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Re: Proposed Updates to the Ontario Wetland Evaluation System (ERO 019-6160) and Conserving Ontario's Natural Heritage Discussion Paper (ERO 019-6161)

Thank you for the opportunity to review and comment on the above noted Environmental Registry of Ontario postings regarding the proposed changes to the Ontario Wetland Evaluation System (OWES) and the Natural Heritage Discussion Paper outlining a proposed ecological offsetting policy for wetlands, woodlands, and other wildlife habitat. Please note that the following comments are provided by Region of Peel staff and may be considered by Regional Council for endorsement. If additional or differing comments are provided through a Council resolution, they will be forwarded to the Ministry of Natural Resources and Forestry (MNR) for consideration.

General Comments

The Region of Peel appreciates the Province's efforts to increase the housing supply and improve affordability. These are important issues that require integrated solutions. We also welcome the Province's interest in addressing wetland, woodland and wildlife habitat loss and the need for better policy to protect, restore and enhance natural systems, features and areas. Updating the provincial wetland evaluation system and providing an offsetting policy for planning and permitting approvals, are important initiatives that can help address current challenges, provided that outcomes remain focused on protecting, restoring, and enhancing natural systems in the communities and watersheds where they are needed.

Comments and recommendations are provided with the goal of meeting housing needs while still ensuring communities have healthy and natural systems.

Guiding Principles for Consideration

The strong framework of environmental and watershed planning in Ontario and the systems approach for climate, natural heritage and water resource planning have been a cornerstone of the Peel Region's work to manage growth in collaboration with the local municipalities and the Province. The provincial policy-led planning system recognizes the inter-relationship among environmental, economic and social factors and the importance of a

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comprehensive and integrated approach to planning. Municipalities have relied on the provincial framework of policy, criteria, and guidance to develop and implement consistent standards of protection for natural heritage systems, features and areas that growing communities need to be healthy and sustainable.

There is concern the proposed changes in Bill 23 will negatively impact the integrated, systems and science-based approaches currently being implemented by municipalities. The integration of environmental and growth planning informed by science is critical to achieving healthy, safe, sustainable communities that all development, including housing, depend on to be successful.

Natural systems, parks and open space are fundamental to building complete, sustainable communities as they support ecosystem functions, recreational opportunities, physical and mental health, and also provide effective solutions for managing flood and erosion risk. Not only that, natural systems, features and areas directly support provincial climate change, biodiversity and water management objectives and targets by moderating temperatures, flooding and stormwater runoff, providing habitat and reducing greenhouse gas emissions. Municipalities need healthy, functioning natural systems and nature-based solutions to address the impacts of growth and the added stress of a changing climate. Natural systems in urban communities will be at risk of further degradation if their protection, restoration and enhancement are not supported.

A. Proposed Updates to the Ontario Wetland Evaluation System (OWES Manual) (ERO Posting 019-6160)

Wetland protection in southern Ontario is important as wetland habitat is under continuous pressure from urbanization, invasive species and climate change. Estimates suggest that 72 per cent of the wetlands originally present in southern Ontario were lost by 2015.¹ Wetland loss has been greatest in southwestern Ontario, parts of eastern Ontario, Niagara and the Toronto area, where it is estimated over 85% of the original pre-settlement wetlands have been converted to other uses. In Peel, significant wetlands comprise close to 3% of the Region's total area. The protection, restoration and enhancement of wetlands is a shared objective of both municipalities and the Province.

The Ontario Wetland Evaluation System (OWES) has worked well in conjunction with provincial policy over many years to ensure the most significant wetlands are identified and protected. Changes to the system for wetland evaluation and the associated policies for wetland protection should ensure the system's criteria and methodology remains science-based and

¹ <https://ontariobiodiversitycouncil.ca/biodiversity/the-state-of-ontarios-biodiversity/>

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that appropriate standards of protection are afforded to both provincially and non-provincially significant wetlands.

1. Proposed Removal of the Concept of “Wetland Complexes” and Changes to the Criteria to Identify Provincially Significant Wetlands

The OWES Manual (Manual) is proposed to be amended to remove the concept of grouping smaller wetlands as a “wetland complex” for the purposes of evaluating them and determining if the wetland is significant. Under the revised manual, we understand wetlands will only be grouped if they are within 30m of each other and that the presence of endangered or threatened species habitat would no longer be considered in the evaluation. The current distance in the Manual is 750m.

Individual wetland units not meeting the new definition and criteria would now be required to qualify as “significant” independently and not as part of their contribution to a larger grouping of wetlands and the presence of endangered and threatened species will not contribute to determining their value and protection.

The proposed change means that many of the smaller isolated tableland wetland units that currently form part of larger provincially significant wetland complexes in Peel will most likely be re-evaluated to be non-provincially significant.

This places locally significant wetlands at risk as there is currently no strong protection standard for non-provincially significant wetlands in provincial planning policy outside of the Greenbelt.

Although flexibility is needed to allow for some removal of wetlands in limited cases, the proposed approach of redefining significant wetlands has potentially significant consequences for the protection of Ontario’s most important wetland habitat.

There does not appear to be a clear rationale or basis for the proposed changes to the OWES Manual.

Recommendations

The proposed OWES Manual should retain a science-based approach to evaluating wetlands, including consideration of the presence of endangered and threatened species habitat, and a requirement for “wetland complexing” (e.g., by retaining the current wetland complexing distance of 750m in jurisdictions with very low wetland cover below specified thresholds).

Provincial policy should also be updated to provide strong protection for all wetlands and allow for some wetland removals in limited situations where justification can be demonstrated and subject to strict offsetting requirements as part of a net gain mitigation hierarchy policy. Wetland removals should

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only be permitted in limited cases, subject to compensation that results in a net gain of wetland habitat both in terms of size and function.

2. Provincial Oversight and Approvals

It is proposed that wetland evaluations and mapping would no longer require MNR approval.

Recommendation

MNR should continue to provide oversight to approve science-based wetland evaluations and mapping to ensure a consistent standard is applied across Ontario. MNR should also continue to be the recipient and holder of the OWES data and mapping information to reduce duplication of work at the municipal level.

B. Conserving Ontario's Natural Heritage - Proposed Ecological Offsetting Policy (ERO Posting 019-6161)

Offsetting policies provide an opportunity to achieve important conservation gains if designed carefully and implemented with appropriate criteria and oversight.^{2,3} There is also the potential that a policy could significantly compromise the protection of natural systems and result in further losses, especially in municipalities undergoing urbanization. If compensation for removals are offset in other municipalities, the impact is compounded.

Compensation and offsetting should only be considered in very limited circumstances, subject to a net gain mitigation hierarchy policy in conjunction with high protection standards for significant natural heritage features and areas. In these cases, natural heritage system protection, restoration and enhancement should be the goal with some limited flexibility to offset losses where appropriate in situations where losses cannot be avoided in urbanizing areas (e.g., permitting offsetting for smaller, poorly functioning habitat patches, to accommodate essential infrastructure).

Recommendations

The development of a provincial offsetting policy under the *Planning Act* should be subject to further consultation with municipalities, Indigenous communities, and stakeholders to clarify appropriate governance, roles, and responsibilities and inform development of the proposed framework elements, limitations, criteria, and implementation that would be needed. Details of the proposed policy are unclear and additional consultation is needed.

² Ermgassen SOSE, Baker J, Griffiths RA, Strange N, Struebig MJ, Bull JW. The ecological outcomes of biodiversity offsets under 'no net loss' policies: A global review. *Conservation Letters*. 2019;12:e12664. <https://doi.org/10.1111/conl.12664>

³ Poulton, D, Bell A. Navigating the Swamp: Lessons on Wetland Offsetting for Ontario. [Ontario Nature](https://ontarionature.org/wp-content/uploads/2017/11/wetlands_report_Final_Web.pdf). 2017. https://ontarionature.org/wp-content/uploads/2017/11/wetlands_report_Final_Web.pdf

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If a provincial offsetting policy is developed under the *Planning Act*, it should set out clear policy restrictions and limitations to define thresholds and/or features that would be ineligible for offsetting and subject to high standards of protection. It should also enable municipalities to develop policies that are more restrictive than the minimum requirements in the provincial framework.

Considerations for the design of the offsetting framework should:

- Ensure offsetting is based on a net gain mitigation hierarchy policy requirement and only used in limited circumstances subject to justification and demonstration that avoidance and mitigation are not appropriate or feasible options;
- Include limitations for use of offsetting, and require consideration of the irreplaceability, vulnerability and significance of the feature or area;
- Ensure that net gain compensation requirements consider equivalency factors (e.g., like-for-like habitat type, area and function of the habitat being replaced);
- Ensure that any replacement or compensation be provided in as close proximity as possible to where the removal is proposed (i.e., within the same municipality, watershed or adjacent watershed);
- Include appropriate performance standards, implementation requirements and compliance monitoring; and
- Provide for appropriate oversight and enforcement.

Further research and analysis should be undertaken before a provincial offsetting policy or program is created. Should further consideration be given, prior to any policy or program, the Province and municipalities should have a thorough understanding of the potential impact and implications of the policy.

Conclusion

We trust that the Region's comments will be helpful as the Ministry considers the proposed changes to the Ontario Wetland Evaluation System (OWES) and a proposed ecological offsetting policy for wetlands, woodlands, and other wildlife habitat.

The Region is committed to continuing to work with the Province, local municipalities, and key stakeholders towards meeting our shared objectives of increasing the housing supply. In addition, ensuring communities have healthy, natural heritage systems by providing strong protection for all wetlands and limiting wetland removals and offsetting. I would be pleased to provide any clarifications or further comments on these matters.

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Sincerely,



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