Regarding Bill 5, “Protect Ontario by Unleashing our Economy Act, 2025” to the Standing Committee on the Interior

May 2025



Ontario Federation of Labour Submission

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Introduction

On behalf of one million workers across Ontario and 55 affiliated public and private sector unions, the Ontario Federation of Labour (OFL) welcomes the opportunity to comment on Bill 5: Protect Ontario by Unleashing our Economy Act, 2025.

Ontario workers have serious concerns about this overly broad and vague piece of legislation. Bill 5 threatens to undermine key protections that working people have relied on for decades, protections that ensure safe workplaces, fair treatment, and a say in decisions that affect their livelihoods.

These changes are being introduced under the guise of addressing interprovincial trade barriers and improving Ontario's economic prosperity. However, rather than fostering fair and inclusive growth, the bill enables deregulation that may weaken the very foundations of worker protections and public oversight.

By fast-tracking development and granting sweeping powers to the executive branch of government, "trusted proponents" and "designated projects", the bill risks bypassing important safeguards, including those found in labour laws, Indigenous rights frameworks, and municipal decision-making processes. Workers across the province are worried that their voices and the laws that protect them may be sidelined in favour of unchecked development. Ontario needs thoughtful, inclusive policies and not ones that leave workers and communities behind.

Municipal Autonomy Must Be Preserved

As currently written, Bill 5 would strip local governments of their ability to regulate development in their communities by granting the provincial government broad and ambiguous powers. The bill allows for the creation of Special Economic Zones (SEZ) anywhere in Ontario, within which the government can suspend or override existing laws and regulations, including those related to labour standards, health and safety, and local governance. This type of power should only be exercised under emergency power statutes in exceptional circumstances.

The bill does not clearly define the purpose of these zones, nor does it provide clarity on what activities will be allowed or what legal protections will remain in place. This lack of specificity creates the potential for arbitrary application and undermines democratic processes at the local level. It disconnects policy decisions from local accountability and creates conditions ripe for abuse, political favoritism, and developer influence.

There is no requirement for legislative review of exemptions, no mandate for public consultation, no transparency around how individuals or corporations qualify as "trusted proponents," and no sunset clauses to limit the duration or scope of the bill's provisions. This centralization of authority erodes democratic accountability and invites the potential for abuse of power.

> ***Recommendation:*** *The Ontario Federation of Labour calls on the Government to preserve the authority of municipal governments. Any Special Economic Zones must be subject to local council review and approval*.

Labour Rights Must Not Be Undermined

The proposed legislation could open the door to a rollback of fundamental labour protections by allowing employers within Special Economic Zones to sidestep the Ontario Labour Relations Act, the Employment Standards Act, the Workplace Safety and Insurance Act, the Occupational Health and Safety Act and the Ontario Human Rights Code. These laws safeguard workers' rights to fair wages, collective bargaining, job security, and safe working conditions. They are not obstacles to economic prosperity but rather the very conditions that make it possible.

The proposed legislation creates a pathway for employers to operate outside of established legal frameworks, promoting a race to the bottom in which worker protections are viewed as barriers to economic growth rather than essential components of a just society. Ontario cannot afford to adopt a model that resembles the "right-to-work" jurisdictions in the United States, where weaker labour standards have led to lower wages, higher injury rates, and increased economic inequality.

> ***Recommendation:*** *The Ontario Federation of Labour is calling on the Government to uphold worker protections established in collective agreements and labour law in the context of U.S. tariffs related policy changes.*

Under Schedule 9, Sections 5 and 6, the legislation must include clauses that explicitly protect Ontario labour laws. Bill 5 must ensure that the Ontario Labour Relations Act, Employment Standards Act, Workplace Safety and Insurance Act, the Ontario Human Rights Code and Occupational Health and Safety Act shall remain fully applicable within Special Economic Zones and under all circumstances.

In the following sections of the bill, the OFL is proposing the amendments bolded:

Exemption from requirements

5 (1) The Lieutenant Governor in Council may, by regulation, exempt a trusted proponent or a designated project from requirements under provisions of an Act or of a regulation or other instrument under an Act, subject to conditions specified in the regulation, as those requirements would apply in a special economic zone.

Municipal by-laws, etc.

(2) For greater certainty, the reference to "other instrument under an Act" in subsection (1) includes a by-law or other instrument of a municipality or local board.

(3) Subsection 1 does not apply to labour, human rights or other employment-related legislation, regulations or other instruments.

Modification of application of provisions of other Acts, etc.

6 (1) The Lieutenant Governor in Council may, by regulation, modify the application of provisions of an Act or of a regulation or other instrument under an Act, subject to conditions specified in the regulation, as those provisions would apply,

(a) with respect to a trusted proponent in a special economic zone; or

(b) with respect to a designated project in a special economic zone.

(2) Subsection 1 does not apply to labour, human rights or other employment-related legislation, regulations or other instruments.

Indigenous Rights Must Be Protected

Bill 5 also raises serious constitutional issues with respect to Indigenous rights. The legislation fails to guarantee free, prior, and informed consent before designating Special Economic Zones on unceded ancestral lands. This is a violation of Indigenous sovereignty and a departure from Canada's obligations under the Constitution and the United Nations Declaration on the Rights of Indigenous Peoples.

Chiefs and councils from multiple First Nations, including Grand Chief Joel Abram of the Association of Iroquois and Allied Indians, have urged the Government to either withdraw the bill or begin a comprehensive redrafting process that fully includes First Nations participation. The current approach disrespects both legal obligations and principles of reconciliation.

> ***Recommendation:*** *The Ontario Federation of Labour calls on the Government to ensure that any designation of a Special Economic Zone on unceded or treaty territory must require the free, prior, and informed consent of affected Indigenous nations. This must be enshrined in the legislation.*

The Ontario Federation of Labour calls on the government to engage in meaningful participation with Indigenous nations, labour organizations, and municipalities to address the concerning elements of Bill 5.

In its present form, the bill raises serious concerns as it grants extraordinary powers to cabinet ministers without legislative review, public consultation, or clear limits on the use of Special Economic Zones. These measures risk weakening essential protections for workers and impacted community voices.

Ontarians deserve an economy built on the principles of justice, inclusion, and democratic accountability. Bill 5 reflects a vision of economic development that prioritizes deregulation and corporate interests at the expense of people and the communities they live in. That is not the future Ontario workers want or deserve.

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