

Staff Report

Report To: Community Services Committee
Report From: Sabine Robart, Manager of Planning & Heritage
Meeting Date: October 15, 2025
Report Code: CS-25-111
Subject: Bill 5 Protect Ontario by Unleashing Our Economy Act,
2025 Update

Recommendations:

THAT in consideration of Staff Report CS-25-111 respecting Bill 5 Protect Ontario, 2025 by Unleashing our Economic, the Community Services Committee recommends that City Council receive the report for information.

Highlights:

- On June 5, 2025, Bill 5, titled [*Protect Ontario by Unleashing our Economy Act, 2025*](#) ("Bill 5") received Royal Assent and became law.
- The province's stated objective with Bill 5 is to protect Ontario's economy from the impact of existing and threatened tariffs on Canadian goods by accelerating the delivery of critical mineral and energy projects across Ontario.
- Bill 5 enacts, amends, and repeals several statutes that govern the planning, approval, and delivery of infrastructure projects in Ontario through 10 separate schedules. Bill 5 modifies the Endangered Species Act and the Ontario Heritage Act, among others, and creates the *Species Conservation Act* (to be enacted at a future date) and enacts the *Special Economic Zones Act, 2025*.
- Bill 5 has been subject to significant scrutiny and criticism, including that the legislation will weaken environmental protections, reduce oversight of mining and development projects, and limit opportunities for First Nations consultation and consent.

Strategic Plan Alignment:

This report supports the delivery of Core Service.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

N/A

Background:

On June 5, 2025, Bill 5, titled [Protect Ontario by Unleashing our Economy Act, 2025](#) ("Bill 5") received Royal Assent and became law.

The province's stated objective with Bill 5 is to protect Ontario's economy from the impact of existing and threatened tariffs on Canadian goods by accelerating the delivery of critical mineral and energy projects across Ontario, together with the supporting infrastructure for such projects through streamlining and accelerating the permitting and approvals processes for mining and critical infrastructure projects.

Bill 5 enacts, amends, and repeals several statutes that govern the planning, approval, and delivery of infrastructure projects in Ontario through 10 separate schedules. Bill 5 modifies the following:

- The Electricity Act,
- the Endangered Species Act,
- the Environmental Assessment Act,
- the Environmental Protection Act,
- the Mining Act,
- the Ontario Energy Board Act,
- the Ontario Heritage Act; and
- the Rebuilding Ontario Place Act,

Bill 5 creates the *Species Conservation Act* (to be enacted at a future date) and enacts the *Special Economic Zones Act, 2025*.

Key changes in the legislation include:

Endangered Species Act, 2007 and Species Conservation Act, 2025

Bill 5, through Schedule 2, made immediate amendments to the *Endangered Species Act* (“ESA”) and will eventually repeal the Act altogether to enact the new *Species Conservation Act, 2025* (“SCA”). A summary of the amendments to the ESA and the proposed SCA is available through the Environmental Registry of Ontario (ERO) posting [025-380](#).

The amendments to the ESA include:

- Amending the purpose of the ESA - the ESA’s new stated purpose is to provide for the protection and conservation of species at risk while taking into account social and economic considerations, including the need for sustainable economic growth in Ontario.
- Narrowing the definition of “habitat” for animals and removing “harass” from the prohibitions regard harm to species.
- Altering how the Species at Risk in Ontario List is updated -rather than automatically listing all species classified by the Committee on the Status of Species at Risk in Ontario (COSSARO) as extirpated, endangered, threatened or of special concern, the Lieutenant Governor has the authority to make the listing, taking into consideration COSSARO’s classification.
- Winding down the Species Conservation Action Agency and the Species at Risk Conservation Fund that is administered by CASSARO.

Schedule 10 of Bill 5 introduced a new legislation called the Species Conservation Act, 2025 (SCA). The SCA will come into effect when a commencement order is made and will repeal the ESA. The new SCA is intended to accelerate projects by streamlining the registration process, setting up-front requirements, clarifying and narrowing developer obligations, and reducing duplication with federal approvals.

The province is currently consulting on the five new regulations required to implement the new SCA through the ERO posting [025-0909](#) Proposed legislative and regulatory amendments to enable the Species Conservation Act, 2025.

The new SCA will:

- Shift species-related authorizations to a registration-first approach.
- Under the SCA, any activity that may adversely impact a protected species must be registered unless the activity is already exempted from the SCA or prescribed as an activity that requires a permit.

- Most project proponents will be able to begin an activity immediately after registering. Registered activities will be required to meet habitat and species protection requirements set out in the new regulations.
- More harmful activities are designated as “permit activities”.
- Remove duplication of species protections by providing that SCA protections do not apply to species already federally protected under the [*Species At Risk Act*](#) (“SARA”). Permits (or soon-to-be registrations) will not be required for impacts to migratory birds and aquatic species protected under SARA.
- Create new compliance and enforcement powers, including the ability to use mitigation and compliance orders.
- Establish a new Species Conservation Program to promote habitat restoration and species protection initiatives.

Special Economic Zones Act, 2025

Schedule 9 of Bill 5 creates the *Special Economic Zones Act, 2025* (SEZA). The SEZA grants the Lieutenant Governor the power to make regulations designating areas of the province as special economic zones, and grants the Minister of Economic Development, Job Creation, and Trade the power to designate trusted proponents or designated projects to which the SEZA would apply.

Once designated, the Lieutenant Governor may, by regulation, exempt trusted proponents or designated projects from requirements under any act within a designated special economic zone. The intention of the SEZA is to streamline regulatory requirements, thereby accelerating the construction and delivery of certain projects.

The SEZA provides that the criteria and considerations to be used to determine what or who should be designated as a “special economic zone,” “trusted proponent,” or “designated project” may be established by regulation.

- A SEZ will be a single, geographically defined, area within Ontario that, in the opinion of the Lieutenant Governor, has significant economic activities taking place (or planned to take place) that are of strategic benefit to Ontario.
- Trusted Proponents may be the Crown or a Crown agency, a municipality, or a for-profit or non-profit entity. The proponent must meet the regulatory criteria to advance the project and demonstrate a

strong compliance record across health and safety, environmental protection, labour standards and financial matters (including for contractors).

- A Designated Project must be located within a SEZ and satisfy the following criteria:
 - **Economic Benefits:** The Minister must be of the opinion that the project will have significant long-term economic benefits such as sustained job creation, strengthened supply chains, increased innovation, contributions to GDP growth, higher wages, and enhanced tax revenues.
 - **Community Benefits:** The Minister must also be of the opinion that the project will have a clear benefit to communities both in and outside of the SEZ, including Indigenous communities, and that it will increase revenues or otherwise strengthen businesses in those communities.
 - **Chance of Success:** The Minister must be of the opinion that the project will likely succeed after considering factors like the project's financing support, plans for engaging with Indigenous and other communities, and the risk-mitigation measures to address potential health, environmental, and other impacts of the project.
 - **Increased Speed and Likelihood of Success due to Designation:** Finally, the Minister will consider whether designation will make it possible to complete the project more quickly and increase its likelihood of success.

Under the SEZA, provincial or municipal laws or rules can only be changed if they are specifically named in a regulation made under sections 5 or 6. If they are not named, they stay the same. Also, any regulation made pursuant to these sections must be tied to a specific zone, project and/or proponent.

ERO Consultation [025-0391](#) in Spring 2025 requested comment regarding the Act.

ERO Consultation ([025-1077](#)) on the Proposed Special Economic Zones Criteria is currently underway and requests comments on the regulatory framework under the Act for the criteria to designate zones, projects, and proponents. It is available for comment from October 2, 2025, to November 16, 2025.

Ontario Heritage Act

Schedule 7 of Bill 5 provided legislative amendments to the *Ontario Heritage Act* (OHA) that focused on Part VI of the OHA, which pertains to the conservation of archaeological resources. Amendments to the OHA include:

- New exemption authority - If, in the opinion of the Lieutenant Governor in Council, the exemption could advance the following provincial priorities: transit, housing, health and long-term care, other infrastructure or such other priorities as may be prescribed, the Lieutenant Governor in Council has the authority to exempt property from:
 - any requirements in Part VI of the OHA or in regulation related to Part VI of the OHA; or
 - a requirement to conduct an archaeological assessment set out in any other Act or regulation, or instrument under any other Act, other than a provision of the *Funeral, Burial and Cremation Services Act, 2002* or a regulation or instrument made under that Act.
 - This new exemption authority will come into force on a future date to be named in a commencement order, following which the ministry may by regulation set out criteria that must be met for a property to be eligible for an exemption.
- Authorize the Minister of Citizenship and Multiculturalism to direct that seized artifacts be deposited in an archaeological collection, and be deposited with an Indigenous community in addition to a public institution; and
- Appoint investigators and authorize investigators to enter premises (but not dwellings) during business hours, and to seize artifacts or other archaeological material during an inspection or investigation.

Consultation [025-1081](#) Proposed Regulation under the Ontario Heritage Act – Archaeology Exemption Criteria is ongoing from October 2 to November 16, 2025. The Ministry is seeking to obtain feedback on the regulatory framework under the OHA for the Archaeology Exemption Criteria.

The proposed draft regulation sets out:

- The criteria which must be met for a property to be eligible for an exemption from archaeological assessment.

- Requirements that must be fulfilled by the sponsoring minister and that minister's ministry when seeking an exemption order, including notification.
- Requirements pertaining to the necessity of the request for exemption, including the identification of the economic significance or strategic importance to the Ontario economy of the proposed activity on the property.
- Measures to ensure the ongoing protection of significant known archaeological sites, burial sites, cemeteries, sites of former Indian residential schools and properties protected by designation or easement under the OHA that contain known archaeological sites.

To guide effective implementation of the proposed draft regulation, the Ministry is also considering the development of an operational policy to provide further detail and guidance on exemption requirements and process.

Analysis:

Bill 5 has been subject to significant scrutiny and criticism, including that the legislation will weaken environmental protections, reduce oversight of mining and development projects, and limit opportunities for First Nations consultation and consent.

The Ontario Professional Planners Institute (OPPI) provided the following comments to the province on May 16, 2025. City staff support these comments. At this time, Planning staff do not anticipate that Owen Sound will be designated as a Special Economic Zone.

[Special Economic Zones](#)

Public consultation, the constitutional duty to consult with Indigenous Nations, archeological assessments and environmental assessments are important aspects of the planning process that help to understand the public and ecological impact, while ensuring the successful completion of development projects. Such steps allow planners to understand the local context for planned developments and ensure that developments are compatible with their surroundings. The OPPI is concerned that this Act creates the risk that such broad powers could be used to circumvent necessary assessment activities and is counter to principles outlined in the Planning Act and the Provincial Planning Statement. If this were to happen, it

could create a two-tiered planning system, which can lead to issues with public buy-in, consensus, and inequities.

Upfront assessments and consultations are not red tape, but a crucial step in ensuring business and community confidence. They help to ensure there are no unintended consequences that cause costly challenges or delays. These processes also work to ensure that Indigenous rights and perspectives are understood and respected, and that projects do not unintentionally impact important ecological zones, such as prime agricultural farmlands.

Stalled resource projects across Canada demonstrate that when the public and Indigenous Nations do not support development projects, they are less likely to advance in a timely manner and can be subject to further delays such as court challenges. This risk is well known to developers and investors alike, and a lack of public and Indigenous consultation decreases business confidence in important projects. If investors do not have certainty that local communities will support their development, this will decrease investment appetite.

We are also concerned that there is a lack of clarity and certainty with multiple terms outlined in the Act, which creates the risk that the Act will be misinterpreted once it is passed.

OPPI supports the Act's focus on faster permitting and creating a one-window access to government services. To help the government with improving the Act to achieve its economic goals, OPPI respectfully recommends the following amendments:

- Special Economic Zones should only be established and used for urgent economic development projects.
- Special Economic Zones should not allow any decision-maker to bypass the province's constitutional duty to consult with Indigenous Nations.
- Rather than allowing Special Economic Zones to bypass important requirements or regulations, the province should focus its efforts on expediting the planning process in a manner that safeguards the integrity of the environmental assessment process.
- Clearer definitions and a comprehensive set of criteria for designating Special Economic Zones should be included in the Act to increase clarity and certainty, as opposed to outlining those details in regulation. This criterion should include the requirement for proponents to develop a justification report that addresses the potential

environmental losses with an explanation as to why normal requirements and timelines cannot be met, alongside which mitigation activities will be executed in the process.

The Ontario Professional Planners Institute (OPPI) provided the following comments to the province on May 16, 2025. City staff support these comments.

[Endangered Species Act](#)

The current Endangered Species Act, 2007 contains a fulsome process that protects species at risk while supporting development. Protecting endangered species creates benefits beyond conservation itself. Most endangered species are integral members of delicate ecosystems that protect Ontario communities from severe weather events and support crop production.

Disrupting such ecosystems will weaken Ontario's resilience in the long term and may also damage the province's relationship with First Nations communities who have deep ties to the land and a unique and important perspective on conservation.

The proposed changes to the existing Act will weaken the province's ability to protect endangered species. Elements of the proposed changes that raise concerns include:

- Redefining habitat to only include an animal's "dwelling place" or "area immediately around the dwelling place," whereas the current Act expands the definition to also include the "area on which the species depends, directly or indirectly, to carry on its life processes." This revised definition significantly reduces the amount of habitat that must be protected, which is not enough area to allow the species to roam, hunt, live and recover.
- Giving the government the discretion to remove species from the Species at Risk in Ontario (SARO) list. Currently, every species classified by the Committee on the Status of Species at Risk in Ontario (COSSARO)—an independent scientific advisory body—is automatically added to the SARO list. This change will significantly politicize and impede the scientific classification process, which helps the Ministry to track the growing number of endangered species in the province.
- Changing the species-at-risk permitting process to create a "registration-first approach" that allows proponents to begin a

development project before a permit has been provided. This change will allow proponents to bypass the Ministry of Environment, Conservation and Parks' assessment of sites. This assessment is integral to the species protection process, as it enables the Ministry to guide developers on how best they can minimize or prevent harm to local species. Allowing developments to begin before a permit and prevention plan can be produced will seriously threaten the Ministry's ability to protect endangered species.

- Removing current requirements for development projects to create recovery strategies, management plans, progress reviews and other key documents that hold developers accountable for minimizing the harm caused to endangered species. This change, in combination with the others highlighted above, will significantly increase the likelihood that new developments will harm endangered species and Ontario ecosystems.

The proposed changes to the existing Act will not only negatively impact endangered species, but they will also have knock-on effects that will harm Ontario's environmental resilience, crop production, and Indigenous relations. Rather than change the Act, we propose that the province instead increases the efficiency of its permitting and review process for endangered species.

Conclusion:

Bill 5 and its associated changes to various Acts will have a significant impact in the long term, including ecological and environmental impacts as well as the potential erosion of the public trust in government. The scale and extent of the impacts may not be fully realized and understood for many years.

City staff will continue to monitor the various regulations as they are posted on the ERO and provide updates to the Committee and Council, including when the regulations come into force and effect.

Financial Implications:

None at this time.

Communication Strategy:

N/A

Consultation:

Staff regularly consult a range of professional sources to inform their analysis and recommendations, including publications from associations such as the Association of Municipalities of Ontario (AMO), the Ontario Professional Planners Institute (OPPI), and other legal, financial, and business consultancies.

The comments provided in this report were shaped by insights from several expert papers and commentaries on the proposed legislative changes, including those prepared by McCarthy Tetrault, McMillan, Norton Rose Fulbright LLP, among others. This approach ensures that the City's responses are grounded in current best practices and sector-wide perspective.

Attachments:

N/A

Recommended by:

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