



Report to: General Committee

Meeting Date: September 3, 2019

SUBJECT: Proposed Provincial Blue Box Program Changes
PREPARED BY: Claudia Marsales, Senior Manager Waste Management
Ext 3560

RECOMMENDATION:

- 1) That the report entitled “Proposed Provincial Blue Box Program Changes” be received; and,
- 2) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

- In June 2019, the Province engaged David Lindsay as a Special Advisor on Recycling and Plastic Waste to help address plastic litter and improve recycling in the province.
- For six weeks, the Special Advisor held mediation sessions with municipal (AMO) and industry stakeholders and in July delivered his report on how Ontario can better manage recycling.
- The new plan proposes to transfer up to 100% of Blue Box program costs to Stewardship Ontario (producers) thereby shifting the costs to deliver Blue Box programs from property taxpayers to producers.
- Once implemented, municipalities will no longer be burdened with the cost of running a recycling program. The proposed changes only impacts Blue Box recycling: residential and multi residential. Markham will continue to retain responsibility for garbage, Green Bin and yard waste collection programs. Depots impacts are unknown at this time.
- Blue Box programs will begin preparing for transition once the Resource Productivity and Recovery Authority approves the plan, no later than December 31, 2020 and completed by 2025.

PURPOSE:

To provide a status update on Ontario's announced Blue Box program changes and potential impact to municipal Blue Box programs.

BACKGROUND:

Since the 1980s, municipalities have been responsible for managing blue box recycling programs in Ontario. There are currently over 240 municipally based blue box programs, each with its own rules on what can and cannot be recycled. For example, Styrofoam, plastic shopping bags and other flexible plastic film is accepted in Toronto blue boxes, but not in York Region's municipal blue box.

The cost of financing Ontario's blue box programs is currently split between municipal taxpayers and Stewardship Ontario (the producers of products and packaging).

Province to change municipal Blue Box recycling programs

In 2016, the previous Liberal government passed new legislation The *Waste-Free Ontario Act*, recommending radical changes to Ontario's Blue Box recycling system.

The legislation transferred responsibility for the Blue Box recycling system from municipalities to Stewardship Ontario whose membership includes Loblaw's, Toronto Star, Unilever, Nestle, Canadian Tire, Walmart, LCBO and Sobeys.

In 2018, a change in government resulted in a new Ontario Ministry of the Environment, Conservation and Parks and the subsequent release of a new discussion paper entitled 'Reducing Litter and Waste in Our Communities'.

The discussion paper outlined eight key areas for action:

- prevent and reduce litter in our neighbourhoods and parks
- increase opportunities for Ontarians to reduce and divert waste at home, at work and on the go
- make producers responsible for the waste generated from their products and packaging
- reduce and divert food and organic waste from households and businesses
- reduce plastic waste going into landfills and waterways
- provide clear rules for compostable products and packaging
- recover the value of resources in waste
- support competitive and sustainable end-markets for Ontario's waste

Province appoints Special Advisor to prepare report

On June 7th, 2019, the Minister of the Environment, Conservation and Parks appointed David Lindsay as a Special Advisor on Recycling and Plastic Waste to facilitate a process

between municipal governments and product stewards to transition the Blue Box program from municipalities over to the stewards.

The Special Advisor was assigned to deliver a report to the government on July 20, 2019, addressing:

- A measured timeframe for transition of Blue Box program to Stewardship Ontario
- Ensuring a common collection system; maintain or improve collection
- Transitioning municipal assets
- Standardizing what's in the blue box; add/remove products
- Determining eligible sources for blue box materials
- Promoting increased diversion from landfill
- Setting effective diversion targets
- Tackle plastic waste and litter

Special Advisor report released

On August 08, 2019, the Provincial government released the Special Advisors report. AMO participated in the short consultation process on behalf of municipal members.

The report provided recommendations to the Minister of the Environment, Conservation and Parks for transitioning the management of Ontario's Blue Box Program from municipalities to Stewardship Ontario.

Key Highlights of the report

Highlights of the report recommendations are:

- **Keep the Blue Box service**- Province should maintain blue box collection as an essential part of any collection system, but producers should be allowed to collect some packaging through other methods i.e. at depots or stores.
- **Multiyear transition** - The report recommends a six-year transition of the Blue Box program to full producer responsibility based on the following timeline: the Minister provides direction in 2019, a timeline of 12-18 months for regulation development (2019-2020), a two-year preparation process (2021-2022), and a three-year transition for all municipal programs (2023-2025).
- **Standard Province wide system** - common collection system should have a standard list of materials across Ontario and allow producers to use other methods to meet or supplement diversion requirements. Province wide promotion and education campaigns will reduce the public's confusion about what is and what is not recyclable in the Blue Box.
- **Multi residential recycling** - Transition must consider whether and when it makes sense for producers to be responsible for blue box services beyond curbside or depot collection. Producers should provide blue box collection wherever it was provided by municipalities as of a specified date. Going forward they will provide blue box service for new residential developments. After

completing transition, producers should gradually expand collection in multi-residential buildings, as well as parks and public spaces where municipalities provide waste collection.

- **Business and Commercial recycling** - Blue box services should not be expanded to industrial, commercial and institutional establishments as they already have their own waste servicing arrangements and existing contracts for diversion. Recycling in these facilities is covered by a different regulatory framework at this time.
- **Incineration /energy from waste** – Incineration and energy-from-waste should not count as diversion. Reduce, reuse, recycle (3R's not 4R's) should count as diversion. Only processes that continue to make materials available as a resource for new products or packaging should be considered diversion.

Some Municipal assets maybe stranded

Over the years, Municipalities have made significant investments in recycling facilities and equipment to collect, sort, transfer and process blue box materials. As Stewardship Ontario develops a province-wide collection system, some municipal infrastructure may no longer be needed and become stranded assets. The Special Advisor report recommends that if Stewardship Ontario is given full financial responsibility and accountability, they must have control to decide which assets will be used in a future collection and management system. Producers should not be forced to use, or pay for, municipal assets they do not need.

Markham's only assets consist of the 4 recycling depots and the Styrofoam densifier. Staff are confident Markham will continue to manage and control these assets in the future. It is unclear whether York Regions Recycling facility will be impacted.

Transition and service contracts

Transition is the process of the producers taking operational control of delivering blue box services, and municipalities ending or transferring existing contractual relationships.

The plan is for a gradual handover of blue box operations to producers over a number of years, while at the same time steadily eliminating the existing shared funding program.

Minister issues direction to Stewardship Ontario and the Resource Productivity and Recovery Authority

On August 15, 2019, the Minister issued direction and set clear timelines:

- The Resource Productivity and Recovery Authority (RPR) will oversee the wind up of current Blue Box diversion programs.
- The producers will submit a plan to the Resource Productivity and Recovery Authority by June 30, 2020.

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- The Blue Box program will begin preparing for transition once the Resource Productivity and Recovery Authority approves the plan, no later than December 31, 2020.
 - Blue Box funding to municipalities will not be available starting on January 1, 2023 and ending on December 31, 2025, which is the date that the new producer responsibility framework will be fully implemented.

Transition to the new framework is to be staggered over three years, with approximately one-third of total blue box tonnage to transition in each of the three years.

It is recognized that determining which municipalities would transition in each 'third' is a complex task and will require further consideration

Consolidating municipalities into collection clusters could improve efficiency and reduce costs – clusters could be geographically based, arranged by municipal readiness or a combination of other factors. Municipalities could be selected based on clusters of geographic proximity, cost-effectiveness of operational logistics, readiness for transition e.g., expiry of waste management contracts, or municipal ability to end those contracts early), or other factors.

The first group of municipalities will transfer responsibility of their programs to Stewardship Ontario starting January 1, 2023. By December 31, 2025, producers will be fully responsible for providing blue box services province wide.

Impacts on Markham's Program

York Region is a 2-tier system governed by the Regional Municipality of York Act 1994. The Act states local municipalities are responsible for collection and York Region is responsible for processing and disposal.

As a consequence of the recent announcement of the new Blue Box program and opportunity to transition and reduce recycling costs, staff will be reporting in the fall on the collection contract renewal process.

OPTIONS/ DISCUSSION:

The Province has stated that the Blue Box program will continue to be convenient and accessible for the people of Ontario. Residents who currently receive municipal blue box services will continue to receive the same services throughout the transition period. Once producers are fully responsible for the program, Ontarians will experience the same or improved access to blue box services across the province.

As we wait for the Blue Box regulations, staff is hopeful that the Province incorporates municipal advice and allows for adequate time and certainty for all stakeholders to plan and collaborate successfully.

Markham and York Region waste management staff will continue to work collaboratively to coordinate the transition process with a goal of reducing any negative impacts.

From a resident's perspective, staff believe that this is a positive step forward with the benefits outweighing the challenges.

FINANCIAL CONSIDERATIONS

Not Applicable

HUMAN RESOURCES CONSIDERATIONS

Not Applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not Applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Not Applicable

RECOMMENDED BY:

Phoebe Fu
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Commissioner, Community & Fire
Services

ATTACHMENTS:

None