

Modernizing the Aggregate Resources Act Program

AMO'S SUBMISSION TO ERO 025-0216

September 25, 2025

Proposed Changes to the Aggregate Resources Act Policy Framework

The Association of Municipalities of Ontario (AMO) is pleased to provide comments on proposed changes to the *Aggregate Resources Act* (ARA) policy framework. We understand the stated outcome of the proposed changes is to modernize or rescind ARA policies that have become outdated, incorrect, or inapplicable as a result of changes to provincial legislation, regulation and practices.

As outlined in [our letter](#) to Minister Smith dated May 27, 2024, AMO recognizes aggregate extraction as an important part of local economies and that the industry will play a role in supporting housing and trade-enabling growth across Ontario. Municipalities are committed to working with the province and business partners to foster economic opportunities and strengthen our economy. In this context, AMO supports, in principle, streamlining and modernizing the ARA framework to reduce the administrative burden, and to improve the clarity, consistency and efficiency of Ontario's aggregate program delivery.

At the same time, we strongly encourage the Province to give significant weight to feedback from municipalities which host aggregate activities on any increased risks or unintended impacts that the proposed revisions may create. In particular, AMO is aware that the Top Aggregate Producing Municipalities of Ontario (TAPMO) intend to submit comments to this consultation which will speak to the needs of the sector and the impacts that revising or rescinding policies are likely to have on host communities.

Modernizing Oversight of Aggregate Operations

While AMO supports the principles of modernizing the ARA policy framework, we remain concerned that issues identified by the Ontario Auditor General's 2023 report on Ontario's Management of Aggregate Resources have not been resolved. Municipalities that host aggregate extraction sites continue to be concerned about an inadequate number of inspectors and inadequate enforcement of ARA related violations.

A high rate of non-compliance with ARA requirements continues to create negative impacts for communities including noise, dust, vibration, damage to municipal roads, and long-term impacts to agricultural land, environmental stewardship and source water

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protection. These impacts lower quality of life for residents, harm the environment, and make it harder to attract and retain economic and tourism related opportunities.

As the Province explores opportunities to modernize the ARA policy framework to make it easier for the industry to do business, it is also critical to modernize and strengthen inspection and enforcement efforts to ensure that operators are all playing by the same rules. We understand that the aggregate industry similarly continues to call for reform to ensure that the actions of a minority of negligent operators do not affect the reputation of the entire industry. We join in calling on the Province to prioritize work to reform the inspection and enforcement regime to strengthen the aggregates industry and mitigate impacts to host communities.

Conclusion

AMO supports, in principle, efforts to modernize Ontario's aggregate management framework, with the condition that efforts are also taken to modernize and strengthen aggregate inspection and enforcement in parallel. At the same time, the province should continue to seek technical feedback from host municipalities that are best positioned to provide insight into how municipalities can benefit from improvements to the aggregate management. We are pleased that attention is being brought to this important topic as we increasingly rely on aggregate operations to support the growth of our communities.

Enclosed: AMO's Letter to Minister Smith dated May 27, 2024

Sent via e-mail to: minister.mnrf@ontario.ca

May 27, 2024

Hon. Graydon Smith
Minister of Natural Resources and Forestry
Whitney Block
99 Wellesley Street West
Toronto, ON M7A 1W3

Dear Minister Smith,

The Association of Municipalities of Ontario (AMO) was pleased to see the December 2023 Ontario Auditor General's report on Ontario's Management of Aggregate Resources. The report identified concerns with the Ministry of Natural Resources and Forestry's (MNRF) administration of the *Aggregate Resources Act* that are also long-standing concerns of the municipal sector.

AMO recognizes aggregate extraction as an important part of local economies, and that the aggregate industry will play a role in supporting the construction of 1.5 million new homes. Municipalities share the concerns identified in the Auditor General's report. Aggregate extraction must be done with care and balanced with a strong framework for oversight and enforcement, particularly in relation to impacts to communities.

This letter outlines some of the key challenges for municipalities that arise from poor oversight of the aggregates sector. These are priorities for municipalities, and we call on the Government of Ontario to act quickly to implement the recommendations issued by the Auditor General, particularly as they apply to the key issues outlined below.

Inspections and Enforcement

Municipalities are very concerned that there is an inadequate number of inspectors across Ontario, and that they were found to conduct infrequent and incomplete inspections of aggregate operations. More concerning, the Auditor General found where less than 1% of violations are referred for enforcement. When fines are issued, they are not enforced and are too low to deter repeat violations.

Ineffective enforcement and a high rate of non-compliance creates negative impacts for communities including noise, dust, vibration, damage to municipal roads, and long-term effects to agricultural land, environmental stewardship, and source water protection. These impacts directly lower quality of life for residents, can harm the environment, and make it harder to attract local economic development and tourism.

In the absence of a strong provincial enforcement regime, residents turn to municipalities with concerns about aggregate operators. Municipalities do not have the resources or authority and should not be expected to act in lieu of provincial enforcement. We understand that many operators are similarly calling for inspection and enforcement reform to ensure that the actions of negligent operators do not affect the reputation of the entire aggregates industry.

We join others in calling on the province to prioritize work to reform the aggregates inspection and enforcement regime to mitigate impacts to communities.

Extraction Fees

As outlined in the Auditor General's report, a major contributing factor to the challenges for inspections and enforcement is that the current extraction fee structure does not meet full cost recovery for MNRF's aggregates management program. While AMO strongly supports responding to the Auditor General's recommendation to address the cost recovery deficiencies, it is also important to recognize how low extraction fees impact municipalities.

A portion of fees collected are passed on to municipalities to fund municipal services that support aggregate operations (e.g. road maintenance for aggregate transportation). In 2022, these fees represented \$28.4 million in revenue to municipalities. Any shortfall between this revenue and the amount incurred by municipalities to deliver services supporting aggregate operations must be subsidized by local property taxpayers. It is also important to note that because 79% of aggregate extraction in Ontario is used for construction, the increased rate of extraction needed to support the construction of 1.5 million new homes will place more demand on municipal services, increasing the burden on local taxpayers.

As the province works to improve the extraction fee structure in response to the Auditor General's findings, we urge that the importance of extraction fees for municipalities be included in your consideration to ensure that a robust model is in place to protect provincial and municipal costs in supporting aggregate operations.

AMO is also aware of ongoing concerns from both municipalities and the aggregates industry around property assessments and taxation of aggregate sites. It is important that the government not consider increases to extraction fees as a substitute for a fair and stable path forward on property taxes. Aggregate production is driven by resources being available in the ground and the availability of that resource should not mean that residential taxpayers within that municipality should have to subsidize aggregate production for the benefit of all Ontarians.

Environmental Impacts

The Auditor General's report showed deficiencies in monitoring environmental impacts and ensuring proper site rehabilitation. This creates significant environmental risks, particularly to source water protection, natural habitats, and can affect agricultural land including leading to degradation of soil quality needed to grow Ontario's food supply.

Municipalities are also concerned that the cumulative impact of multiple aggregate operations are not considered when issuing extraction permits or licenses. While an individual operation may have minor environmental impacts, many sites in proximity often have cumulative impacts that result in outsized impacts to the environment and communities. For example, the removal of a woodlot on one site may not represent a significant loss of natural habitat, but the loss of several woodlots across a region may. Similarly, cumulative impacts to communities such as increased truck traffic and noise may not be reflected in individual site reviews.

We call on the province to enhance the current environmental protections under MNRF's aggregate management program to address both the impact of individual aggregate operations and to consider the broader cumulative impacts.

Conclusion

Although most the Auditor General's report address concerns with provincial programs and operations, the successful oversight of aggregate operations in Ontario has a significant impact on municipalities. We are pleased that attention is being brought to this important topic and hope that this letter provides you with insight into how municipalities and our communities can benefit from improvements to MNRF's aggregate management program. AMO is available to review and provide input as you work to implement the Auditor General's recommendations.

Sincerely,



Colin Best
President, Association of Municipalities of Ontario
Regional Councillor, Halton Region

cc: Hon. Peter Bethlenfalvy, Minister of Finance
Drew Vanderduim, Deputy Minister, Ministry of Natural Resources and Forestry
Greg Orencsak, Deputy Minister, Ministry of Finance