitate the preservation of the heritage characteristics of buildings when they are modernized. The federal government could work with the provincial and territorial governments to achieve this goal.

The Committee's study highlighted the specific issues and challenges facing historic places in rural areas. Because these places are located outside the major urban centres, their owners sometimes have fewer means to draw the necessary financing and attention of public decision-makers to their specific needs. The Committee recommended that Parks Canada review the National Cost-Sharing Program for Heritage Places to determine whether historic places in rural Canada are receiving their fair share of the funding. If not, we recommend making changes to the program to account for their circumstances.

The Committee also examined the issue of preserving Indigenous heritage places. The Committee found that Indigenous peoples define their heritage in a more holistic manner than the Western model. As a result, solutions currently used to protect heritage places must be adapted in order to preserve Indigenous heritage places.

Indigenous peoples must participate in the protection and preservation of places. The Committee recommends that Parks Canada support an Indigenous-led initiative to determine how places that are important to them should be protected and preserved. This initiative would convey the perspective of Indigenous communities on the protection of heritage places to organizations such as the Historic Sites and Monuments Board of Canada and its Secretariat, Parks Canada, and other federal government departments and agencies.

Furthermore, the Committee supports closer collaboration between Parks Canada and Indigenous groups. A step in the right direction would be including Indigenous registrars in the Canadian Register of Historic Places in order to improve the process by which Indigenous heritage places are identified and designated.

Finally, the Committee adopts the Truth and Reconciliation Commission's calls to action that concern the protection and preservation of Indigenous heritage in Canada. As such, Indigenous peoples must be included on the Historic Sites and Monuments Board of Canada so that the Board integrates Indigenous history, heritage values and memory practices into Canada's national heritage and history. The Committee also believes it is vital to quickly launch a process to commemorate the Indigenous children who never returned to their families, as requested in the Commission's calls to action 72 to 75.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

PRESERVING CANADA'S HERITAGE: THE FOUNDATION FOR TOMORROW

INTRODUCTION

Canada's many historic sites have great significance for Canadians. They are national treasures that bear witness to the way our country has evolved. They reflect our history and diversity, and strengthen our national pride. In 2017, millions of people visited national historic sites managed by the Parks Canada Agency free of charge as part of the celebrations marking the 150th anniversary of Confederation.

A historic or heritage place is "a structure, building, group of buildings, district, landscape, archaeological site or other place in Canada that has been formally recognized for its heritage value."[1] This designation has been granted to approximately 13,000 sites across the country by various level of government.[2] These places can be administered by federal, provincial or territorial governments, municipalities, Indigenous communities, non-profit organizations, private companies or individuals.[3]

Historic places contribute significantly to our economy. Rehabilitating heritage streets, neighbourhoods or buildings creates jobs and improves the quality of life for local residents. In addition, these places are a key part of our tourism industry, attracting millions of visitors from within Canada and abroad. Environmentally speaking, protecting and preserving built heritage helps reduce waste associated with construction and demolition.

Unfortunately, many places of historic significance no longer exist or are in danger of disappearing, often because they have been neglected. Some need immediate repairs to ensure their long-term commemorative integrity. It is estimated that more than 20% of Canada's built heritage was lost between 1970 and 2000.[4] In 2003, the Auditor General of Canada sounded the alarm, stating in her report that Canada's built heritage under

1 Parks Canada Agency (Parks Canada), *Standards and Guidelines for the Conservation of Historic Places in Canada*, (Second Edition), 2010, p. 5.

2 *Canada's Historic Places*.

3 Parks Canada, *National Historic Sites System Plan*, p. 51.

4 Heritage Research Associates Inc., *CIHB Revisited, 1999*. Report prepared for the Minister of Canadian Heritage.

the auspices of the federal government was at risk.[5] In a follow-up report in 2007, she recognized the measures that had been taken since the 2003 report was published, but found them to be insufficient "to guarantee the conservation of built heritage placed under the custody of departments."[6]

There is no indication that the situation has changed. For this reason, there is an urgent need to take action to protect and preserve Canada's heritage sites and buildings. To achieve this goal, the federal government needs to show leadership in heritage conservation.

A. Context of the Study

The Standing Committee on Environment and Sustainable Development (the Committee) began its study on heritage preservation and protection in Canada on 19 September 2017. The study was carried out over seven meetings, during which Committee members heard from 27 witnesses and received six briefs from various stakeholders: people working in Canada's heritage sector, experts and government representatives. At the same time, the Committee considered[7] Bill C-323, An Act to amend the Income Tax Act (rehabilitation of historic property).[8] The testimonies heard on this matter from nine witnesses also informed the Committee about the financial tools available to the federal government to support the protection and the preservation of heritage buildings.

The members of the Committee would like to thank each of the witnesses for contributing to the Committee's work. Their testimony has been presented in this report by theme. The Committee has included 17 recommendations in this report addressed to the federal government and its agencies to improve the protection and preservation of Canada's national historic sites, federal heritage buildings, and archeological resources on federal lands, thereby ensuring that they remain for the benefit of current and future generations.

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5 Office of the Auditor General of Canada (OAG), *Protection of Cultural Heritage in the Federal Government*, Chapter 6 in *Report of the Auditor General of Canada – Fall 2003*, 2003.

6 OAG, *The Conservation of Federal Built Heritage*, Chapter 2 in the *2007 February Status Report of the Auditor General of Canada*, 2007, para. 2.38.

7 House of Commons, Standing Committee on Environment and Sustainable Development, *Work*, "Bill C-323, An Act to amend the Income Tax Act (rehabilitation of historic property)".

8 Bill C-323, An Act to amend the Income Tax Act (rehabilitation of historic property), 1st Session, 42nd Parliament.

B. Vocabulary Used in this Report

This report uses vocabulary that has specific meaning within the heritage community.

Throughout this report:

- Commemorative integrity "refers to the condition or state of a national historic site when the site is healthy and whole.... A national historic site possesses commemorative integrity when:
  - the resources directly related to the reasons for designation as a national historic site are not impaired or under threat,
  - the reasons for designation as a national historic site are effectively communicated to the public, and
  - the site's heritage values (including those not related to the reasons for designation as a national historic site) are respected in all decisions and actions affecting the site."[9]
- Conservation refers to the conservation activities applied to a heritage place, from understanding the historic place, to planning for its conservation, to intervening through projects or maintenance.[10]
- Preservation is a form of intervention that is "part of the ongoing maintenance of an historic place." It "involves protecting, maintaining and stabilizing the existing form, material and integrity of an historic place or individual component, while protecting its heritage value."[11]
- Rehabilitation is a form of intervention that encompasses new uses or code upgrades. It "involves the sensitive adaptation of an historic place or individual component for a continuing or compatible contemporary use, while protecting its heritage value."[12]
- Restoration is a form of intervention "associated with the depiction of an historic place at a specific period in its history." It "involves accurately revealing, recovering or representing the state of an historic place or

9 Parks Canada, *Guide to the Preparation of Commemorative Integrity Statements*.

10 Parks Canada (2010), p. 3.

11 Parks Canada (2010), p. 3 and 15.

12 Parks Canada (2010), p. 3 and 16.

> individual component as it appeared at a particular period in its history, while protecting its heritage value."[13]

LEGISLATIVE FRAMEWORK

A. Existing Legislation

Various statutes and regulations give the federal government specific responsibilities regarding Canada's historic and heritage sites.

The *Canada National Parks Act* states that the Governor in Council may set apart any land belonging to Her Majesty in right of Canada as a national historic site in order to:

- commemorate a historic event of national importance; or
- preserve a historic landmark, or any object of historic, prehistoric or scientific interest, that is of national importance.[14]

The *Parks Canada Agency Act* states that the Parks Canada Agency (the Agency or Parks Canada) is the federal agency responsible for the implementation:

> of policies of the Government of Canada that relate to national parks, national historic sites, national marine conservation areas, other protected heritage areas and heritage protection programs.[15]

Parks Canada is also given the responsibility of negotiating and recommending to the Minister of the Environment "the establishment of new national parks, national marine conservation areas and other protected heritage areas and the acquisition of national historic sites."[16]

The *Historic Sites and Monuments Act* grants the Historic Sites and Monuments Board of Canada the power to:

> receive and consider recommendations respecting the marking or commemoration of historic places, the establishment of historic museums and the administration,

13 Ibid.

14 *Canada National Parks Act*, S.C. 2000, c. 32, paras. 42(1)(a) and (b).

15 *Parks Canada Agency Act*, S.C. 1998, c. 31, subsection 6(1).

16 Ibid., subsection 6(3).

> preservation and maintenance of historic places and historic museums, and shall advise the Minister in carrying out his powers under this Act.[17]

The Board has the mandate to advise the Minister of Environment on the designation of national historic sites, heritage railway stations and heritage lighthouses.

The *Canada National Marine Conservation Areas Act* provides that the Governor in Council may make regulations "for the protection of cultural, historical and archaeological resources"[18] in marine conservation areas.

Lastly, the *Heritage Railway Stations Protection Act*[19] and the *Heritage Lighthouse Protection Act*[20] grant the Minister of Environment the authority to designate heritage railway stations and lighthouses, respectively. The Committee notes that these statutes were introduced in Parliament following individual parliamentarians' legislative initiatives, not by the government.[21]

Other legislation addresses the administration of historic sites in specific locations, such as the *Rouge National Urban Park Act*, the *Historic Canals Regulations* (made under the *Department of Transport Act*) and the *Laurier House Act*. In addition, the *Federal Real Property and Federal Immovables Act* and its regulations have an impact on the management of heritage federal properties.

B. International Obligations

Canada has committed to protecting and preserving cultural heritage by being party to the *Convention Concerning the Protection of the World Cultural and Natural Heritage*[22] (the World Heritage Convention), established under the auspices of UNESCO. Article 5 of the Convention, among other things, urges State Parties:

- to adopt a general policy which aims to give the cultural and natural heritage a function in the life of the community and to integrate the protection of that heritage into comprehensive planning programs;

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17 *Historic Sites and Monuments Act*, R.S.C. 1985, c. H-4, s. 7.

18 *Canada National Marine Conservation Areas Act*, S.C. 2002, c. 18, subsection 16(1).

19 *Heritage Railway Stations Protection Act*, R.S.C., 1985, c. 52 (4th Supp.).

20 *Heritage Lighthouse Protection Act*, S.C. 2008, c. 16.

21 Bill C-205, An Act to protect heritage railway stations, 2nd Session, 33rd Parliament; and Bill S-215, An Act to protect heritage lighthouses, 2nd Session, 39th Parliament.

22 United Nations Educational Scientific and Cultural Organization (UNESCO), *Convention Concerning the Protection of the World Cultural and Natural Heritage*.

- to develop scientific and technical studies and research, to work out such operating methods as will make the state capable of counteracting the dangers that threaten its cultural or natural heritage;

- to take the appropriate legal, scientific, technical, administrative and financial measures necessary for the identification, protection, conservation, presentation and rehabilitation of this heritage.[23]

The Convention defines the type of natural or cultural site that can be added to the World Heritage List.[24] As of 2017, 18 sites in Canada had been inscribed on this list.[25] Parks Canada is the agency responsible for implementing the Convention in Canada.

Canada has also signed the *Convention for the Protection of Cultural Property in the Event of Armed Conflict* and the *Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property*.

C. Roles and Responsibilities in Preserving Federal Built Heritage

Over the years, the Government of Canada has granted more than 3,700 federal heritage designations. These designations include the following:

- 981 national historic sites (171 under Parks Canada stewardship);

- approximately 1,170 persons and events of national historic significance;

- more than 1,300 federal heritage buildings;

- 164 heritage railway stations;

- 92 heritage lighthouses; and

- 39 Canadian heritage rivers.[26]

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23 Parks Canada, *Background: Treaty Obligations*.

24 UNESCO, *World Heritage List*.

25 Parks Canada, *Canadian Sites on the World Heritage List*.

26 Standing Committee on Environment and Sustainable Development (ENVI), *Evidence*, 1st Session, 42nd Parliament, 19 September 2017, 0850 (Joëlle Montminy, Vice-President, Indigenous Affairs and Cultural Heritage Directorate, Parks Canada Agency). Unless otherwise indicated, all testimony cited in this report was heard during the 1st Session of the 42nd Parliament.

Each of these designations has its own focus: "For some it's commemoration, for some it's protection and conservation, and for some it's a combination of both."[27]

Parks Canada Agency has the largest share of federal responsibilities related to heritage site conservation. It has direct stewardship of 171 national historic sites, 505 national heritage buildings, 10 heritage lighthouses, 6 Canadian heritage rivers and 12 world heritage sites. Around 20 other federal departments and agencies administer a total of 767 federal heritage buildings.[28] Appendix A of this report identifies the number of heritage buildings for each of these departments and agencies.

The Agency manages cultural resources using its *Cultural Resource Management Policy*.[29] The purpose of this policy is "to ensure that its requirements are effectively applied at our protected heritage places so that cultural resources are conserved and their heritage value is shared for the understanding, appreciation and enjoyment of present and future generations."[30]

The *Standards and Guidelines for the Conservation of Historic Places in Canada* direct the actions of the Agency to ensure the sustainable conservation of cultural resources at the protected heritage places it administers.[31]

Other federal departments and agencies also have responsibilities for preserving federal heritage. The Treasury Board of Canada Secretariat's *Policy on Management of Real Property* states the following:

> The heritage character of federal buildings is respected and conserved throughout their life cycle. Buildings that are 40 years of age or older, whether Crown-owned buildings under the administration of their minister or buildings they are planning to purchase, must be evaluated by Parks Canada for their heritage character.[32]

Parks Canada establishes national objectives for the protection of heritage buildings and national historic sites under the purview of other federal departments and agencies.

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27 ENVI, *Evidence*, 19 September 2017, 0850 (Joëlle Montminy).

28 Data provided to the Committee in an email from Parks Canada on 13 October 2017.

29 Parks Canada, *Cultural Resource Management Policy*, 1 January, 2013. According to the Policy, a cultural resource is a human work, an object or a place that is determined, on the basis of its heritage value, to be directly associated with an important aspect or aspects of human history and culture. The heritage value of a cultural resource is embodied in tangible and intangible character-defining elements.

30 Parks Canada, *Cultural Resource Management Policy*, article 6.1.

31 Parks Canada (2010).

32 Treasury Board of Canada Secretariat (TBS), *Policy on Management of Real Property*, 1 November 2016, article 6.1.9.

Through the Federal Heritage Buildings Review Office, the Agency advises custodian departments on how to meet their heritage obligations under the Treasury Board policy.[33] However, the Agency has no enforcement role under that policy, resulting in a lack of compliance.

RECOMMENDATION 1

The Committee recommends that the requirements of the *Policy on Management of Real Property* be integrated in new legislation so that custodian departments of designated federal heritage buildings are required to protect the commemorative integrity of these buildings and prevent demolition-by-neglect.

The National Cost-Sharing Program for Heritage Places supports the protection of national historic sites, heritage lighthouses and heritage railway stations that are formally recognized but not owned by the Government of Canada. It provides matching funds of up to 50% of the cost of projects to eligible beneficiaries who operate these sites on a non-commercial basis.[34]

The Historic Sites and Monuments Board of Canada (the Board) is the federal agency that evaluates applications for designating national historic places, heritage railway stations and heritage lighthouses. National historic sites are usually commemorated with a bronze plaque accessible to the public.[35]

FINDINGS AND SOLUTIONS

A. State of Heritage Places

All human-made structures, including national historic sites, will deteriorate over time. Inadequate conservation measures, industrial activity, prolonged use, theft, vandalism and neglect can all accelerate the deterioration of a historic place.

33 Parks Canada. *Federal Heritage Buildings Review Office*.

34 Parks Canada, *Program Guidelines*, National Cost-Sharing Program for Heritage Places, 2018-19. Eligible applicants are: owners or lessees of heritage places which are a not-for-profit organization, a regional or municipal government, a provincial or territorial government, institution, agency or Crown Corporation, and a not-for-profit Indigenous organization. Ineligible applicants are: individuals, federal departments, Crown corporations and agencies, lessees of federally-owned heritage places, for-profit organizations or business entities (including condominium corporations).

35 Parks Canada, *State of Canada's Natural and Cultural Heritage Places 2016*, "Part A: The State of Parks Canada Natural Heritage Places Establishment, Cultural Heritage Programs and Other Heritage Programs."

Climate change can also damage historic places. According to information from the Canadian Register of Historic Places website, the thawing of permafrost, an increase in the number of large coastal storms and the accelerated erosion of the coastline are problematic "because a number of Canada's Historic Places are in areas where they are now at risk, especially in the north and in coastal regions."[36]

A study carried out in 1999 on behalf of the Department of Canadian Heritage – which was then responsible for Parks Canada – estimated that Canada would lose more than 20% of its built heritage between 1970 and 2000.[37] This figure was corroborated by Ms. Joëlle Montminy, Vice-President of the Indigenous Affairs and Cultural Heritage Directorate at the Parks Canada Agency;[38] Natalie Bull, Executive Director of National Trust for Canada;[39] and Christina Cameron, Professor and Canada Research Chair on Built Heritage at the University of Montreal.[40]

As it works to preserve heritage places, Parks Canada has to address these challenges. During her testimony, Ms. Montminy said that the Agency had to face challenges such as "funding, development, uneven protection and environmental forces."[41] Budget 2016 included investments to address the deterioration of national historic sites in Canada. Ms. Montminy said the investment of $3.6 billion outlined in the budget would help to address "much of the deferred maintenance that has accrued over a number of years, including for historic buildings, engineering works, and other cultural resources."[42] Of this figure, roughly $1.3 billion will be invested "to preserve, rehabilitate, and restore national historic sites."[43] Parks Canada is currently drafting a medium- and long-term plan "to address [the] ongoing financial needs" of the historic places for which it is responsible.[44]

Andrew Waldron, National Heritage Conservation Manager for Brookfield Global Integrated Solutions and former Registrar of the Canadian Register of Historic Places,

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36 Parks Canada, *Canadian Register of Historic Places*, "Climate Change and National Historic Sites," no date.

37 Heritage Research Associates Inc., *CIHB Revisited, 1999*. Report prepared for the Minister of Canadian Heritage.

38 ENVI, *Evidence*, 19 September 2017, 0855 (Joëlle Montminy).

39 Ibid., 0855 (Natalie Bull, Executive Director, National Trust for Canada).

40 ENVI, *Evidence*, 21 September 2017, 0845 (Christina Cameron, Professor and Canada Research Chair on Built Heritage, Université de Montréal, As an Individual).

41 ENVI, *Evidence*, 19 September 2017, 0855 (Joëlle Montminy).

42 Ibid., 0850 (Joëlle Montminy).

43 Ibid., 0940 (Joëlle Montminy).

44 Ibid., 0850 (Joëlle Montminy).

took a critical look at the current commemorative system for national historic sites. In his opinion, national historic sites that are not under the responsibility of the federal government- belonging instead to other levels of government, First Nations and non-profit organizations or individuals- face significant financial challenges:

> These are commemorations. They are moral in nature under the act. They have no legal protection and very little support, except for one federal program, the national cost-sharing program, which in fact is biased towards wealthier national historic sites and does not benefit those that need it most.[45]

These financial issues will be addressed later in this report.

1. Comparison with Other Countries – Where Canada Stands

According to the witnesses heard by the Committee, Canada has a poor reputation internationally for protecting and preserving built heritage. According to Christophe Rivet of ICOMOS Canada, Canada is the only G7 country without comprehensive legislation on built heritage.[46] Nor does Canada have federal legislation protecting archaeological resources on federal lands, according to Martin Magne, former director of archaeology and history for Parks Canada.[47]

During his testimony, Mr. Gordon Bennett, former Director of Policy for Parks Canada's National Historic Sites Branch, told the Committee that, of the seven tools for protecting built heritage, the federal and provincial governments together have implemented only four.[48] According to the information provided to the Committee by Ms. Christina Cameron, and shown in Figure 1, Canada has implemented only the following tools:

- a national trust;
- a heritage register (which is only partially completed) and conservation standard;
- legislation to protect historic places (only at the provincial level); and
- legislation on archaeological resources (only at the provincial level).

45 ENVI, *Evidence*, 21 September 2017, 0910 (Andrew Waldron, National Heritage Conservation Manager, Brookfield Global Integrated Solutions, As an Individual).

46 ENVI, *Evidence*, 21 September 2017, 0920 (Mr. Christophe Rivet, President, ICOMOS Canada).

47 ENVI, *Evidence*, 19 September 2017, 0915 (Martin Magne, As An Individual).

48 ENVI, *Evidence*, 21 September 2017, 0900 (Gordon Bennett, As an Individual).

The following tools, which are recognized as international best practices, are not used by the federal government:

- tax incentives for historic places;
- legislation to protect world heritage sites; and
- legislation to protect heritage buildings belonging to the government.

Figure 1 – How Does Canada Compare With Other Countries?

Source: Provided to the Committee by Christina Cameron.

In addition, both Mr. Bennett and Ms. Cameron indicated that, at the federal level, legislation was needed to protect archaeological resources, and that not every historic site was protected by legislation.

Mr. Bennett added that a number of countries were ahead of Canada, including France, the United States, the United Kingdom and Australia, which have all implemented the seven protection and conservation tools.[49] As Ms. Montminy of Parks Canada acknowledged, the lack of legislative conservation tools prevents the federal government from meeting international standards for heritage conservation.[50]

B. Heritage Sites and Buildings under Federal Responsibility

As previously discussed, the federal government owns a number of national historic sites and heritage buildings across the country. The Committee believes that federal institutions and agencies can, and must, do better to preserve and protect these sites and buildings.

1. Getting the Federal House in Order

In keeping with the Treasury Board's *Policy on Management of Real Property*, custodian departments have specific responsibilities for protecting built heritage that is the responsibility of the federal government. In particular, they must:

- have the Federal Heritage Buildings Review Office evaluate buildings that are 40 years of age or older, that the department already manages or wishes to acquire, in order to determine the building's heritage value. This evaluation will lead to either a heritage designation of "classified" or "recognized," or a non-heritage designation;

- respect and conserve the heritage character of federal buildings under their administration;

- consult the Federal Heritage Buildings Review Office before undertaking any intervention that could alter the heritage character of a classified federal building; and

- obtain appropriate conservation advice before undertaking an intervention that could alter the heritage character of a recognized federal building.[51]

49 Ibid.

50 ENVI, *Evidence*, 19 September 2017, 0850 (Joëlle Montminy).

51 Parks Canada, Federal Heritage Buildings Review Office, *Roles and responsibilities*.

Kathleen Owens, Assistant Comptroller General with the Treasury Board Secretariat, mentioned that Treasury Board held consultations with federal custodians of heritage buildings. During these consultations, it became evident that many organizations face particular financial challenges:

> Given the significant rust-out issues faced by custodians resulting from under-recapitalization of real property assets, investment in heritage buildings can be expensive and represents an additional cost that falls outside the custodians' core program mandate.[52]

Treasury Board has various means to ensure compliance with the policy. If a department does not comply, there is an opportunity to reduce the delegated authority of that department's deputy minister. In other words, "projects [that departments] could normally do under their own authority would now have to go to the Treasury Board."[53]

During the study, witnesses shared some criticisms about how this policy was applied. Ms. Christina Cameron said that the policy does not outline any penalties for federal departments and agencies that fail to respect the heritage classification of a federal building. In her words, "The ultimate penalty for doing whatever you want with a classified federal heritage building is a rap on the knuckles by the secretary of the Treasury Board."[54] Andrew Waldron suggested that the policy be completely overhauled:

> It is a buildings-only policy. It is not a landscape policy or a land policy. It does not cover engineering structures or land use. It's out of date and needs an overhaul. It hasn't revised its approach to evaluation in almost 40 years. It does not maintain its designations to reflect changes in buildings.[55]

The policy does not apply to federal departments and agencies equally. It does not apply to Crown corporations that own and manage heritage buildings. In addition, according to Christophe Rivet, the President of ICOMOS Canada, custodian departments of heritage buildings "are not required to intervene in relation to a designated building and to possibly make sure the building continues to exist."[56]

The Committee believes it is crucial for the federal government to lead by example in protecting and preserving historic and heritage sites, starting with its own properties.

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52 ENVI, *Evidence*, 19 Octobre 2017, 0850 (Kathleen Owens, Assistant Comptroller General, Treasury Board Secretariat).

53 Ibid., 0925 (Kathleen Owens).

54 ENVI, *Evidence*, 21 September 2017, 0925 (Christina Cameron).

55 ENVI, *Evidence*, 21 September 2017, 0910 (Andrew Waldron).

56 ENVI, *Evidence*, 21 September 2017, 0950 (Christophe Rivet).

This responsibility must not fall solely to Parks Canada; rather, all federal government departments, agencies and corporations must be involved. The *Policy on Management of Real Property* must first be strengthened to better protect the national historic sites, federal heritage buildings and archaeological resources for which departments, agencies and Crown corporations are responsible. In addition, penalties must apply when institutions contravene the policy. Consequently:

RECOMMENDATION 2

The Committee recommends that the federal government introduce legislation to provide statutory protection for federal heritage buildings.

RECOMMENDATION 3

The Committee recommends that the federal government introduce legislation imposing on Crown corporations the same requirements imposed on federal departments and agencies by the *Policy on Management of Real Property* regarding the management of federal heritage buildings, in order to protect the commemorative integrity of buildings owned by these Crown corporations and prevent their demolition-by-neglect.

2. Archaeological Resources on Federal Lands and Lands Under Water

Archaeological resources are defined as follows: "All tangible evidence of human activity that is of historical, cultural or scientific interest."[57] Examples of archaeological resources include features, archaeological objects or "remains at or from an archaeological site, or an object recorded as an isolated archaeological find."[58]

Canada has "no unifying statute that codifies its national legislation on archaeology,"[59] although it does have some legislation that addresses it. For example, the *Canadian Environmental Assessment Act, 2012* provides that archaeological resources must be taken into account when assessing the environmental impact of a project.[60]

Parks Canada is considered "the federal government expert on archaeological works that take place on federal lands."[61] The Agency ensures that archaeological resources on the surface of the ground, buried in the earth or submerged on Parks Canada land are

57 Parks Canada Agency, *Archaeological glossary*.

58 Ibid.

59 Parks Canada Agency, *Background: Treaty Obligations*.

60 Parks Canada Agency, *Archaeology and the environment*.

61 Parks Canada Agency, *Archaeology and the law*.

protected and preserved. In addition, the Agency provides advice and tools to other federal departments when they need to take into account archaeological resources when assessing the environmental impact of a project.[62]

According to Mr. Martin Magne, Parks Canada is asked to provide support only to "some five to 10 federal projects per year."[63] As departments are not required to consult Parks Canada experts before carrying out an archaeological dig, various archaeological projects are carried out by federal departments unbeknownst to Parks Canada.[64] Mr. Magne believes that federal archaeology legislation would be welcomed by sector stakeholders.[65]

On its website, Parks Canada alludes to the fact that the current federal legal framework for archaeology is insufficient.

> Unlike the provinces and territories, there is no federal legislation governing archaeological research and planning per se; the federal statutes only cover archaeological exports, and archaeological studies *within the confines of an environmental impact assessment*. In other words, unless there is a prospect that artifacts will be exported — or that a government department is about to undertake an environmental impact assessment for some reason — then there is no federal statute directing how a given department is supposed to treat archaeological issues on its lands.[66]

The Committee believes that protections for archaeological resources on federal lands must be strengthened. Consequently:

RECOMMENDATION 4

The Committee recommends that the federal government introduce legislation to establish a process to protect, conserve, document and exhibit archaeological resources on federal land and under waters of federal responsibility.

62 Ibid.

63 ENVI, *Evidence*, 19 September 2017, 0920 (Martin Magne).

64 Ibid.

65 Ibid.

66 Parks Canada, *Background: Treaty Obligations*.

3. Funding for Federal Institutions

As mentioned previously in this report, federal departments and agencies own a significant number of heritage buildings. According to Mr. Gordon Bennett, the maintenance costs of these buildings are greater than those of non-heritage buildings.[67]

However, the Committee heard that federal departments and agencies do not use their budgets to protect and preserve heritage buildings in their custody, as this work is not part of their statutory mandate.[68] Furthermore, in 2007, the Auditor General of Canada reported the following:

> Although the task of conservation falls to the organizations, because they have no legal obligation for conservation, they cannot easily obtain funding for conservation interventions. In the absence of precise objectives and reporting requirements, departments and agencies have little motivation to conserve their heritage sites.

Based on the evidence heard by the Committee during its study, there is no indication that the situation has improved.

While the federal government and its Crown corporations have restored some of their heritage buildings, the Committee is well aware that other such buildings are being left to deteriorate. As a result, the Committee supports Mr. Bennett's suggestion to "requir[e] federal custodians of national historic sites, including Parks Canada, to conserve such sites in accordance with the 'Standards and Guidelines for the Conservation of Historic Places in Canada'" in legislation.[69] According to him, this requirement, if in legislation, would "provide a statutory basis for the expenditure of public funds on heritage" by federal institutions that have custodial responsibilities for national historic sites, federal heritage buildings or archaeological resources.[70]

The federal government is the only level of government in the country that has not passed legislation to systematically protect historic sites and archaeological resources under its jurisdiction. According to Mr. Gordon Bennett passing this legislation would send a clear message to other public administrations to the effect that "the federal government values this heritage."[71] Mr. Bennett suggested that a bill on historic sites should include the following elements:

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67 ENVI, *Evidence*, 21 September 2017, 1015 (Gordon Bennett).

68 Ibid., 0855 (Gordon Bennett).

69 Ibid., 0900 (Gordon Bennett).

70 Ibid., 0855 (Gordon Bennett).

71 Ibid.

- incorporate relevant provisions of the current *Historic Sites and Monuments Act* and section 42 of the *Canada National Parks Act*;

- ensure the commemorative integrity of national historic sites, as outlined in the preamble to the *Parks Canada Agency Act*;

- require federal custodians of national historic sites to conserve such sites in accordance with the *Standards and Guidelines for the Conservation of Historic Places in Canada*;

- communicate the reasons that the national historic site was designated, and require that the heritage values of the site, including those not related to the reasons for designation, be respected in decisions and actions affecting the site;

- contain a provision prohibiting the federal government from undertaking action that would adversely affect the commemorative integrity of national historic sites that fall under the jurisdiction of another level of government;

- provide a statutory foundation for the Canadian Register of Historic Places and for the *Standards and Guidelines for the Conservation of Historic Places in Canada*; and

- provide a legislative regime for the protection of archaeological resources on federal lands, including federal lands under water.[72]

In light of the testimony heard, the Committee believes that legislation must be drafted to provide legal protection to historic and heritage sites in Canada.

The proposed legislation would make the commemorative integrity of national historic sites belonging to the federal government a priority. It would also ensure that responsibilities that fall to federal agencies in this area are more clearly outlined. It would establish conservation and maintenance standards that federal institutions must respect to ensure the preservation of the heritage character of the buildings under its care.

72 Ibid., 0900 (Gordon Bennett).

RECOMMENDATION 5

The Committee recommends that the federal government introduce legislation to provide a statutory obligation on federal departments, agencies and Crown corporations to protect the commemorative integrity of all national historic sites of Canada.

RECOMMENDATION 6

The Committee recommends that the federal government introduce legislation to provide a statutory obligation on federal departments, agencies and Crown corporations to protect the integrity of federal heritage buildings owned by the federal government or under its jurisdiction.

RECOMMENDATION 7

The Committee recommends that the Treasury Board Secretariat work with federal departments and agencies to ensure that they invest 2% of the asset replacement value annually towards the maintenance and repair of federal heritage buildings, as recommended in the Treasury Board Secretariat's *Guide to the Management of Real Property*.

C. Federal Leadership in the Protection and Conservation of Non-Federally-Owned Heritage Buildings and National Historic Sites

As previously discussed, a significant number of national historic sites are not owned or managed by the federal government. In addition, provincial, local and Indigenous governments play an important role in the designation of heritage and historic sites across Canada. During its study, the Committee looked at measures that would allow the federal government to play a leadership role in the protection and the conservation of these sites.

Ms. Natalie Bull proposed that the federal government adopt "a 'heritage first' policy."[73] It would require federal departments and agencies to give priority to heritage buildings before opting to lease or build new buildings. According to Ms. Bull, this strategy would "help create a new market for heritage buildings,"[74] as well as ensure "that when the federal government spends infrastructure dollars, for example, they aren't used to the detriment of existing cultural resources."[75]

73 ENVI, *Evidence*, 19 September 2017, 0900 (Natalie Bull).

74 Ibid.

75 Ibid.

RECOMMENDATION 8

The Committee recommends that the federal government adopt a policy requiring federal departments and agencies to, when deemed appropriate, give preference to existing heritage buildings when considering leasing or purchasing space.

1. Intergovernmental Cooperation in Historic and Heritage Sites Conservation

Intergovernmental cooperation plays a key role in historic and heritage sites conservation in Canada. It has led to initiatives being implemented that support historic site conservation in Canada, such as the Canadian Register of Historic Places and the *Standards and Guidelines for the Conservation of Historic Places in Canada*.

The Register is an online database that identifies historic places recognized for their heritage value by municipal, provincial and territorial governments. This database is the result of federal, provincial and territorial collaboration and is administered by Parks Canada. Since its completion is still underway, 60% of recognized historic places in Canada have been included in the Register to date.[76] According to Ms. Cameron, "participation in the register has been slowing down."[77]

The second document compiles all of the *Standards and Guidelines for the Conservation of Historic Places in Canada* to establish a series of principles and guidelines for all of Canada available to anyone who is interested in the conservation of heritage places in Canada. It provides information on the following topics:

- the conservation decision-making process;
- interpretation of the 14 Standards to be respected;
- guidance for typical sustainability-related interventions;
- information on materials to use;
- guidance for engineering works.[78]

76 ENVI, *Evidence*, 17 October 2017, 0855 (Joëlle Montminy).

77 ENVI, *Evidence*, 21 September 2017, 0845 (Christina Cameron).

78 Parks Canada, *The Standards and Guidelines*.

Some witnesses, including Ms. Christina Cameron, suggested providing a statutory foundation for these two initiatives.[79] The Committee addresses her recommendation in the following section.

2. Creating Legal Protection for Historic and Heritage Sites

During the study, a number of witnesses suggested creating a legal protection for historic and heritage sites. As a signatory to various international treaties on heritage, Canada has obligations to meet. From what witnesses had to say, this is known to Parks Canada:

> [T]here is no legal protection for terrestrial or underwater archeological resources at the federal level, which can put these resources at risk, the vast majority of which are indigenous in origin. The lack of legislative protection also prevents the agency from meeting international standards, such as the *UNESCO Convention on the Protection of the Underwater Cultural Heritage*.[80]

Both Ms. Natalie Bull[81] and Mr. Richard Alway, the Chair of the Historic Sites and Monuments Board of Canada, said Canada was the only G8 country that did not have a legal framework for protecting historic sites.[82] In addition, according to Ms. Cameron, enshrining these measures in legislation would "protect world heritage sites of outstanding universal value that are in Canada."[83]

Mr. Christophe Rivet[84] said that Canada's implementation of article 5 of the World Heritage Convention cannot be complete until this type of legislation has been passed:

> there is an incomplete set of federal legislative and policy tools to address the conservation of cultural heritage. Without legislation to protect, it is difficult to implement proper guidance and challenging to develop financial incentives. The federal government has a responsibility in regard to the international agreements and can play an important coordinating role with provinces, territories, other jurisdictions, and civil society to meet these commitments.[85]

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79 ENVI, *Evidence*, 21 September 2017, 0845 (Christina Cameron).

80 ENVI, *Evidence*, 19 September 2017, 0850 (Joëlle Montminy).

81 Ibid., 0910 (Natalie Bull).

82 Ibid., 0905 (Richard Alway, Chair, Heritage Designations and Programs, Historic Sites and Monuments Board of Canada).

83 ENVI, *Evidence*, 21 September 2017, 0850 (Christina Cameron).

84 ICOMOS is the acronym for the International Council on Monuments and Sites.

85 ENVI, *Evidence*, 21 September 2017, 0915 (Christophe Rivet).

In 2003, the Auditor General of Canada recommended strengthening the legal framework for built heritage.[86] In the mid-2000s, Parks Canada was preparing to implement the auditor general's recommendation. A Parks Canada estimates document in 2005 mentioned that the Agency would "complete the preparation of a legislative initiative"[87] to "provide legal protection for historic places on federal lands and all archaeological resources on or under federal lands."[88]

For this reason, as well as those outlined in earlier sections of this report:

RECOMMENDATION 9

The Committee recommends that the federal government introduce legislation to:

- **ensure that federal actions do not adversely impact the commemorative integrity of national historic sites of Canada or the integrity of heritage sites and buildings designated by provinces and municipalities in Canada;**
- **provide statutory protection for Canadian World Heritage sites;**
- **ensure that federal actions take into consideration the heritage values of Canada's historic places; and**
- **give statutory recognition of the Canadian Register of Historic Places and the *Standards and Guidelines for the Conservation of Historic Places in Canada*.**

3. Financial Obstacles to the Conservation of Built Heritage and Solutions

While the legislation may prevent human destruction of historic places, their conservation raises major financial issues.

The federal government has two types of financial tools to encourage the conservation of heritage buildings: grants and contributions, and tax incentives. The Committee was told that these tools are implemented in very different ways, but both have their benefits and drawbacks. Several witnesses heard by the Committee during the study on heritage preservation and protection in Canada and the study of Bill C-323 have

86 OAG (2003), para. 6.41.

87 Parks Canada Agency, *2005–2006 Estimates: A Report on Plans and Priorities*, p. 9.

88 Ibid.

discussed the characteristics and the positive and negative attributes of these financial tools. These attributes are summarized in Table 1.

Table 1 – Benefits and Drawbacks of Grants and Contributions Programs and Tax Incentives for Building Conservation

	Benefits	Drawbacks
Grants and contribution programs	Flexible structure: shared-cost or matching programs to encourage provinces or municipalities. These programs can also fully match any funding collected. Available to commercial and non-profit property owners and municipalities.	Only a fixed amount of funds, and their use depends on administrative discretion.
Non-reimbursable tax credits	Ability to determine what types of costs are eligible. Do not depend on administrative discretion.	Difficult to control the cost of the measure. Only individuals and businesses with tax to pay can benefit. Not available to provinces, territories, municipalities, First Nations governments. Some costs are absorbed by provinces.
Reimbursable tax credits	Ability to determine what types of costs are eligible. Do not depend on administrative discretion. Available to commercial and non-profit property owners, even if they don't have taxes to pay.	Difficult to control the cost of the measure. Not available to provinces, territories, municipalities, First Nations governments. Some costs are absorbed by provinces.
Accelerated depreciation capital cost deduction	Ability to determine what types of costs are eligible. Do not depend on administrative discretion.	Difficult to control the cost of the measure. Only businesses with tax to pay can benefit. Some costs are absorbed by provinces.

In addition, while grants are suitable for some types of conservation projects, tax measures are more effective for others.[89] The next two subsections will discuss the financial tools in the context of two groups of heritage site managers with distinct

89 ENVI, *Evidence*, 21 September 2017, 0850 (Christina Cameron).

needs – managers of non-commercial historic places and managers of commercial heritage buildings.

a. Financial Incentives for the Restoration and Preservation of Non-Commercial Buildings

As described by the witnesses during the study, the financial situation of a number of organizations that manage historic places in Canada is somewhat precarious. These organizations face unique financial barriers when they attempt to restore and preserve heritage buildings. In particular, they have access to limited financial resources and depend in large part on public donations or government financial support.

Organizations that manage national historic sites, heritage lighthouses or heritage railway stations can receive assistance through the National Cost-Sharing Program for Heritage Places.[90] This program is administered by Parks Canada and provides non-profit organizations, provincial and local governments, and provincial and local institutions, agencies and Crown corporations that own or lease a heritage place with financial contributions of up to 50% of the cost of projects to conserve or preserve them.[91]

However, numerous witnesses told the Committee that organizations that manage national historic sites must compete fiercely to obtain financial support from the federal government.[92] The needs of these organizations far exceed the funding available through the National Cost-Sharing Program for Heritage Places. For example, Parks Canada officials reported that, since 2009, the Agency had received applications for over $107 million, while the program's budget was a little over $40 million.[93] According to officials, even with a budget of $10 million per year in fiscal years 2016–2017 and 2017–2018, the Agency received proposals worth just under $20 million per year.[94] Moreover, the Committee heard that the amount allocated to the program in 2018–2019 – for which the application period ended on 6 October 2017 – will return to its base level of $1 million.[95]

90 Parks Canada, *National Cost-Sharing Program for Heritage Places*.

91 Parks Canada, *Program Guidelines*, National Cost-Sharing Program for Heritage Places, 2018-19.

92 ENVI, *Evidence*, 26 September 2017, 0850 (Shannon Prince, Curator, Buxton National Historic Site and Museum).

93 ENVI, *Evidence*, 19 September 2017, 0850 (Joëlle Montminy).

94 Ibid., 1030 (Joëlle Montminy).

95 Parks Canada, *National Cost-Sharing Program for Heritage Places*.

In this very competitive funding environment, Jacques Archambault, Executive Director of The Canadian Heritage of Quebec, said that the chances of obtaining financial support through the program are slim. Furthermore, he explained that the preparation of research, analysis, reports, plans and estimates to support a proposal entails so much work and cost that submitting a project is sometimes not worth the effort, given the chances of obtaining the funding requested.[96]

The Committee also heard that some of the program's requirements are quite simply not adapted to the needs of small national historic site managers. For example, Shannon Prince, Curator of the Buxton National Historic Site and Museum, explained that the program does not allow work on a restoration or preservation project to begin before funding is awarded. Moreover, she said that these organizations must often act quickly to preserve a building, making it impossible to obtain the desired funding because of the amount of time required to do so.[97] In addition, Mr. Andrew Waldron noted that many national historic site managers are unable to raise the funds needed to be eligible for the program, leading him to remark that the program "is biased towards wealthier national historic sites and does not benefit those that need it most."[98]

The witnesses suggested a number of solutions to improve the National Cost-Sharing Program for Heritage Places. One of the solutions would be to increase the annual funding level for the program and make that level permanent. As the Parks Canada officials themselves admitted, the "decline in funding will create additional pressure on non-federal owners of these important sites and increase risk vis-à-vis conservation of heritage values recognized by the federal government."[99] In his appearance before the Committee, Mr. Richard Alway of the Historic Sites and Monuments Board of Canada suggested that the program's budget be at least $10 million per year for a minimum of five years.[100]

Another solution put forward during the Committee's study by both the National Trust for Canada and The Canadian Heritage of Quebec is a matching fund. In such a fund, the federal government would provide funding equal to the amount of donations made by individuals or businesses to a non-profit organization engaged in the conservation of historic places in Canada, such as the National Trust for Canada. The witnesses told the

96 ENVI, *Evidence*, 3 October 2017, 1550 (Jacques Archambault, Executive Director, The Canadian Heritage of Quebec).

97 ENVI, *Evidence*, 26 September 2017, 1025 (Shannon Prince).

98 ENVI, *Evidence*, 21 September 2017, 0910 (Andrew Waldron).

99 ENVI, *Evidence*, 19 September 2017, 0850 (Joëlle Montminy).

100 ENVI, *Evidence*, 19 September 2017, 0910 (Richard Alway).

Committee that this type of program is available for the conservation of natural sites.[101] According to Ms. Bull of the National Trust for Canada, this would be a good way of encouraging philanthropy in support of non-profit organizations that preserve Canada's historic places.[102]

Given the risks of underfunding the conservation of national historic sites, heritage lighthouses and heritage railway stations owned or managed by non-profit organizations:

RECOMMENDATION 10

The Committee recommends that the federal government restore the funding level for the National Cost-Sharing Program for Heritage Places to a minimum of $10 million per year.

b. Financial Incentives for the Conservation of Commercial Buildings

The Committee heard that many barriers also discourage investors from taking on the conservation of commercially-viable heritage buildings. In his appearance before the Committee, Chris Wiebe, manager of Heritage Policies and Government Relations at the National Trust for Canada, listed a number of these barriers:

- the high financial risks posed by the many unknowns involved in restoring an old building;
- the high cost of restoring certain elements;
- difficulty obtaining staged bank financing; and
- uncertainty regarding the tax treatment of certain expenses.[103]

Two solutions to encourage businesses to invest in restoring historic buildings and reduce the financial risks of these projects were suggested to the Committee. The first was restoring the Commercial Heritage Properties Incentive Fund, and the second was establishing a fiscal incentive. The two options are analyzed below.

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101 ENVI, *Evidence*, 3 October 2017, 1605 (Jacques Archambault).

102 ENVI, *Evidence*, 19 September 2017, 0900 (Natalie Bull).

103 ENVI, *Evidence*, 28 September 2017, 0900 (Chris Wiebe, Manager, Heritage Policy and Government Relations, National Trust for Canada, as an individual).

(i) Commercial Heritage Properties Incentive Fund

Between 2003 and 2006, the federal government provided financial support to encourage businesses to invest in restoring commercial buildings. The Commercial Heritage Properties Incentive Fund (CHPIF) was administered by Parks Canada and ran as a pilot program with funding of $30 million over three years. It offered financial contributions of up to 20% of conservation costs for the rehabilitation of commercial properties listed on the Canadian Register of Historic Places, to a maximum of $1 million per project.[104]

According to the testimony heard, the program produced good results. During its three years in operation, it provided nearly $15 million in financial support to 35 restoration projects worth a total of $143.4 million.[105] In addition, a report prepared by Deloitte in 2010 found that the program had had major economic impacts, including the following:

- a 60% increase in building occupancy;
- an average increase in business-tenant revenues of $0.3 million;
- an average increase in property value of $4.16 million;
- direct employment effects worth $59.7 million; and
- direct income tax effects worth $19.9 million.[106]

As discussed earlier in this report, a financial support program provides the government with more control over costs compared with tax incentives, as the program cost is set in advance.[107] This type of program also allows for the achievement of greater regional and sectorial equity.[108] However, witnesses heard by the Committee were generally of the view that tax incentives would probably be more effective at stimulating the conservation of commercial buildings.

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104 ENVI, *Evidence*, 5 October 2017, 0855 (Geneviève Charrois, Director, Cultural Heritage Policies, Parks Canada).

105 Ibid., 0900 (Geneviève Charrois).

106 Ibid.

107 ENVI, *Evidence*, 26 September 2017, 0935 (Paul Berg-Dick, Consulting Tax Economist, MEKA and Associates, As an individual).

108 ENVI, *Evidence*, 17 October 2017, 0935 (Pierre LeBlanc, Director, Personal Income Tax Division, Tax Policy Branch, Department of Finance.

(ii) Fiscal Incentives for Historic Building Restoration and Preservation Expenses

On many occasions over the course of its study, the Committee heard about whether it would be better for the government to provide grants or tax incentives to encourage the restoration and preservation of commercial heritage buildings. Unlike in the case of non-profit historic site managers, tax incentives could replace grant programs for historic commercial buildings because their owners and investors bring in revenues that are taxable.

The implementation of tax incentives is the main approach used in the United States (U.S.). Before the Committee, David Brown, Executive Vice-President with the National Trust for Historic Preservation in the U.S. explained that the American federal government and 37 states offer a tax credit to encourage private investment in historic building restorations. The federal tax credit in the U.S. enables investors to reduce their tax owed by up to 20% of the restoration costs. The states offer a similar measure, which adds a tax credit for another 10% to 15% of the costs.

This approach appears to have been successful in the United States. Mr. Gordon Bennett stated that the U.S. federal tax credit played a key role in revitalizing a number of American cities, including New York and Provincetown.[109] According to Mr. Brown, since it was created, this tax credit has led to the restoration of 42,000 heritage buildings, stimulated US$131 billion in private investment and created 2.4 million jobs.[110] Mr. Brown also added that each dollar of tax credit was found to generate between $1.20 and $1.25 in revenue for the U.S. federal government.[111]

Based on the success of the American tax credit, a number of witnesses expressed support for implementing a similar measure in Canada.[112] Mr. Chris Wiebe explained to the Committee that a heritage building restoration tax credit would provide businesses with a number of benefits that a grant program would not. For example, he pointed out that a tax credit would be available for both small and large projects, would not require

109 ENVI, *Evidence*, 21 September 2017, 1000 (Gordon Bennett).

110 ENVI, *Evidence*, 3 October 2017, 1545 (David Brown, Executive Vice-President and Chief Preservation Officer, National Trust for Historic Preservation).

111 Ibid.

112 ENVI, *Evidence*, 28 September 2017, 0850 (Julian Smith, Director, Centre for Cultural Landscape, Willowbank, As an individual); ENVI, *Evidence*, 21 September 2017, 1000 (Gordon Bennett); ENVI, *Evidence*, 19 September 2017, 0900 (Natalie Bull); ENVI, *Evidence*, 19 September 2017, 0910 (Richard Alway).

a long approval process and would provide more certainty for investors than a grant program.[113]

However, some of the witnesses the Committee heard disagreed about the cost such a tax credit would impose on the federal government. In its testimony before the Committee regarding Bill C-323, An Act to amend the Income Tax Act (rehabilitation of historic property),[114] the Parliamentary Budget Officer estimated that a federal 20% tax credit could cost between $55 million to $67 million annually approximately in the first five years of its implementation.[115] Mr. Wiebe however suggested that the tax revenue resulting from taxes on business income and sales tax and the additional jobs created by the investments in building restorations would potentially cover the cost of the tax credit, as indicated by Mr. Brown regarding the U.S. federal government tax credit.[116]

On the other hand, officials from Finance Canada noted during their testimonies before the Committee on Bill C-323, that the studies which estimated $1.20 to $1.25 in government revenues generated per U.S. tax credit dollar granted had assumed that no historic property rehabilitation would have occurred in the absence of the tax credit, an assumption they "don't consider realistic."[117] In addition, Mr. Berg-Dick indicated that both a tax credit and a grant program would cost the government money and that neither one nor the other had genuine advantages in this regard.[118]

Mr. Berg-Dick also warned the Committee about the effects of a tax credit. He emphasized the need to carefully define the types of costs that would be eligible for the tax credit in order to estimate the costs of the measure and prevent them from ballooning. He also explained that creating a federal tax credit could have an impact on most provinces' revenue and that they would need to be consulted.[119]

The Committee believes that, in light of the American experience, a heritage building restoration tax credit would help preserve Canada's built heritage. Other federal government programs rely on tax credits to support businesses in specific sectors, such

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113 ENVI, *Evidence*, 28 September 2017, 0900 (Chris Wiebe).

114 Bill C-323, An Act to amend the Income Tax Act (rehabilitation of historic property), 42nd Parliament, 1st Session.

115 ENVI, *Evidence*, 24 October 2017, 0850 (Govindadeva Bernier, Financial Analyst, Office of the Parliamentary Budget Officer).

116 ENVI, *Evidence*, 28 September 2017, 0900 (Chris Wiebe).

117 ENVI, *Evidence*, 17 October 2017, 1005 (Pierre Leblanc).

118 ENVI, *Evidence*, 26 September 2017, 0900 (Paul Berg-Dick).

119 Ibid.

as the Canadian Film or Video Production Tax Credit[120] and the Scientific Research and Experimental Development Tax Incentive Program.[121]

Julian Smith, Director of the Centre for Cultural Landscape, suggested to the Committee that only heritage buildings used commercially or by a business should be eligible for the tax credit, as is the case in the United States. According to Mr. Smith, the retrofitting of commercial buildings potentially offers more societal benefits, including the ability to revitalize main streets, old urban neighbourhoods and abandoned industrial sites, than the restoration of private homes.[122] This view was not shared by Mr. Wiebe, who suggested that the credit would have a broader impact if it were extended to heritage homeowners.[123]

Consequently:

RECOMMENDATION 11

The Committee recommends that the federal government establish a tax credit for the restoration and preservation of buildings listed on the Canadian Register of Historic Places.

4. Adapting Building Codes to the Conservation of Historic Buildings

Several witnesses addressed the need to adapt the building codes to the conservation of historic buildings. Before the Committee, Julian Smith indicated that current building codes in Canada are focussed on new construction and do not facilitate the conservation of existing buildings.[124] In his testimony, Robert Eisenberg, Partner at York Heritage Properties, provided examples that demonstrate how current building codes are not well suited to the restoration or rehabilitation of old buildings. For instance, adding insulation to the roofs of these buildings increases snow load in winter because heat no longer escapes through the roof to melt the snow, thus threatening the buildings' structural integrity.[125]

120 Canada Revenue Agency, *Canadian Film or Video Production Tax Credit Program*.

121 Canada Revenue Agency, *Scientific Research and Experimental Development Tax Incentive Program*.

122 ENVI, *Evidence*, 28 September 2017, 0855 (Julian Smith).

123 Ibid., 0905 (Chris Wiebe).

124 Ibid., 0855 (Julian Smith).

125 ENVI, *Evidence*, 3 October 2017, 0905 (Robert Eisenberg).

According to Mr. Smith, adapting the building codes may facilitate the restoration or rehabilitation of existing buildings. He explained that cost overruns and the uncertainty with older buildings "are due to a lack of expertise in the professionals who get involved with them".[126] While talking about the restoration of the Parliament buildings in Ottawa, Robert Wright, Assistant Deputy Minister, Parliamentary Precinct at the Department of Public Works and Government Services, provided a good example of the work involved meeting current building codes standards while retrofitting heritage buildings. He explained that his department had to leverage unique research capacity and expertise by forming valuable partnerships with a number of universities to overcome technical challenges of adapting the Parliament buildings to the current standards.[127] Mr. Smith suggested to the Committee that adapting the building codes could help in addressing the lack of professional expertise in the retrofitting of old buildings.[128]

According to Andrew Waldron, whereas "[s]ome provincial building codes are strong on addressing heritage buildings, … the national building code is much weaker on the national level, often causing variances to the provincial codes."[129] Specifically, the Committee learned that only Ontario and British Columbia have added sections in their building codes that deal with existing buildings.[130] Therefore, to encourage and facilitate the restoration and the preservation of existing buildings in Canada:

RECOMMENDATION 12

The Committee recommends that the federal government, in co-operation with provincial and territorial governments, work to adapt future versions of Canada's *National Model Building Codes* in a manner that will facilitate the restoration and the rehabilitation of existing buildings and the preservation of their heritage characteristics.

D. Issues Affecting Rural Canada

The Committee's study highlighted the specific issues and challenges facing historic places in rural areas. For example, the operation and maintenance of these places often depends on volunteers from local communities. Because they are situated outside of major urban centres, they often have fewer means to garner the attention of public

126 ENVI, *Evidence*, 28 September 2017, 0855 (Julian Smith).

127 ENVI, *Evidence*, 19 October 2017, 0910 (Robert Wright, Assistant Deputy Minister, Parliamentary Precinct, Department of Public Works and Government Services).

128 ENVI, *Evidence*, 28 September 2017, 0855 (Julian Smith).

129 ENVI, *Evidence*, 21 September 2017, 0910 (Andrew Waldron).

130 ENVI, *Evidence*, 28 September 2017, 1025 (Julian Smith).

decision-makers. Moreover, since they have fewer resources, they have more trouble gaining access to government financial support programs.[131]

Ms. Shannon Prince said that historic institutions like hers are finding it difficult to obtain public funding. For example, the funding provided by Parks Canada is inadequate:

> It's very unfortunate that they are not investing in us, because when we were first designated as a national historic site there were funds allotted to assist us and other sites to help with conservation, to help with heritage recording, to help with documenting some of our buildings etc. Now that has totally been lost because the mandate has been changed.[132]

Mr. Archambault, from The Canadian Heritage of Quebec, outlined the challenges associated with historic building preservation in some regions in Quebec. The long distances involved make it difficult to communicate with the artisans doing restoration work in remote areas.[133]

Witnesses made various suggestions about how to ensure that heritage sites and buildings in rural Canada were not neglected compared with those located in urban areas.

Philanthropy and crowdfunding are options worth exploring. The Committee would like to highlight the "This Place Matters" program established by the National Trust for Canada.[134] This program helps Canadian communities restore historic places throughout the country, including in rural areas. Over the past three years, it has provided $1.4 million to various projects.[135] This is a remarkable initiative, but it has limited means.

It appears as though tax credits are used regularly in the United States to encourage private investment in building restoration in rural areas. According to Mr. Brown of the National Trust for Historic Preservation, in the last 15 years approximately 40% of the projects that received the federal tax credit were in communities with fewer than 25,000 people.[136]

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131 ENVI, *Evidence*, 21 September 2017, 1030 (Andrew Waldron); and *Evidence*, 3 October 2017, 1710 (Jacques Archambault).

132 ENVI, *Evidence*, 26 September 2017, 1020 (Shannon Prince).

133 ENVI, *Evidence*, 3 October 2017, 1710 (Jacques Archambault).

134 National Trust for Canada, *This Place Matters*.

135 ENVI, *Evidence*, 19 September 2017, 0955 (Natalie Bull).

136 ENVI, *Evidence*, 3 October 2017, 1650 (David Brown).

Mr. Brown also drew to the attention of the Committee the *Main Street America* movement. It is a network "of more than 1,600 neighborhoods and communities, rural and urban, who share both a commitment to place and to building stronger communities through preservation-based economic development."[137] Main Street America provides programs designed to create economic, social, cultural and environmental benefits through the restoration of historic buildings.

The National Trust for Canada recommended that the Committee use *Main Street America* as a model to encourage public and private investment in commercial historic buildings in rural areas and small cities. It said that this kind of program would provide the missing ingredient: "a source of federal seed-funding that municipalities could access to help cover the cost of expert advice and coaching in the Main Street method, and that would catalyze local public and private investments in heritage infrastructure projects."[138]

Mr. Bennett and Ms. Cameron also gave a number of suggestions about how to ensure that heritage buildings and sites in rural areas receive the attention they deserve:

- For heritage sites located in rural Canada that are not national historic sites, the federal government could establish an ongoing funding program to facilitate the conservation of historic places in rural Canada that are listed on the Canadian Register of Historic Sites;

- Parks Canada could prepare a list of historic sites and places in both rural and urban Canada;

- Parks Canada could review its National Cost-Sharing Program. If it is determined that rural sites are under-represented in applications for funding, steps could be taken to improve the program.[139]

For these reasons, the Committee hopes that the government will pay special attention to rural communities when it develops or updates its programs to support heritage sites and buildings. The Committee believes it is important for historic places in rural areas to receive the same attention from the public bodies that protect Canada's built heritage. Consequently:

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137 Main Street America, *About Us*.

138 National Trust for Canada, *Heritage Preservation and Protection in Canada. Brief to the House of Commons Standing Committee on Environment and sustainable development*, p. 5.

139 Gordon Bennett and Christina Cameron, *Addressing the needs of National Historic Sites and other heritage sites/historic places located in Rural Canada*, 4 October 2017.

RECOMMENDATION 13

The Committee recommends that Parks Canada review its National Cost-Sharing Program and, if it is determined that rural sites are under-represented in applications for funding or in the awarding of funding, steps should be taken to improve the program.

RECOMMENDATION 14

The Committee recommends that the federal government consider supporting an initiative modelled after the "Main Street America" model, to encourage public and private investment in commercial historic buildings in rural areas and small cities as a catalyst for community sustainability and economic development.

E. Heritage Sites and Indigenous Peoples

During its study, the Committee considered the issue of preserving Indigenous heritage places. The testimony heard quickly made it clear that this issue is very important to Indigenous peoples in Canada. Furthermore, it appears that the very concept of physical heritage is different for Indigenous peoples. As a result, current solutions for protecting heritage places are generally not suited to preserving Indigenous heritage places. The Committee therefore decided to devote part of its report specifically to this issue.

1. Perspective of Indigenous Peoples on Heritage Protection and Conservation

The evidence heard shows that Indigenous peoples define their heritage in a more holistic manner when compared to the Western model. According to Ms. Lisa Prosper, Indigenous heritage focuses more elements of heritage that may be sacred and used for ceremonial purposes, objects or artifacts, and may even include stories and songs or other items transmitted orally.[140] More specifically, Ms. Karen Aird of the Indigenous Heritage Circle offered the following explanation during her appearance:

> But for many Indigenous groups, it can mean intangible things like laws, stories, and oral histories. It can mean places that may have no physical objects but that are sacred, where people go for ceremonies. It can be artifacts that many of you see in museums. It can be even things like intellectual properties that are passed: our stories, our songs, our totem poles.[141]

140 ENVI, *Evidence*, 5 October 2017, 0850 (Lisa Prosper, As an individual).

141 ENVI, *Evidence*, 28 September 2017, 0910 (Karen Aird, President, Indigenous Heritage Circle).

With this in mind, Ms. Prosper suggested to the Committee that to understand Indigenous heritage, there is a need to shift the focus from the object to the subject. She explained:

> Built heritage is focused on the object. Of course, it understands the story associated with that place, but it starts with object and then moves out. I think maybe we need to think about starting with subject and moving towards object.[142]

That said, Ms. Madeleine Redfern of the Indigenous Heritage Circle warned the Committee not to conclude that Indigenous heritage is necessarily and always separate from Canadian heritage. She explained that some historic and heritage places can be of major importance to both Indigenous people and other Canadians. She gave the example of the Hudson's Bay Company's former sites and buildings, which are as much a part of the history of many Indigenous communities as they are a part of Canada's history.[143]

In addition, Parks Canada officials reported that the Agency has stewardship over "more than 10,000 archeological sites representing the deep and diverse history of Indigenous peoples."[144] Many Indigenous heritage places are located on lands administered by Parks Canada, including the Saoyú-?ehdacho National Historic Site of Canada,[145] Gwaii Haanas Haida Heritage Site[146] and Kejimkujik National Park and National Historic Site, to name but a few.[147]

However, it appears that current legislation and policies to preserve historic and heritage places in Canada are poorly suited to the context of Indigenous peoples.[148] Ms. Redfern gave the example of situations where sacred Indigenous sites were protected and subsequently became inaccessible to Indigenous people.[149] According to Ms. Aird, Indigenous peoples have traditional mechanisms and methods for preserving their

142 ENVI, *Evidence*, 5 October 2017, 0850 (Lisa Prosper).

143 ENVI, *Evidence*, 28 September 2017, 0930 (Madeleine Redfern, Director, Indigenous Heritage Circle).

144 ENVI, *Evidence*, 19 September 2017, 0850 (Joëlle Montminy).

145 Parks Canada, *Saoyú-?ehdacho National Historic Site of Canada*.

146 Parks Canada, *Gwaii Haanas National Park Reserve, National Marine Conservation Area Reserve, and Haida Heritage Site*.

147 Parks Canada, *Kejimkujik National Park and National Historic Site*.

148 ENVI, *Evidence*, 5 October 2017, 0850 (Lisa Prosper).

149 ENVI, *Evidence*, 28 September 2017, 0930 (Madeleine Redfern).

remains and for caretaking objects with heritage value that are not taken into account in current federal policies.[150]

Ms. Prosper suggested to the Committee that the protection of Indigenous heritage sites requires more than changes to current policies and practices; that a transformation in the concept of heritage and the tools used to protect heritage is required.[151] Moreover, as Ms. Redfern stated during her appearance:

> One of the things that I think almost all indigenous people would be concerned about is our inclusion just being the ongoing practice of including artwork in the buildings and nothing else, or words being written by non-indigenous people about what our heritage is in those spaces.[152]

The Committee agrees. Therefore, as Ms. Aird suggested, there is a need to start "thinking about how Indigenous people perceive [their heritage] and how we want to protect it."[153]

2. Involving Indigenous Communities in the Protection and Conservation of Historic Sites

Unfortunately, it seems that the issue of Indigenous heritage places is not often raised across all sectors in Canada, except in the context of natural resource development. The environmental assessment process for these projects requires consultations with affected Indigenous groups to ensure their Aboriginal and Treaty rights are respected.[154] Ms. Karen Aird explained to the Committee that studies on traditional use by Indigenous groups are conducted for such consultation processes, and she lamented that these are often the only occasions where Indigenous heritage sites are discussed.[155]

Efforts to include Indigenous peoples in the protection and conservation of heritage sites have been made in recent years, particularly since the publication of the Truth and Reconciliation Commission report. For example, the Committee heard during its study that the Historic Sites and Monuments Board of Canada decided several years ago that

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150 Ibid., 1005 (Karen Aird).

151 ENVI, *Evidence*, 5 October 2017, 0850 (Lisa Prosper).

152 ENVI, *Evidence*, 28 September 2017, 1030 (Madeleine Redfern).

153 Ibid., 0910 (Karen Aird).

154 Regarding environmental assessments and the consultations with Indigenous peoples conducted for them, see: Canadian Environmental Assessment Agency, *Aboriginal Consultation in Federal Environmental Assessment*.

155 ENVI, *Evidence*, 28 September 2017, 0910 (Karen Aird).

Indigenous history was not adequately represented and called on the communities to recommend sites for designation in order to correct the imbalance.[156] In addition, Ms. Joëlle Montminy of Parks Canada told the Committee that the Agency had started working with the National Centre for Truth and Reconciliation to review its "policies, protocols, and practices to make sure [the Agency is] inclusive of indigenous perspectives and voices in the work of the [Historic Sites and Monuments Board of Canada]."[157] Ms. Montminy also reported that the Agency is currently working on "the appointment of members to the board—Indigenous members, Métis, First Nations, and Inuit."[158]

According to the evidence heard by the Committee, these efforts are a step in the right direction, but are not ideal.[159] Ms. Christina Cameron emphasized during her appearance that efforts to include the voice of Indigenous communities in existing methods for protecting heritage places had produced disappointing results, partly because it was a first attempt and partly because the concept of heritage is different for Indigenous peoples.[160] As Ms. Prosper explained, the organizations responsible for protecting and preserving Canada's historic places know they need to take Indigenous heritage into account, but they do not yet know how to do so.[161]

Instead, the witnesses suggested that Indigenous peoples should protect their heritage places themselves. In the short term, Ms. Cameron proposed adding Indigenous registrars to the Canadian Register of Historic Places to enable Indigenous people to designate sites that have heritage importance for their peoples. Ms. Prosper believes the ultimate goal is to create a situation where "the Indigenous community sees themselves reflected back to them in what is recognized as Canadian heritage."[162] To arrive there, Ms. Aird and Ms. Redfern stated that the various Indigenous communities in Canada need to coordinate to decide what should and should not be protected and the appropriate way of doing so.[163] The Committee believes that an initiative led by Indigenous people, such as the Indigenous Heritage Circle, could be given this task, with the support of Parks Canada if necessary.

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156 ENVI, *Evidence*, 19 September 2017, 1000 (Martin Magne).

157 Ibid., 1020 (Joëlle Montminy).

158 Ibid., (Joëlle Montminy).

159 ENVI, *Evidence*, 28 September 2017, 1035 (Karen Aird).

160 ENVI, *Evidence*, 21 September 2017, 1035 (Christina Cameron).

161 ENVI, *Evidence*, 5 October 2017, 0920 (Lisa Prosper).

162 Ibid., 0915 (Lisa Prosper).

163 ENVI, *Evidence*, 28 September 2017, 0920 (Karen Aird and Madeleine Redfern).

In summary, the designation, protection and conservation of Indigenous heritage in Canada must be carried out by Indigenous peoples themselves. Consequently:

RECOMMENDATION 15

The Committee recommends that the federal government support an Indigenous-led initiative that will be responsible for:

- **determining how places that are important to Canada's Indigenous peoples should be protected and preserved;**
- **enhancing the capacity of Indigenous communities to preserve places that are important to them; and**
- **presenting the perspective of Indigenous communities regarding the protection of places that are important to them to the Historic Sites and Monuments Board of Canada and its Secretariat, Parks Canada and other federal government departments and agencies.**

RECOMMENDATION 16

The Committee recommends that, in cooperation with Indigenous groups, Parks Canada include Indigenous registrars in the Canadian Register of Historic Places to improve the process by which Indigenous places that are important to Indigenous peoples are identified and designated.

3. Implementing Calls to Action 79 and 81 of the Truth and Reconciliation Commission

During his appearance before the Committee, Mr. Ry Moran, Director of the National Centre for Truth and Reconciliation reminded the Committee about the Truth and Reconciliation Commission's recommendations regarding the protection and conservation of Indigenous heritage in Canada.[164] The Truth and Reconciliation Commission's Call to Action 79 asks the federal government to do the following:

- increase Indigenous representation on the Historic Sites and Monuments Board of Canada and its Secretariat;

164 ENVI, *Evidence*, 26 September 2017, 0905 (Ry Moran, Director, National Centre for Truth and Reconciliation, University of Manitoba).

- integrate Indigenous history, heritage values and memory practices into Canada's national heritage and history; and

- commemorate the sites of Canada's residential schools for Indigenous children, the history and legacy of residential schools and the contributions of Indigenous peoples to Canada's history.[165]

Mr. Moran is particularly concerned about the state of conservation of the 17 remaining residential schools if nothing is done to preserve them. He explained to the Committee that some Indigenous communities want to preserve these residential schools as evidence of history. However, he said it is easier to obtain funding to demolish these schools. Mr. Moran noted that Indigenous communities want to be able to choose whether they preserve or demolish these buildings. Moreover, he emphasized the need to commemorate the places where demolished residential schools once stood, as the Truth and Reconciliation Commission recommended.

Mr. Moran underscored the importance of commemorating the many Indigenous children who never returned from the residential schools. He said there are some 400 cemeteries across Canada where these children are buried. The Truth and Reconciliation Commission's calls to action 72 to 75 ask the federal government to do the following:

- allocate sufficient resources to develop and maintain the National Residential School Student Death Register;

- work with churches, Indigenous communities and former residential school students to establish and maintain an online registry of residential school cemeteries;

- work with churches and Indigenous community leaders to inform the families of children who died at residential schools of their burial location; and

- develop and implement strategies and procedures for the identification, documentation, maintenance, commemoration and protection of residential school cemeteries or other sites at which residential school children were buried.[166]

165 Truth and Reconciliation Commission of Canada, *Calls to Action*, 2015, p. 9.

166 Ibid.

However, Mr. Moran stated that no program currently exists to preserve these cemeteries. Furthermore, according to the National Centre for Truth and Reconciliation, the federal government has taken no action in this area.

The Committee believes the Truth and Reconciliation Commission's Call to Action 79 must be implemented as quickly as possible. The Committee is also of the opinion that it is critical to rapidly launch a process to commemorate the Indigenous children who never returned to their families, as requested in the Truth and Reconciliation Commission's calls to action 79 and 81. Consequently:

RECOMMENDATION 17

The Committee recommends that, in support of the Truth and Reconciliation Commission's calls to action 79 and 81, and in consultation with Indigenous groups:

- **The federal government introduce legislation amending the *Historic Sites and Monuments Act* to add First Nations, Inuit, and Métis representation on the Historic Sites and Monuments Board of Canada and its Secretariat.**

- **The Historic Sites and Monuments Board of Canada revise the policies, criteria, and practices of the National Program of Historical Commemoration to integrate Indigenous history, heritage values, and memory practices into Canada's national heritage and history.**

- **Parks Canada develop and implement a national heritage plan and strategy for commemorating and, where appropriate, conserving residential school sites, the history and legacy of residential schools, and the contributions of Indigenous peoples to Canada's history.**

- **The federal government, in collaboration with Residential School Survivors, commission and install a publicly accessible, highly visible, Residential Schools National Monument in the city of Ottawa to honour Survivors and all the children who were lost to their families and communities.**

CONCLUSION

Canada's historic places are a source of pride for Canadians. They help to tell the story of Canada and its people, and the Committee recognizes the importance of preserving this legacy. Unfortunately, some historic places are disappearing or under threat.

During its study, the Committee found that the federal government must better address the way it protects and manages its own national historic sites and heritage buildings. It was also found that the federal government must show leadership in heritage conservation in Canada. Furthermore, the Committee has been sensitive to the needs of Indigenous peoples who wish to play a greater role in protecting the places that matter the most for them.

The Committee's recommendations for action by the Government have been carefully considered and are offered with the aim of improving federal heritage preservation. Particularly as we conclude the year of celebrations of Canada 150, it is the Committee's hope that future generations have the opportunity to appreciate Canada's history through the legacy of its historic sites and heritage buildings.

APPENDIX A

NUMBER OF FEDERAL HERITAGE BUILDINGS ADMINISTERED BY FEDERAL DEPARTMENTS AND AGENCIES OTHER THAN PARKS CANADA

CUSTODIAN	Number
Agriculture and Agri-Food Canada	33
Canada Revenue Agency	4
Canada Food Inspection Agency	1
Canadian Museum of History	1
Canadian Museum of Nature	1
Correctional Service of Canada	30
Environment Canada	12
Fisheries and Oceans Canada	134
Health Canada	2
National Battlefields Commission	5
National Capital Commission	81
National Defence	286
National Research Council Canada	4
Natural Resources Canada	17
Old Port of Montreal	5
Public Services and Procurement Canada	128
Royal Canadian Mint	1
Royal Canadian Mounted Police	9
Transport Canada	12
Veterans Affairs Canada	1
TOTAL	767

Source: Data provided to the Committee in an email from Parks Canada on 13 October 2017.

APPENDIX B

Text of the Truth and Reconciliation Commission's calls to action 72 to 75 and 79:

72. We call upon the federal government to allocate sufficient resources to the National Centre for Truth and Reconciliation to allow it to develop and maintain the National Residential School Student Death Register established by the Truth and Reconciliation Commission of Canada.

73. We call upon the federal government to work with churches, Aboriginal communities, and former residential school students to establish and maintain an online registry of residential school cemeteries, including, where possible, plot maps showing the location of deceased residential school children.

74. We call upon the federal government to work with the churches and Aboriginal community leaders to inform the families of children who died at residential schools of the child's burial location, and to respond to families' wishes for appropriate commemoration ceremonies and markers, and reburial in home communities where requested.

75. We call upon the federal government to work with provincial, territorial, and municipal governments, churches, Aboriginal communities, former residential school students, and current landowners to develop and implement strategies and procedures for the ongoing identification, documentation, maintenance, commemoration, and protection of residential school cemeteries or other sites at which residential school children were buried. This is to include the provision of appropriate memorial ceremonies and commemorative markers to honour the deceased children.

79. We call upon the federal government, in collaboration with Survivors, Aboriginal organizations, and the arts community, to develop a reconciliation framework for Canadian heritage and commemoration. This would include, but not be limited to:

i. Amending the Historic Sites and Monuments Act to include First Nations, Inuit, and Métis representation on the Historic Sites and Monuments Board of Canada and its Secretariat.

ii. Revising the policies, criteria, and practices of the National Program of Historical Commemoration to integrate Indigenous history, heritage values, and memory practices into Canada's national heritage and history.

iii. Developing and implementing a national heritage plan and strategy for commemorating residential school sites, the history and legacy of residential schools, and the contributions of Aboriginal peoples to Canada's history.

81. We call upon the federal government, in collaboration with Survivors and their organizations, and other parties to the Settlement Agreement, to commission and install a publicly accessible, highly visible, Residential Schools National Monument in the city of Ottawa to honour Survivors and all the children who were lost to their families and communities.

APPENDIX C
LIST OF WITNESSES

Organizations and Individuals	Date	Meeting
As an individual Martin Magne	2017/09/19	71
Historic Sites and Monuments Board of Canada Richard M. Alway, Chair Heritage Designations and Programs		
National Trust for Canada Natalie Bull, Executive Director		
Parks Canada Agency Genevieve Charrois, Director Cultural Heritage Policies		
Parks Canada Agency Joëlle Montminy, Vice-President Indigenous Affairs and Cultural Heritage Directorate		
As individuals Gordon Bennett Christina Cameron, Professor and Canada Research Chair on Built Heritage Université de Montréal Andrew Waldron, National Heritage Conservation Manager Brookfield Global Integrated Solutions	2017/09/21	72
ICOMOS Canada Christophe Rivet, President		
As an individual Paul Berg-Dick, Consulting Tax Economist MEKA and Associates	2017/09/26	73
Buxton National Historic Site and Museum Shannon Prince, Curator		

Organizations and Individuals	Date	Meeting
MTBA Associates Inc. Mark Thompson Brandt, Senior Conservation Architect and Urbanist	2017/09/26	73
National Centre for Truth and Reconciliation Ry Moran, Director University of Manitoba		
As individuals Julian Smith, Director Centre for Cultural Landscape, Willowbank Chris Wiebe, Manager, Heritage Policy and Government Relations National Trust for Canada	2017/09/28	74
Indigenous Heritage Circle Karen Aird, President Madeleine Redfern, Director		
National Trust for Historic Preservation David J. Brown, Executive Vice-President and Chief Preservation Officer	2017/10/03	75
The Canadian Heritage of Quebec Jacques Archambault, Executive Director		
York Heritage Properties Robert Eisenberg, Partner		
As an individual Lisa Prosper	2017/10/05	76
Parks Canada Agency Genevieve Charrois, Director Cultural Heritage Policies Norman Shields, Manager Heritage Designations		

Organizations and Individuals	Date	Meeting
Department of Public Works and Government Services Kevin Radford, Assistant Deputy Minister Real Property Robert A. Wright, Assistant Deputy Minister Parliamentary Precinct	2017/10/19	78
Office of the Comptroller General of Canada Kathleen Owens, Assistant Comptroller General Acquired Services and Assets Sector		
Parks Canada Agency Genevieve Charrois, Director Cultural Heritage Policies		

APPENDIX D
LIST OF BRIEFS

Organizations and Individuals

ICOMOS Canada

National Trust for Canada

O'Chiese, Jim

Poitras-Collins, Tracey

Prosper, Lisa

Smith, Julian

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report.

A copy of the relevant Minutes of Proceedings (Meetings Nos. 71, 72, 73, 74, 75, 76, 78, 80, 83, 84, 85, 86 and 87) is tabled.

Respectfully submitted,

Deborah Schulte
Chair

Dissenting Opinion – Conservative Party of Canada

Introduction

Bill C-323, *An Act to Amend the Income Tax Act (rehabilitation of historic property)* was referred to the Standing Committee on Environment and Sustainable Development on March 23, 2017.

On June 5, 2017, The Members of the Committee unanimously agreed to conduct a comprehensive study on the state of heritage preservation and protection in Canada in conjunction with Bill C-323. The purpose was to provide broader context to the state of built heritage in Canada and examine ways to protect Canada's historical legacy.

A notably unique approach, examining Bill C-323 in the context of heritage preservation offered the Committee a chance to comprehensively examine the underlying variables affecting the preservation of built heritage and the need to commemorate and recognize Indigenous Heritage Sites. In addition, it offered the Committee a clear picture as to the legislative and regulatory tools currently available to the federal government for the protection of such sites. This approach was affirmed when the Committee unanimously agreed to the following Motion:

That all testimony received under the study of Bill C-323, An Act to amend the Income Tax Act (rehabilitation of historic property) be deemed to have been received under the study of heritage preservation and protection in Canada.[1]

Legislation, Financing and Regulatory Initatives:

While all Committee Members agreed that the federal government needs to show leadership in heritage conservation, Members disagreed on the financial resources necessary to accomplish these objectives. For example, Recommendations, 1, 2, 3, 4, 5, 6, and 9 all contain implied costs to the public treasury through the introduction of a new legislative framework for Canadian built heritage – especially as these costs pertain to federally owned national historic sites. For the recommendations listed above, the Committee study did not consider the financial implications of such measures in its analysis.

Similarly, Recommendation 7 advises the government to annually invest 2% of the asset replacement value towards maintenance and repair of federal heritage buildings according to the Treasury Board's *Secretariat's Guide to the Management of Real Property*. As the former Canadian registrar, Andrew Waldron outlined, the Guide is "out of date and needs an overhaul. It hasn't revised its approach to evaluation in almost 40 years. It does not maintain its

[1] ENVI 80

designations to reflect changes in buildings."[2] Indeed, recommending guidelines from an out-of-date policy model while simultaneously seeking to create a new legislative framework at a potentially significant cost to taxpayers is a contradictory approach to sound and evidence-based policy development.

That said, while the objectives of the legislative recommendations are laudable, the Conservative Members feel it would be irresponsible, given the large deficits of the federal government and a ballooning federal debt, to unduly burden taxpayers with additional expenses before examining the financial risks and their relationship to current funding programs, such as the $1.3 billion earmarked for heritage buildings referred to by Parks Canada during the study.[3]

Recommendations 8 and 12, by contrast, provide potentially sustainable policy options for the federal government and the private sector without significantly burdening taxpayers with additional expenses. The Conservative Members support financially prudent measures such as adapting the National Building Code to facilitate the restoration and rehabilitation of existing buildings and a federal policy that would encourage departments to consider leasing and purchasing such sites for federal use where appropriate.

National Cost Sharing Program:

Regarding the National Cost Sharing Program referenced in Recommendation 10, the Conservative Members believe financial resources for a funding program need to be properly costed to ensure the appropriate use of taxpayer dollars. Cost-sharing programs can provide positive economic spin-offs for communities when efficiently administered and encourage philanthropy at the local level. All Committee Members recognized the critical role funding programs can play in rural communities and support efforts to ensure federal funds are properly allocated to rural parts of Canada (Recommendation 13).

Tax Incentives:

The Committee heard extensive testimony on the role of tax incentives for the preservation of national historic sites which can return more to the public treasury than the cost of the tax credit itself. All Committee Members agreed that the federal government should establish a tax credit for the restoration and preservation of buildings listed on the Canadian Register of Historic Places (Recommendation 11). In Recommendation 14, Committee Members support the federal government considering an initiative modelled on the "Main Street America" program, a tax incentive program which resulted in $131 billion in private investment and the

[2] ENVI 72
[3] ENVI 71

restoration of 42,000 heritage buildings in the United States.[4] Evidence reviewed by the Committee demonstrates that tax credit programs would, if properly structured, reinvigorate small towns across Canada and support job creation in the construction and services industries.[5]

With respect to Recommendation 11, the National Trust For Canada recommended the federal government implement "a federal heritage rehabilitation tax incentive, such as the measures recently proposed in Bill C-323…[as] a proven way to attract private and corporate investment to privately owned historic places and to give them vibrant new uses."[6]

Committee Members heard testimony from Finance Canada and the Parliamentary Budget Officer which calculated the potential cost of Bill C-323 to taxpayers. However, their analyses neglected to analyze the economic spinoffs such measures would have on the Canadian economy and the additional tax revenues such economic activity would generate. Chris Wiebe from the National Trust for Canada addressed the potential costs of a tax credit:

Understandably, the potential cost of implementing a tax credit has been raised at this committee. Deloitte's analysis of the estimated cost of a historic rehabilitation tax credit in Canada found that, far from being a cost to government, these tax credits for commercial properties would create net revenue growth from corporate income tax, GST, and additional personal income tax stemming from new employment.[7]

The Conservative Members of the Committee, therefore, question how the Liberal Members can simultaneously recommend the establishment of a federal tax credit for the restoration and preservation of buildings listed on the Canadian Register of Historic Places in Recommendation 11 and reject Bill C-323 which accomplishes exactly that objective. This is particularly surprising in light of the fact that a number of Liberal Members have publicly spoken out in favour of exactly such a tax credit program. We are disappointed that the Liberal Members of the Committee appear to have been instructed by the Office of the Minister of Environment and Climate Change to vote against this critical tool for protecting Canada's historic sites.

Heritage Sites and Indigenous People

Regarding recommendations 15, 16 and 17, the Conservative Members believe that the perspectives of Indigenous People on heritage protection and conservation deserve a stronger voice and, therefore, support these recommendations in principle. However, we again draw to the Committee's attention to the fact that all three of these recommendations appear to entail

[4] ENVI 75
[5] See the *Annual Report on the Economic Impact of the Federal Historic Tax Credit for 2015*
[6] ENVI 74
[7] ENVI 74

implied costs to their execution, representing additional stresses to the federal government's fiscal framework.

Conclusion

The Conservative Members express profound disappointment that the Liberal Committee Members were eager to support many recommendations with implied fiscal costs, yet rejected Bill C-323, the one concrete proposal before the Committee that represents a net-positive return to the Government. We note Bill C-323 does not require a Royal Recommendation because it is not expected to have a negative impact on the government's fiscal framework, yet the Liberal Motion tabled on November 28, 2017 rejecting Bill C-323 cites that alleged negative impact as one of its grounds for rejection. We are further confounded by the contention that Bill C-323 may have a negative effect on federal revenues when the Liberal Members of the Committee are supporting numerous other recommendations that will have a negative impact on federal revenues.

Conservative Members note that the Liberal government faces significant fiscal challenges and has failed to put forward a plan that would restore the federal budget to balance. Such a situation is unstainable, yet the majority of the recommendations, if implemented, would exacerbate Canada's worsening fiscal position.

Finally, the Conservative Members would like to thank the Member of Parliament for Kootenay—Columbia for his vital contributions to this study and for his strong support of Bill C-323.