



Town of Niagara-on-the-Lake

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REPORT #: CDS-25-080

COMMITTEE DATE: 2025-05-13

DUE IN COUNCIL: 2025-05-27

REPORT TO: COTW-General

SUBJECT: Bill 5 – Protect Ontario by Unleashing our Economy Act, 2025

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council **RECIEVES** Staff Report CDS-25-080 titled Bill 5 - *Protect Ontario by Unleashing our Economy Act, 2025*; and
- 1.2 Council **DIRECTS** Staff to submit comments on the proposed changes on behalf of the Town, as outlined in this report, with any additional Council input, prior to the May 17, 2025, commenting deadline.

2. EXECUTIVE SUMMARY

- On April 17, 2025, the Province released Bill 5 - *Protect Ontario by Unleashing our Economy Act, 2025*.
- Bill 5 is an omnibus Bill which proposes significant changes to a number of Acts to streamline process related to development approvals. Changes proposed that may have the most impact to the Town include:
 - Significant changes to the species-at-risk requirements and environmental protections;
 - The potential to designate “special economic zones” for geographic areas, “trusted proponents” or projects that would be exempt from provincial legislation and regulations, and from municipal by-laws; and,
 - Streamline the archaeological assessment and artifact protection process for developments where archaeological sites are present, and potentially exempt prescribed projects that advance Provincial priorities.
- The proposal is posted on the Environmental Registry of Ontario for a 30-day consultation period, with public comments accepted until **May 17, 2025**.
- Staff have provided a summary of the changes throughout this report, commentary on Staff’s position, and intend to submit a letter to respond to the respective ERO postings prior to the deadline. Additional comments from Council will also be included in the submission.

3. PURPOSE

The purpose of this report is to provide a summary of the legislative changes proposed through Bill 5. The Bill is currently in second reading (as of May 6, 2025) and ordered to the Standing Committee on the Interior. The Province is seeking feedback on the proposed changes with a commenting deadline of May 17, 2025. Staff have reviewed the proposed legislation in the local context, and comments are summarized throughout this report. Staff welcome feedback from Council for inclusion in the final submission to the Province. Staff intend to submit a letter to the respective ERO posting prior to the end of the commenting deadline.

4. BACKGROUND

Over the last several years, the Province has passed a number of legislative changes to address the housing crisis and support the economy. Bill 5 continues this trend with a broad piece of legislation with amendments across several areas related to Ontario's energy, environmental, heritage, and conservation policies. The Bill proposes amendments to the following Acts:

- Electricity Act, 1998
- Endangered Species Act, 2007
- Environmental Assessment Act
- Environmental Protection Act
- Mining Act
- Ontario Energy Board Act, 1998
- Ontario Heritage Act
- Rebuilding Ontario Place Act, 2023
- Special Economic Zones Act, 2025
- Special Conservation Act, 2025

Bill 5 also contains a variety of amendments to streamline project approval processes. The following discussion/analysis provides a summary of the proposed changes that could affect Niagara-on-the-Lake and Staff commentary on these changes.

5. DISCUSSION / ANALYSIS

A summary of the proposed changes to each of the schedules of the Bill, including Staff commentary and input on those changes that could affect Niagara-on-the-Lake, has been provided below. Staff comments/input, along with any input provided at the Committee of the Whole – General meeting, will be utilized in the submission to the Province.

SCHEDULE 1: Electricity Act, 1998 and SCHEDULE 6: Ontario Energy Board Act, 1998

- Procurement restrictions for electricity and energy: The IESO (Independent Electricity System Operator) and Ontario Power Generation Inc. (OPG) are being given directives related to procurement, especially regarding the origin of goods and services used in electricity-related matters. Similarly, procurement of goods/services by gas companies and distributors is now subject to origin restrictions.
- Legal limitations: Places legal restrictions on certain procurement contracts and extinguishes specific causes of action related to the amendments. The Bill also introduces restrictions on legal action regarding changes made by these amendments.

Staff have no comments on the changes proposed under these schedules; however, note support for procuring Canadian goods and services.

SCHEDULE 2: Endangered Species Act, 2007 and SCHEDULE 10: Species Conservation Act, 2025

- Repeal of the Endangered Species Act: The new Species Conservation Act replaces the Endangered Species Act and establishes a new registry for species conservation activities.
- Stronger conservation measures: The Act introduces stricter protections for endangered species and their habitats, as well as setting up new permit processes for activities that could harm these species.
- Purpose changes: The purpose of the Endangered Species Act is amended, and several definitions, such as "habitat," are updated.

- Ministerial powers: The Minister is granted more flexibility with species listing and regulations, and some of the previous mandatory obligations (such as government response statements) are removed.
- Revisions to permit issuance and enforcement: The Bill proposes changes to the compliance and enforcement powers available to the Ministry of Environment, Conservation and Parks.

Staff note that the changes proposed significantly weaken environmental protections and process in Ontario. The proposed repeal of the Endangered Species Act (ESA) and its replacement with the Species Conservation Act (SCA) represents a fundamental shift away from science-based conservation. The proposed changes impact protections for Ontario's more than 270 species at risk by replacing evidence-based assessments with Cabinet discretion, turning species protection into a political decision rather than a scientific one. The Bill also proposes to dissolve key conservation bodies, such as the Species Conservation Action Agency and the Species at Risk Conservation Fund, which are administered by the Committee on the Status of Species at Risk in Ontario (CASSARO) and support habitat protection and recovery planning.

Staff do not support the update to the definition of "Habitat." The proposed change narrows the definition to exclude essential ecosystems like forests and wetlands, which removes protections vital for species recovery. To support biodiversity and protect ecosystems, the definitions must continue to include these references. Further, eliminating "recovery" as a goal contributes to the continued decline or extinction of at-risk species, rather than assisting with protection.

Regarding permits and enforcement, it is believed that these changes would strengthen enforcement by giving provincial officers clearer inspection and investigation powers and new order powers; however, the amendments could allow for the issuance of certain permits with fewer conditions and less enforcement options (i.e. less stop orders, more mitigation measures).

Finally, Staff note concern with the introduction of a self-serve, online registration system for developers, replacing expert review and potentially enabling immediate habitat destruction without oversight. The updated legislation also proposes to remove "harassment" from the list of prohibited activities. This registration system will create loopholes and exemptions that undermine accountability and weaken enforcement tools essential to sustainable development.

As noted, while it is understood that the Province is seeking ways to support economic growth and prosperity, the changes should not be at the expense of our natural environment, climate, and at-risk species.

SCHEDULE 3: Environmental Assessment Act

- Eagle's Nest mine termination: The Act allows for the termination of a previous environmental agreement related to the Eagle's Nest mine in Northern Ontario.
- Exemption for certain projects: Certain waste disposal site activities in Chatham-Kent

While these changes do not affect the Town, the exemption from full environmental assessment for the Eagle's Nest mine is concerning. This project may have impacts to climate-critical peatlands and Indigenous territory, undermining both Canada's climate commitments and reconciliation efforts.

SCHEDULE 4: Environmental Protection Act

- Fee refund flexibility: The Minister now has the power to refund fees for registrations removed from the Environmental Activity and Sector Registry.

Staff have no comments on these changes.

SCHEDULE 5: Mining Act

- National mineral supply chain: The Act now allows for the suspension or cancellation of mining licenses and/or mining functions where the Minister considers it desirable for the protection of the strategic national mineral supply chain. It gives the Minister power to restrict activities, such as prospector licensing, if necessary for national security.
- Streamlined permitting: A new team can be established to help expedite mining project permits through a singular process and approvals model, and new rules allow for the revocation of mining claims or leases to protect the mineral supply chain.

Staff have no comment on these changes.

SCHEDULE 7: Ontario Heritage Act

- Expanded inspection powers: The Ministry now has broader powers to inspect land for artifacts and archaeological sites, and the Minister can issue orders for assessments of such sites.
- Seizure and protection of artifacts: The legislation gives more power to seize and protect cultural artifacts found through inspections.
- Enforcement and limitations: Provisions are added for the prosecution of offences and the limitation period for prosecution.
- Exemptions: Proposes to grant Cabinet the power to exempt certain property from archaeological and heritage conservation requirements where the exemption could potentially advance specified provincial priorities (as may be prescribed).

Staff support the protection of cultural artifacts and the return of Indigenous artifacts to the communities in which they belong.

Staff note concerns with the proposal for exemption to Archaeological Assessments to advance Provincial priorities, as both the Town and Region have approved Archaeology Management Plans. Niagara-on-the-Lake is rich with archaeological resources from many Indigenous communities to the very early settlers of Upper Canada. Archaeological assessments help us to understand our past. By waiving these requirements, important artifacts could be lost forever. The requirement for archaeological assessments is better suited at the local level. It is noted that the review for process improvements to the *Ontario Heritage Act* is already underway. Town Staff suggest that the Province consult with local municipalities on the updating and streamlining of the process for approvals, rather than providing the opportunity for exemption.

SCHEDULE 8: Rebuilding Ontario Place Act, 2023

- Environmental Bill of Rights exemption: Exempts the Ontario Place Redevelopment Project from some environmental rights and regulations during the approval and revocation processes.

While these changes do not impact the Town, Staff do have concerns about the Province exempting projects from environmental regulations.

SCHEDULE 9: Special Economic Zones Act, 2025

- Creation of Special Economic Zones (SEZs): SEZs would be areas or projects critically or strategically important to Ontario's economy and security. This schedule allows for the creation of SEZs with special rules, including exemptions from existing regulatory requirements. The goal is likely to foster economic development through these zones.
- Legal exemptions and modifications: The Lieutenant Governor can exempt or modify certain laws for designated trusted proponents or projects within these zones.

The proposed Special Economic Zones Act, 2025, would grant Cabinet authority to exempt entire areas or projects from environmental, municipal, and Indigenous rights laws, for select developers or "trusted proponents." The Bill references that the Minister would be authorized to make regulations designating trusted proponents and projects. It is currently unknown what criteria or process will be utilized for this designation; however, it is imperative that local municipalities be consulted on these details should this be advanced.

As noted earlier in the report, these SEZs would also by-pass environmental protections, with the potential to threaten the environment, biodiversity, and ecosystems. Staff has concerns about the impact SEZ's could have on our natural environment, climate, and ecosystems.

6. STRATEGIC PLAN

The content of this report supports the following Strategic Plan initiatives:

Pillar

2. Good Governance

Priority

2.3 Advocacy & Government Relations

Action

2.3 a) Advocacy Strategies

7. OPTIONS

- 7.1 **Option 1:** Support Staff's review of Bill 5, provide any additional input, and direct Staff to submit comments to the Province on behalf of the Town. **(Recommended)**
- 7.2 **Option 2:** Receive this report only. Staff are not directed to send comments. (Not Recommended)

8. FINANCIAL IMPLICATIONS

This report has no immediate financial implications; however, Staff will work with Finance to understand the long-term financial implications of the provincial changes in policy direction.

9. ENVIRONMENTAL IMPLICATIONS

Any changes related to environmental policies are outlined within the report.

10. COMMUNICATIONS

There is no notification requirement associated with this report. Following the Council's receipt of this report, a media release may be prepared and shared with the public.

11. CONCLUSION

Staff have noted concerns with Bill 5 specifically as it relates to impacts on biodiversity, ecological health, and long-term sustainability. While promoting economic development is critical, doing so by reducing ecological safeguards and accountability undermines the resources upon which sustainable and thriving economies depend.

It is important that growth, development and economic prosperity be grounded in sustainability and accountability. Based on the review in this report, Staff suggest that Province reconsider the changes proposed through Bill 5 as it weakens environmental protections, undermines public consultation and Indigenous rights, and ignores local planning policy.

Over the last several years, the Province has released numerous ERO postings and approved many changes in a short timeframe. As it is currently in second reading, it is anticipated that Bill 5 may follow a similar approval approach and timeline.

Staff will submit comments on the ERO postings, as outlined in this report, before the May 17, 2025, deadline. The comments will also include any additional comments/feedback provided by Council at the May 13, 2025, COTW-General meeting. A copy of the submission letter will be provided to Council via a future Information Package. Staff will continue to monitor the changes and discuss potential implications with municipal partners.

12. PREVIOUS REPORTS

N/A

13. APPENDICES

N/A

Respectfully submitted:

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