

# **ERO 025-1077: Consultation on Proposed Special Economic Zones (SEZ) Criteria**

## **Review, Concerns and Recommendations**

November 15, 2025

# Background

- Bill 5, the *Protect Ontario by Unleashing our Economy Act*, enacted the *Special Economic Zones Act, 2025* (the Act)
- The purpose of the Act is stated to be: “to support economic growth and development by building faster and more strategically to protect Ontario industries”
- It is stated that the Act and regulations will accelerate critical, strategic and priority work while maintaining necessary safeguards and obligations ...
- By default all provincial laws will apply in SEZs but exemptions will be made through future regulations
- The Act includes controls through regulations that will ensure responsible decision-making in relation to social, environmental and safety standards; such decisions would be done through a Lieutenant Governor in Council regulation (i.e. by Cabinet or the Minister, not the Legislature)
- Where it arises, Ontario is committed to consult and, where appropriate accommodate re. SEZs, designated project or trusted proponent or proposals to modify existing regulations
- As well, the Province may also seek further feedback through public consultation

# Consultation To-Date

- Over 1,100 comments were submitted through ERO when Bill 5 was approved in June; the comments focussed on:
  - Democratic participation and Indigenous rights: importance of working collaboratively with Indigenous communities and municipalities
  - Environment and people: ensure there are mechanisms and safeguards in place for the environment, health, safety and communities
  - Transparency and oversight
- Some consultation with Indigenous communities has occurred, some agreements have been reached but much more needs to be done:
  - Webequie FN and Ring of Fire Metals (now Wyloo Metals of Australia) have signed an MOU and are developing a partnership agreement for the proposed Eagle's Nest mine
  - Webequie and Marten Falls FN have completed terms of reference on the proposed Northern Road Link EA
  - The 2 FNs are leading the planning of the road project dubbed the "Corridor to Prosperity"
  - The Province has committed \$1B to this road project, high-speed internet, community upgrades, etc.

# Main Concerns and Recommendations (1)

- Government's priority is to accelerate development by relaxing regulatory requirements, without completing Indigenous consultation and accommodation (i.e., appears to be left to later when specific projects are contemplated), and retaining for itself total control regarding SEZs, development projects, trusted proponents, etc.
- Government states that development must proceed on an accelerated schedule to address economic goals while protecting safeguards and obligations (social, environmental and safety standards)
- Concern: I support "sustainable development" (SD), i.e., development that meets the needs of today without compromising the ability of future generations to meet their needs; not other types of development! SD involves balancing social, economic and environmental needs to ensure long-term prosperity for both people and the planet. Its core principles are to:
  - Meet present needs
  - Balance social, economic and environmental pillars
  - Protect the planet: conserve and sustainably use land, water, air, forests, etc. and protect all forms of life
  - Ensure equality (gender equality, quality education, economic parity)
  - Drive progress: sustainable economic growth, innovation and resilient infrastructure

# Main Concerns and Recommendations (2)

- Government states that “The regulation, if made, would support transparency and consistency in the designation process and help ensure the necessary safeguards are in place to protect health, safety and the environment”
  - Concern: It appears that Cabinet’s determination of whether or not the necessary safeguards are in place will consider assessment reports submitted by proponents, public consultation through future ERO postings, advice from staff, etc.
  - Recommendation: Before Cabinet determines that the necessary safeguards are in place, an evaluation of the supporting assessment reports shall be done by an expert panel of distinguished experts from the relevant scientific disciplines. Furthermore,
    - The Panel must include representation from Indigenous traditional knowledge holders,
    - The Panel’s Report and its assessment, conclusions and recommendations must be made public prior to Cabinet’s decision, and
    - The Panel shall prepare a memo on Cabinet’s decision and that memo should also be made public

# Canadian Environmental Law Association (CELA)

## Comments on SEZ Criteria

- CELA has prepared a memo summarizing its comments and concerns regarding this ERO posting
  - <https://cela.ca/cela-comments-on-proposed-special-economic-zones-criteria/>
- Recommendation: I agree with CELA's assessment and recommendations and urge Government to adopt and implement them