

2025 FALL BUDGET SUBMISSION

Submitted: August 28, 2025

SUMMARY OF RECOMMENDATIONS

Recommendation #1: Allocate \$250,000 to support efforts to capture the economic and social contributions of the Outdoor Recreation Economy within StatsCan reporting structure through the creation of a dedicated satellite account.

Recommendation #2: To support Canada's ambition to be a clean energy super power, finalize the Clean Electricity Investment Tax Credits (ITCs), including a new ITC (10%) for projects built within traditional energy communities.

Recommendation #3: Modernize Canada's wildfire response and defense posture, leveraging dual-use technologies and personnel consistent with Canada's 2% GDP defense spending commitment.

FULL RECOMMENDATIONS

#1. Canada's Outdoor Recreation Economy is an economic powerhouse. A 2024 first-of-its-kind study conducted by researchers affiliated with the University of Waterloo, shows the outdoor industry generates \$102 billion in annual economic activity and provides 1 million jobs. The sector is larger than pharmaceuticals, agriculture and forestry and is the lifeblood of hundreds of rural and Indigenous communities. In the US, this data is captured through the Bureau of Economic Analysis. We recommend the creation of a satellite account within StatsCan to accurately track the annual value of the industry. This data would be a major asset to the industry and all levels of government. \$250,000 would allow for the creation of a working group with participation from key ministries (ISED, Tourism, Sport) and industry representatives.

- **#2.** Finalize the Clean Electricity Investment Tax Credits as soon as possible to maintain investment certainty, support Canadian energy security, help Canada capture clean electricity-related investment flowing out of the U.S. and complement the final Clean Electricity Regulations. In addition to the ITCs previously announced, following the methodology of the Inflation Reduction Act, we recommend the creation of an ITC that would provide an additional 10% incentive to projects built in traditional energy communities.
- **#3.** Canada faces an estimated \$6B+ annual wildfire damages and 600M tonnes of wildfire CO2 emissions yearly (over the past five years), worsened by soil and peat carbon release driving climate change beyond natural cycles. A \$1B/year investment could reduce damage by 30-50%, saving billions economically and cutting emissions by 300M tonnes CO2e (~\$24B value at \$80/tonne carbon price), plus national security gains.
 - Modernize Canada's wildfire response and defense posture, leveraging dual-use technologies and personnel consistent with Canada's 2% GDP defense spending commitment. Allocate \$250M for 750 dual-use wildfire surveillance drones over five years (\$50M FY 2026) to enhance wildfire detection and military reconnaissance.
 - Invest \$2.5B for a national fleet of 50 new water bombers (super scoopers) over five years (\$500M FY 2026) to meet escalating wildfire demands and dual military use.
 - Allocate \$1.2B to train and maintain 2000 military wildfire firefighters over five years (\$240M FY 2026) for rapid response and defense readiness.
 - Fund \$150M for improved satellite wildfire and defense monitoring over five years (\$30M FY 2026).