

REPORT TO COUNTY COUNCIL

Bill 5 and Special Economic Zones

To: Warden and Members of County Council

From: Director of Community Planning

RECOMMENDATIONS

1. That the Director of Community Planning submit comments on behalf of the County in response to the Provincial consultations on the Special Economic Zones Act under Bill 5 (Protect Ontario by Unleashing our Economy Act), as generally outlined in Report No. CP 2025-137;
2. And further, that Report CP 2025-137 be circulated to the Area Municipalities for information.

REPORT HIGHLIGHTS

- On April 17, 2025 the Province released Bill 5 (the Protect Ontario by Unleashing our Economy Act), which proposes to amend multiple Acts and also creates two new Acts.
- The Province is currently consulting on Bill 5, including a new Special Economic Zones Act, 2025 (one of the two proposed new Acts), which is intended to quickly advance strategic projects through the permitting processes by designating special economic zones, designated projects, and trusted proponents.
- The proposed changes being introduced through the Special Economic Zones Act are extremely broad and wide ranging and many are in need of further clarification and/or revision to avoid unintended consequences and/or address other concerns, including potential impacts on municipal autonomy with respect to matters of local jurisdiction and importance.
- Future regulations which will prescribe criteria for designating special economic zones, designated projects, and trusted proponents, and may also establish the first of these zones, are stated to be released by September 2025.

IMPLEMENTATION POINTS

The recommendations contained in this report will have no immediate implementation requirements. However, a number of the existing Acts that are proposed to be amended work in tandem with processes under the Planning Act, such as the Endangered Species Act and Ontario Heritage Act. As such, general comments regarding the potential implications of these changes to local planning processes are also highlighted in this report.

Staff will continue to monitor the Environmental Registry for Ontario and Regulatory Registry of Ontario for future information and will advise of any changes that may directly impact implementation of existing land use planning requirements.

Financial Impact

There are no immediate implications beyond this year's approved budget.

Communications




Communication is proposed through the inclusion of this report on the County Council agenda and related communications and circulation to the area municipalities and may also be shared with other municipal organizations (e.g. AMO, WOWC) and stakeholders to assist with coordinated advocacy, where requested.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council's vision of "Working together for a healthy, vibrant, and sustainable future." These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendations in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
Goal 1.2 – Sustainable infrastructure and development	Goal 2.2 – Preserve and enhance our natural environment	Goal 3.2 – Collaborate with our partners and communities Goal 3.4 – Financial sustainability Goal 3.5 – Advocate for Oxford County

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

On April 17, 2025, the Province released proposed legislative and policy changes through Bill 5 (Protect Ontario by Unleashing our Economy Act). Bill 5 contains 10 Schedules which propose to amend a number of existing Acts, including but not limited to:

- Endangered Species Act, 2007;
- Environmental Assessment Act;
- Environmental Protection Act; and
- Ontario Heritage Act.

Bill 5 also proposed to enact two new Acts: the Special Economic Zones Act, 2025 and the Species Conservation Act, 2025.

This omnibus bill proposes a broad range of potential changes related to current development approval processes including:

- Allowing the province to designate “special economic zones” including geographic areas, “trusted proponents” or projects that would be exempt from provincial legislation and regulations, and from municipal by-laws.
- Replace species-at-risk permitting requirements with a registration-first approach that would allow work to begin immediately upon registration.
- Streamline the archaeological assessment and artifact protection process for developments where archaeological sites are present.
- Streamline the province’s mine permitting process.

The purpose of this report is to provide an overview of the new powers the proposed Special Economic Zone Act would appear to confer to the Province, as well as other potential matters of concerns with respect to proposed changes to the other existing Acts.

The report also outlines the various questions and concerns that staff have identified for communication to and/or further discussion with the Province as part of the current consultation process and is intended to serve as the initial basis for identifying areas of shared concern for potential joint advocacy with other municipal organizations (i.e. WOWC, AMO etc.).

Comments

The Province’s [news release](#) and [technical briefing](#) indicate that the intent of Bill 5 is to advance strategic projects, support existing industries, and mitigate trade disruptions in order to protect Ontario’s economic health. For consultation purposes, the Province has split the content of Bill 5 into multiple postings to the Environmental Registry of Ontario (ERO). The ERO posting ([025-0391](#)) provides proposed details for the Special Economic Zones Act. The Province has indicated that this Act is meant to accelerate projects of strategic importance to the Province, such as mining and critical infrastructure projects.

Special Economic Zones Act, 2025

The proposed wording of the authorities and direction to be provided through this legislation is currently very general and high-level, with the intent being to provide the bulk of the implementation detail and direction through proposed future regulations.

As such, one overarching comment is that further detail on the intent, purpose, and scope of these proposed changes needs to be provided, so that municipalities can properly assess the potential impacts and provide meaningful and constructive feedback to the Province. Further, the Province should formally commit to further meaningful engagement and consultation with municipalities on any proposed draft implementing regulations (i.e. that will provide the specific scope and details) at such time as they are available.

Powers of the Special Economic Zones Act

Most powers of the Special Economic Zones Act are proposed to be prescribed through future regulation, with initial regulations expected by or before September 2025. Such regulations may:

- provide for the creation and specify the location of a Special Economic Zone (SEZ);
- identify the designated project or class of projects within an SEZ; and,
- Identify who the “trusted proponent” is for that project(s).

In addition, the Province may *exempt* a ‘trusted proponent’ or ‘designated project’ from certain requirements, provided they meet any criteria established via the regulation. The Province may also choose to *modify* the application of these requirements to a ‘trusted proponent’ or ‘designated project’, rather than exempt them entirely.

At this time, there is little to no information available which clarifies the types of conditions, situations, or proposals that would warrant a SEZ as no minimums or base criteria are proposed in the Act directly. Similarly, there is also limited information on what process would be used to select and evaluate ‘proponents’ to determine that they are a “trusted proponent”, or what types of projects may qualify for such a streamlined approach. These powers, as proposed, appear to be extremely broad and would be precedent setting in terms of the range and scale of potential authorities and exemptions that could be available to the Province simply by enacting a regulation.

Impact to Municipal Approvals

Provided certain conditions (which would be set out in future regulations) are met, ‘designated projects’ and ‘trusted proponents’ may be exempted from meeting current or modified requirements of any Act, a regulation, or other instrument under an Act. It is clear from the proposed Act that this is meant to include the ability to exempt or modify the application of any by-law or other instrument of a municipality or local board.

This current wording is extremely broad and, as such, it appears that these Provincial authorities and exemptions could be applied to any number of by-laws enacted by County or Area Municipal Councils, including those that are passed under the authority of the Planning Act and Municipal Act. For example: zoning, parkland dedication, stormwater management, cut-and-fill or excavation, tree preservation and planting, permits/access control for roads or infrastructure connections, sewer use, servicing allocation, development agreements etc.

Additionally, these powers could affect local requirements that derive their authority from other Acts (e.g. Endangered Species Act, Conservation Authorities Act, Ontario Water Resources Act, Drainage Act, Development Charges Act, among others) that assist in supporting various matters of Provincial and local interest such as: protection of ecological systems; conservation of water; efficient provision of infrastructure; and appropriate location of growth and development. These

requirements under these Acts often work in tandem with various land use planning and other approval processes (i.e. Environmental Assessments).

Uncertainties and Gaps with the proposed SEZ process

Staff appreciate that consolidating and improving approval requirements and how they are implemented could potentially assist in creating more timely and efficient processes to support development and economic growth in specific circumstances that may be of particular Provincial or National importance. That said, the lack of detail and clarity in the actual legislation raises significant concerns with respect to the potential for Provincial overreach/interference in local decision making and the side stepping of important environmental and other requirements. As such, the legislation would benefit from revision to provide greater clarity, structure, and direction as to its intended scope and application. Further, the general regulations that are being proposed (but have not been issued) could also potentially assist in addressing some of the areas of key concern.

Some of these areas of key concern are outlined as follows:

1. **Scope** - The potential scope of the proposed Provincial authorities and exemptions is currently extremely broad and relies almost exclusively on the enacting of regulation to provide any details or limitations, resulting in the potential application of this Act being virtually unlimited, as proposed. For example, SEZs are described as “area of the Province” with no criteria or tests that the Province would need to meet to establish why one was necessary. Further, ‘designated projects or class of projects’ and ‘trusted proponent(s)’ are not defined terms, or described, which could potentially allow for entire industries, project types or proponents to be exempted from any specified Provincial and/or local requirements.

To address these concerns, the Province should provide greater structure and detail in the Act to, among other matters:

- Establish clear criteria and/or a review framework that would be used to determine which Acts would be considered for exemptions to and/or modification of processes/requirements.
 - Define what constitutes ‘designated projects or class of projects’ and ‘trusted proponent(s)’ in the Act.
 - Clarify if a development would need to be both a designated project/class of project and include trusted proponent(s) to be eligible for exemptions in a SEZ; and,
 - Clarify whether trusted proponent(s) can be involved in multiple SEZs and provide limitations on the number developments/proposals that could be in a specific SEZ, and how these would be reviewed, if other projects were identified.
2. **Transparency** – There are no provisions in the proposed legislation that appear to make the administration, processing, and evaluation of projects and certification of trusted proponents transparent. Unlike other pieces of legislation, the Bill does not establish requirements such as: evaluation criteria for designating an SEZ, projects or proponents; whether the process is to be applicant or Province initiated; how quickly a decision is to be made; or whether notice to the public is required. Additionally, because all of the details are intended to be determined through regulation, the ability to provide meaningful feedback to the Province on potential concerns with respect to the legislation at this stage is very limited.

The current land use planning framework in Ontario provides certainty with respect to the types of growth and development that can be expected in communities and provide multiple opportunities for the public to participate. This appears to be absent within the proposed SEZ process. As such, if this tool were to be frequently or indiscriminately applied, it could significantly impact the role and effectiveness of the current land use planning approval system and the certainty, transparency and protections it provides (i.e. full public and agency consultation, consistency with approved Provincial and municipal planning policies, right of appeal, etc.).

3. **Role of Municipalities** – As drafted it is not clear as to the circumstances or conditions that would warrant establishment of an SEZ, nor the role municipalities would have in the establishment of an SEZ, designation of projects, or trusted proponents. The Bill also contains no provisions to support municipalities or projects subject to SEZ approvals from changes or conflicts with other legislative or regulatory requirements that may result from these streamlined approvals. To help address some of these concerns the Act could provide further detail or direction on matters such as: circumstances that warrant SEZs, or circumstances where they are prohibited; requirements for where the Province removes or amends authorizations; the role of appeals, particularly where other Acts that may be subject to SEZ, include provisions for appeals; and so forth.

Additionally, there is no indication as to whether municipal input or support is required to establish an SEZ, or how the SEZ process will address other processes where municipal support is required as part of the normal approval process (e.g. housing, aggregates, renewable energy, solid waste/landfills). Should SEZs exempt projects from these processes, this could remove safeguards like appeals and requirements regarding municipal support for projects. It is also unclear how projects will co-ordinate between legislative requirements and who would be responsible for ensuring it happens. To address these concerns the Act should, among other matters:

- Provide further detail to clarify and scope the intended use and application of the SEZs tool to provide municipalities, the public, and other stakeholders with a reasonable level of certainty as to where and under what circumstance it could potentially be requested (i.e. clear eligibility criteria and justification requirements).
 - Provide for a clear process that enables public participation, including incorporation of municipal support from any/all municipalities in which the SEZ is located (i.e. both upper and lower tier), as both will have services and other matters of jurisdiction that would be relevant to, and potentially impacted by, the development of such lands.
 - Further, where the site is located in proximity to an abutting municipality, there should be some formal process/mechanism to ensure the impacts on and interests of that municipality with respect to planning for growth, infrastructure and land use etc. have also been appropriately considered and addressed.
4. **Ministerial Zoning Orders (MZOs)** – It appears that the SEZ tool could potentially be used in tandem with, or to further streamline, or replace, MZOs. Currently, once an MZO is made proponents must still obtain subsequent approvals (e.g. site plan, building permits, permits from other ministries). MZOs and any subsequent approvals are also not required to comply with the PPS, or a municipality's Official Plan.

If used solely or together with MZOs, this Act could potentially result in substantial changes to how development and site alteration could occur and further reduce a municipality's role

and control over local projects and development. It could also override the ability for municipalities to determine where and how to allocate servicing, prioritization of infrastructure projects, recover costs (i.e. by overriding various fees and charges), and more.

It is noted that the Bill includes protection against lawsuits (described as “causes of action”) for all parties who may be subject to an SEZ (including municipalities). It is unclear what these provisions are meant to address (i.e. whether it would actually protect parties from future court challenges). Staff note similar protective language has recently been added to other planning-related legislation that has been controversial, including the Province’s revisions to MZOs.

Other Legislative Changes

The Province is also proposing other changes through Bill 5 which may have indirect implications for land use planning approvals. This includes the ERO postings for other legislative changes proposed as part of Bill 5, including for the Endangered Species Act ([ERO 025-0380](#)) and the Ontario Heritage Act ([ERO 04-18](#)).

[Endangered Species Act](#)

The province is proposing to phase out the Act and replace it with a new Species Conservation Act. In general, these changes include:

- Recognizing Indigenous traditional knowledge as part of the criteria identifying and evaluating species;
- Allowing the Minister to determine if a species will be listed under the Act once they have been evaluated and determined to be extirpated, endangered, and threatened species, and also giving the government the ability to remove protected species from the list;
- Removing migratory birds and aquatic species protected under the federal *Species at Risk Act* from having protection under the Provincial Act;
- Reducing the definition of habitat such that it may not include all aspects of a species life cycle or ability to meet its needs for survival;
- Winding down the Species Conservation Action Agency and removing the option to pay a ‘species conservation charge’ from the new regulatory framework;
- Changing the framework for obtaining authorizations to a predominately self registration-based framework, providing projects meet minimum requirements. Minimum requirements would be established through future regulations;
- Until those regulations are ready, an amended Endangered Species Act, 2007 will remain in place.

Staff are continuing to monitor the proposed changes to better understand areas of concern, as well as potential benefits with respect to aligning or coordinating matters subject to the Endangered Species Act with Planning Act approvals.

[Ontario Heritage Act \(OHA\)](#),

A number of changes are also proposed to the OHA that appear to:

- establish new powers for the Province to waive requirements/establish exemptions for any requirements in Part VI of the OHA and its regulations, as well as the requirement to conduct an archaeological assessment;
- the criteria that would have to be met for a property to be eligible for an exemption would be established in a future regulation; and,

- provide the minister with the ability to order archaeological assessments and also direct where artifacts and archaeological collections are to be deposited with public institutions or Indigenous communities.

These changes could have potential implications for coordination of OHA requirements with Planning Act process where they apply.

Conclusions

The proposed legislative and regulatory changes being proposed in the Special Economic Zones Act through Bill 5 are substantial and wide ranging. Given the general nature and wording of the legislation as proposed (i.e. relies largely on future regulations for implementation), it could have the potential to significantly impact municipal authority with respect to the approval of development and associated municipal requirements. As such, it raises a number of potential areas of significant concern that, if not properly considered and addressed, could have a negative impact on the ability of municipalities to comprehensively and effectively plan for the sustainable growth of their communities and ensure the protection of agricultural land and other natural resources over the long term.

It is noted that AMO has also indicated they are reviewing Bill 5 and are consulting with members as they prepare to bring the discussion to the Standing Committee process and that they are encouraged that the Minister is committed to adhering to robust environmental protections and to fulfilling the province's obligations to Indigenous communities. They further noted that, for special economic zones to be successful, it is vital that they are developed in partnership with local communities and that Ontario's municipalities are committed to supporting proactive steps that strengthen our economy and that economic prosperity is also tied to social, cultural, and environmental prosperity.

Staff generally support these points raised by AMO, particularly the need for the Province to meaningfully engage with municipalities as partners in the development of this legislation and any associated regulations and proposed SEZs that may result from this legislation. We are also proposing to work with AMO and other organizations to advocate to the Province on key areas of shared municipal concern. That said, the extremely short timeframe (i.e. 30 days) the Province has provided for consultation on these various changes and absence of draft implementing regulations, provides insufficient time and information for municipalities to fully consider the potential implications of this legislation and provide meaningful feedback.

To address the initial concerns raised, staff are recommending the Province be requested to establish minimum standards and requirements within Bill 5, to provide greater clarity as to its intended scope and application to help improve understanding and expectations of how the implementation of exemptions or streaming of approvals would work in general. Providing this additional legislative context would provide greater certainty and transparency for municipalities to work with the Province to ensure the legislation and any associated regulations support mutually beneficial outcomes with respect to economic opportunities, while also ensuring negative impacts to the Province and Municipalities - financial, environmental, social and otherwise are still appropriately addressed and managed. Further, that the Province be requested to formally commit to meaningful consultation and engagement with municipalities on the proposed general implementing regulation (preferably in advance of enacting the proposed legislation), as well as any other implementing regulations that may be proposed in the future.

With Council's direction, staff will proceed with preparing and submitting initial comments to the Province on the proposed changes on behalf of the County. Further, staff will continue to monitor the progress of the policy and other changes being proposed and advise County Council of any relevant changes and/or opportunities for comment on matters that may be of particular interest or concern to the County or Area Municipalities moving forward.

SIGNATURES

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