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REVIEW OF THE WASTE DIVERSION ACT AND THE BLUE BOX RECYCLING PROGRAM

The Solid Waste Management Committee recommends:

- 1. Receipt of the presentation by Neil MacDonald, Manager, Solid Waste Management;**
- 2. Adoption of the recommendations contained in the following report dated December 16, 2008, from the Commissioner of Environmental Services subject to amending recommendation 2 to read as follows:**

“2. Regional Council direct the Regional Clerk to circulate this report, its attachments and recommendations to the Clerks of the local municipalities with a request for endorsement *and/or comments* by Municipal Councils and subsequent communication to the Ministry of the Environment and Waste Diversion Ontario.”

and

- 3. Adoption of the following additional recommendation:**

“3. The Province be advised that York Region endorses the view that the “fourth R” (recovery) be included as part of a comprehensive waste management hierarchy (4R’s) in the *Waste Diversion Act*.”

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council endorse staff comments which have resulted from a collaborative review of the *Waste Diversion Act* and Blue Box Recycling Program conducted by Local Municipal staff and York Region staff and direct staff to submit follow-up communications to the Ministry of the Environment and Waste Diversion Ontario.
2. Regional Council direct the Regional Clerk to circulate this report, its attachments and recommendations to the Clerks of the local municipalities with a request for endorsement by Municipal Councils and subsequent communication to the Ministry of the Environment and Waste Diversion Ontario.

2. PURPOSE

Further to the direction received from Solid Waste Committee on November 12, 2008, staff of York Region and staff of the local municipalities collaborated to prepare consolidated comments as input to the current Provincial reviews of the *Waste Diversion Act* and Blue Box Recycling Program. This report documents the outcome of the collaborative review and requests that Council endorse staff comments.

3. BACKGROUND

Ministry of the Environment Conducts a Five Year Review of the *Waste Diversion Act*

The *Waste Diversion Act* was established by the Province of Ontario in June of 2002 with the purpose of promoting the three R's (i.e. Reduce, Reuse and Recycle) in diversion plans for designated wastes. Section 44.1 of the *Waste Diversion Act* requires that a review of the Act be undertaken every five years. This year the *Waste Diversion Act* is going through its mandated fifth year review with the Ministry of the Environment (MOE). On October 16, 2008, the MOE posted their discussion paper titled ***Toward A Zero Waste Future: Review of Ontario's Waste Diversion Act, 2002*** (see Attachment 3) as part of their public consultation process and is requesting comments be submitted on the Environmental Registry before January 15, 2009.

Waste Diversion Ontario Conducts a Parallel Review of the Blue Box Recycling Program

Waste Diversion Ontario (WDO), a non-crown corporation, was created under the *Waste Diversion Act* and is responsible for developing diversion programs for designated materials. In October 2008, Waste Diversion Ontario was directed by the Minister of the Environment to conduct a review of the Blue Box Program Plan (BBPP). On November 4, 2008, WDO posted their ***Consultation Plan to Support a Review of the Blue Box Program Plan***, (see Attachment 4) asking stakeholders to submit comments to WDO before December 31, 2008.

Concurrent Reviews Provide an Important Opportunity for Stakeholders to Shape Future Waste Management Policy in Ontario

Municipalities have identified a number of issues with the current *Waste Diversion Act* and Blue Box Program Plan that have been highlighted in various discussion papers such as the "Association of Municipalities of Ontario (AMO) and Association of Municipal Recycling Coordinators (AMRC) Discussion Paper on the Five Year Review of Waste Diversion Act, August 2007", presented to Council on October 18, 2007. Further discussion papers were released this summer by municipalities regarding the Blue Box

Program Plan in the “*AMO and AMRC Discussion Paper for An Alternative Approach to Ontario’s Blue Box Funding Model, August 2008*”.

4. ANALYSIS AND OPTIONS

MOE Discussion Paper on the *Waste Diversion Act* Outlines Key Areas for Providing Feedback

To initiate and focus the review process, the MOE released a discussion paper entitled “*Toward a Zero Waste Future: Review of Ontario’s Waste Diversion Act, 2002*”. The discussion paper presented a number of key issues and case studies related to various aspects of waste management. The discussion paper solicits feedback centered on four primary themes:

1. Extended producer responsibility.
2. Greater focus on waste reduction and re-use.
3. Increased industrial, commercial and institutional waste reduction and diversion.
4. Greater clarity around roles, responsibilities in the waste diversion process.

The timeframe established for completion of the review is ambitious. The following are the key milestone dates as defined by the MOE:

WDA Review Schedule	Critical Dates
Public Consultation Session (Toronto)	December 10, 2008
Deadline for submission of public comments to MOE	January 15, 2009

Waste Diversion Ontario’s Process for Review of the Blue Box Recycling Program involves ten key issues

To spark feedback on the Blue Box Recycling Program, Waste Diversion Ontario released a document entitled, “*Consultation Plan to Support a Review of the Blue Box Program Plan*”. Waste Diversion Ontario’s consultation plan document focuses on the following ten key issues:

1. Program performance.
2. Material-specific performance.
3. Consistency across municipalities.
4. Problematic wastes.
5. Blue box waste from the IC&I sector.
6. Blue box waste collected outside of the blue box.
7. Additional blue box wastes.
8. Environmentally responsible management.

9. Stewardship fees.
10. Extended producer responsibility funding.

Waste Diversion Ontario has also published a document entitled, “*Backgrounder to Support a Review of the Blue Box Program Plan*”.

Waste Diversion Ontario’s consultation schedule includes two submission deadlines. The first deadline is December 31, 2008 for submission of comments to be incorporated into the February public workshop. Comments received before the second deadline of February 27, 2009 will be considered in the final report due March 20, 2009.

BBPP Review Consultation Plan Schedule	Critical Dates
Submission deadline for public comment (to be incorporated into February Workshop)	December 31, 2008
Public Consultation Workshop on BBPP Review	(TBD) February, 2009
Deadline for final comments	February 27, 2009
WDO report due to MOE	March 20, 2009

4.2 York’s Regional and Local Municipal Staff Review

York Region staff and the Inter-municipal Waste Diversion Committee have worked together to develop comments on both the *Waste Diversion Act* and the Blue Box Recycling Program. York Region’s Solid Waste Management staff met on November 27, 2008 to discuss the reviews. On December 3, 2008, a facilitated workshop was held for the representatives of the Inter-municipal Waste Diversion Committee (IMWDC). York’s staff organized the workshop as a “zero waste” meeting at the Angus Glen Library in Markham. All 10 municipalities were represented and the following lists staff in attendance at this December 3rd workshop:

Staff	Municipality Represented
Brian Jones (Committee Chair), Assistant Director of Public Works and Environmental Services	Newmarket
Rod Smith, Manager of Operations	Newmarket
Amanda Newman, Waste/Recycling Assistant	Aurora
Wayne Hunt, Town Engineer	East Gwillimbury
Bob Fortier, Operations Manager	Georgina
Greta Zinck, Waste Disposal Inspector	Georgina
Larry Hollet, Project Manager	King
Claudia Marsales, Manager of Waste Management	Markham
Caroline Kirkpatrick, Supervisor of Solid Waste Management	Vaughan
Roseanne Fritzsche, Waste Reduction Coordinator	Richmond Hill

Paul Whitehouse, Director Public Works	Whitchurch-Stouffville
Neil MacDonald, Manager of Solid Waste Management	York Region
Laura McDowell, Director Promotion and Protection	York Region
Lisamaria Akeson, Project Coordinator (Workshop facilitator)	York Region
Lindsay Milne, Project Coordinator (Workshop facilitator)	York Region

Staff recognized a great deal of commonality in issues pertaining to both *Waste Diversion Act* and Blue Box Program Plan reviews and facilitated the group discussion based on the four common themes:

1. Extended Producer Responsibility and Program Funding.
2. 3Rs hierarchy in the Act.
3. Industrial, Commercial and Institutional (IC&I) Industry Accountability.
4. Governance and Program Delivery.

During the December 3, 2008 Inter-municipal Waste Diversion Committee workshop, it was agreed that all positions expressed would be respected and to the greatest extent possible efforts would be made by the group to define consensus positions among the representatives. On some issues, productive discussions revealed that consensus simply could not be reached. Consistent with the concept of respect for all positions, it was agreed that not only would consensus positions be communicated in the review comments, but differing or dissenting positions would also be conveyed.

The staff review comments arising from the workshop have been detailed in the attached letters (*see Attachments 1 and 2*) from the Inter-municipal Waste Diversion Committee. To comply with the very tight timelines established for these review processes, this letter was sent to the Ministry of the Environment and Waste Diversion Ontario in December 2008. Acknowledging that the comments conveyed in the letter reflect the collaborative input of staff, one of the key objectives of this report is to ensure that Regional and local municipal Councils have the opportunity to provide additional input to the review process. In so doing, it is intended that formal review comments reflecting the corporate views of York Region and its nine Municipalities be provided to the Ministry of the Environment and Waste Diversion Ontario.

Staff Agree that Waste Prevention through Implementation of Increased Producer Responsibility Measures is a Top Priority

Consensus was reached by the Inter-municipal Waste Diversion Committee that producers need to be made responsible for the end of life of products they produce. This means being responsible for 100% of the costs to collect and process their material at the end of its use in a responsible manner. Incentive tools need to be in place whereby recycling and reuse is financially more advantageous to producers than disposal.

The group concurred that product designs need better life cycle analysis before being allowed to enter the market. Stronger mechanisms in product labelling need to be provided so that consumers understand the impact of their purchasing choices on the environment. Product pricing should accurately reflect the full environmental impact of the product. Environmental product labelling was identified as more important than fee visibility.

It has been suggested that full cost steward responsibilities might lead to assumption of program delivery and service by the steward organizations. The Inter-municipal Waste Diversion Committee is concerned that this presents a negative impact on delivery of important waste management services to residents and a loss of accountability. If program delivery was assumed by industry stewards, municipalities would have to be appropriately compensated for existing long term investments in current infrastructure along with the assurance that our level of service and environmentally responsible decision-making will not be compromised.

Staff Agree the Act Needs to Better Promote the First two Rs of Reduce and Reuse

It was conveyed by the group that the Act needs to have stronger emphasis and incentives for reduction and reuse programs. This could be achieved by rewarding and encouraging product designs that move away from single usage convenience products. It was acknowledged that stronger support for reuse networks would also encourage reduction of waste.

Two opinions were expressed about the incorporation of the fourth R (recovery) into the waste reduction hierarchy. In one view it was suggested that recognition of the value of energy recovery should be formally included in the Provincial waste management hierarchy as a valid alternative to landfill disposal. Another opinion expressed that was that the reference to the fourth R is contrary to the zero waste concept and should not be included in the hierarchy (please see appended comments etc.).

Industrial, Commercial and Institutional (IC&I) Industry Accountability is Vital to Achieving Waste Diversion in the Province

The group identified that there are two different types of IC&I sectors under discussion for this section of the discussion paper. There are the IC&I *producers* of products and then there are the IC&I *generators* of waste (i.e. schools and restaurants).

Responsibility can be extended to IC&I *producers* by requiring a minimum standard of recyclability on the products they produce before allowing products into the Ontario market place. Federal and Provincial governments need to work together to better regulate materials that do not fit within waste diversion goals. It was also recommended that if producers were required to publicly report their waste diversion efforts, pressure

would be put on the IC&I sector to be environmentally responsible for their product and packaging design choices.

The IC&I sector that generates waste (i.e. schools and restaurants), needs to have the tools and incentives in place to better promote compliance with the current regulations (Ontario Regulation 102/94 and Ontario Regulation 103/94). It was recommended that consistent and ongoing enforcement be carried out by the Province and cost incentives be created for business to recycle rather than dispose.

Clear Roles and Responsibilities Required for Governance and Program Delivery

The group acknowledged that there is a need for a clear definitions of the roles and responsibilities for waste diversion within the Federal, Provincial and municipal governments and within industry and private sector. There was agreement that the Waste Diversion Ontario could fulfill the need of a centralized Provincial waste management body by broadening its mandate to include integrated waste management issues and broadening its governance and funding formula to better reflect representation of all stakeholders.

It was recognized that there needs to be empowerment of different government bodies to work together to achieve waste diversion/reduction goals (i.e. Provincial jurisdiction over packaging laws). Developing a uniform municipal authority would support the standardization of programs provincially and enhance public participation and encourage effective stewards program delivery as well as allow for shared infrastructure.

4.3 Next Steps

Formalization of the staff review comments by communication of Council's endorsement to the Inter-municipal Waste Diversion Committee letter would enhance the impact of the comments already provided. Similarly, communications from the Councils of York's nine member local municipalities would further reinforce the importance of these key issues.

The Province has not committed to any specific changes or timelines for revisions to the *Waste Diversion Act* or the Blue Box Recycling Program. Staff will continue to monitor and remain engaged in the Province's review process and will report back to Council on any new developments.

5. FINANCIAL IMPLICATIONS

There are no immediate financial impacts on York Region that result directly from the review of the *Waste Diversion Act* and Blue Box Recycling Program. However, it is

recognized that potential for financial impacts arising from Provincial waste management policies is profound.

Waste Diversion Ontario has provided funding to municipalities for the blue box program since 2004. The Region will have received a total of \$15M for the blue box program over the five year period from 2004 to 2008 (*refer to table 1*).

Table 1
York Region Blue Box Cost
York Region Blue Box Program

Year	Net Cost ¹	WDO Funding ²
2004	\$6,398,447	\$1,817,792
2005	\$12,145,239	\$2,192,401
2006	\$13,674,402	\$2,714,748
2007	\$10,947,183	\$4,291,724
*2008	\$11,275,598	\$4,460,700
Total		\$15,477,365

¹ Net Costs include total collection and processing costs and blue box revenues

² WDO funding is shared 50/50 with the local municipalities

* 2008 Net Costs are estimated. Market downturn impact will be reflected in 2010 WDO funding.

Historically, the full costs of management of waste materials associated with production, packaging, use and end-of-life disposal of consumer goods have been largely subsidized by municipal taxpayers through the cost of managing waste management services. Movement towards increased producer responsibility will transfer costs associated with products, packaging and consumer materials from taxpayers to consumer products. Coupled with providing consumers with reliable information regarding the life-cycle environmental impacts of their purchasing choices, extended producer responsibility will provide competitive market motivation for producers to improve product and packaging designs to reduce waste and life-cycle environmental impact.

In developing future targets for waste management initiatives, it will be increasingly important to consider the full context of life-cycle sustainability to ensure that programs and targets yield the real environmental benefits sought. A narrow view of post-consumption options for waste management will lead to substantially increasing costs while providing decreasing environmental benefits.

The ability to recycle any particular material is dependent on:

- Ability of technologies to efficiently segregate material from the waste stream.
- Knowledgeable and effective participation of residents to assist with this segregation process.
- Access to viable markets for the recycled commodities.

As has been demonstrated by the current economic downturn, disruption of markets for the recycled commodities can expose municipalities' recycling programs to significantly higher net costs. It is in this context that further increasing producer responsibility and establishing appropriate funding formulas would contribute to insulating municipalities from this financial risk.

6. LOCAL MUNICIPAL IMPACT

York Region and its local municipalities share responsibility for delivery of waste management services to residents. Local municipalities are primarily responsible for collection and program delivery to the residents. The Region provides processing and disposal services. The Region and local municipalities jointly work together to provide effective promotion and education to our residents.

With these shared responsibilities, York and the local municipalities also share the potential effects of changes to Provincial waste management policy. It is in this context of shared responsibility that York and the nine local municipalities have collaborated on developing this input to review of the *Waste Diversion Act* and Blue Box Recycling Program.

7. CONCLUSION

Staff have developed comments to the MOE and Waste Diversion Ontario which urge the Province to move towards a fair, holistic and more sustainable approach to waste management which builds upon the successes of the current programs and continues to achieve additional, real environmental benefits in the future.

For more information on this report, please contact Laura McDowell, Director of Environmental Promotion and Protection at Ext. 5077.

The Senior Management Group has reviewed this report.

(The four attachments referred to in this clause are attached to this report.)