

Waste Diversion Organization and Blue Box Funding

(City Council on December 14, 15 and 16, 1999, adopted this Clause, without amendment.)

The Works Committee recommends that, in recognition of the leadership role that the City of Toronto has taken on this issue, the Association of Municipalities of Ontario be requested to include a representative from the City of Toronto who is a member of the Works Committee, to sit as one of its members on the Waste Diversion Organization's Board of Directors.

The Works Committee reports, for the information of Council, having requested the Commissioner of Works and Emergency Services to investigate how the City of Toronto can best be involved in the Waste Diversion Organization, and that a bi-monthly report on activities be submitted to the Committee, starting in January 2000.

The Works Committee submits the following report (November 16, 1999) from the Commissioner of Works and Emergency Services:

Purpose:

To provide information on the newly formed Waste Diversion Organization (WDO) and the funding that will be available through the WDO for municipal Blue Box programs and other waste diversion initiatives.

Financial Implications and Impact Statement:

It is expected that funding from the WDO for Toronto's Blue Box glass costs will be approximately \$1 million for each of 1999 and 2000. Toronto's portion of WDO funding for organic waste diversion, household hazardous waste depots, and 3Rs program advertising is projected to be approximately \$1 million in 2000.

Recommendation:

It is recommended that this report be received for information.

Background:

At a Waste Reduction Week industry breakfast on November 3, 1999, Environment Minister Tony Clement announced the formation of the Waste Diversion Organization, a partnership of government, municipalities and industry to help fund municipal Blue Box programs and other waste diversion initiatives.

Works Committee, at its meeting on November 3, 1999, requested the Commissioner of Works and Emergency Services to report back to the next meeting of the Committee on:

- (1) the implications of the announcement that morning by the Minister of the Environment with respect to the Waste Diversion Office; and
- (2) any potential industrial/municipal product stewardship partnership arrangements being considered for household hazardous waste, and how these may be dealt with by the WDO.

Discussions:

In his speech, the Minister stated that the WDO is based on a one-year voluntary Memorandum of Understanding (MOU) with industry members, who have committed \$14.5 million to develop, implement and fund municipal waste diversion programs.

Under the terms of the MOU, the WDO will undertake the following initiatives in 1999 and 2000:

- fund Blue Box costs related to wine and liquor glass containers (\$8 million);
- increase diversion of organic wastes (as much as \$2 million);
- establish additional depots for municipal household hazardous wastes (as much as \$1 million);
- improve the efficiency and effectiveness of Blue Box programs (as much as \$2 million);
- inform the public about waste management activities, with municipalities receiving free advertising space in daily newspapers (\$1 million).

The WDO will have a 12-member board of directors with representation from the following sectors:

- four members, including the chair, will come from the food and consumer product sectors, represented by Corporations Supporting Recycling (CSR). CSR is contributing \$4 million to the WDO and is providing administrative, technical and executive support to the WDO for one year;
- four members from the municipal sector, represented by the Association of Municipalities of Ontario (AMO);
- one member from the Liquor Control Board of Ontario (LCBO), which is providing \$9 million. This is the remainder of the \$13 million in Blue Box glass funding previously announced by Minister Sterling in October 1998;
- one member from the Canadian Newspaper Association, which is providing \$1 million of free advertising space;
- one member representing both the Canadian Manufacturers of Chemical Specialties Association and the Canadian Paint and Coatings Association, which are jointly contributing \$500,000.00;
- one member from the Recycling Council of Ontario; and
- one member from the Ministry of the Environment (MOE), a non-voting member.

All members other than the MOE member will have one vote in WDO decisions, except the chair who will have two votes.

According to the Minister, a key objective of the organization is to develop a sustainable funding formula to cover up to 50 percent of net operating costs for municipal Blue Box programs, and to continue other waste diversion programs.

The MOU also calls for the WDO to design, and develop options for funding a household hazardous waste management depot program.

Although approximately a year behind schedule, the WDO announcement is a significant step forward in implementing extended producer responsibility in Ontario. However, the minority position of municipalities on the WDO board and the short-term, voluntary nature of the industry commitment are major concerns. AMO must ensure that strong, knowledgeable representatives are appointed (with at least one from the City of Toronto) to ensure that funding is distributed in a fair and equitable manner, and that a long-term sustainable funding formula is developed.

Based on the precedent established with the distribution of LCBO Blue Box glass funding for 1998, in which Toronto received \$950,000.00 of the \$4 million in available funds, it is expected that Toronto will receive approximately \$1 million in Blue Box glass funding in each of 1999 and 2000.

It is also projected that Toronto will receive one quarter of the funding for organics waste diversion, household hazardous waste depots and free advertising space, which would total about \$1 million.

Conclusions:

The formation of the WDO is a first step towards meaningful extended producer responsibility in Ontario. Strong municipal representation on the WDO board will be critical in order to ensure an effective long term funding strategy for municipal waste diversion programs is developed.

Contact:

Andrew Pollock, Director, Policy and Planning
Solid Waste Management Services
Works and Emergency Services
Metro Hall, 19th Floor
Phone: 392-4715; Fax: 392-4754
E-mail: apolloc@toronto.on.ca

The Works Committee reports, for the information of Council, having also had before it during consideration of the foregoing matter a memorandum (November 3, 1999) from the Honourable Tony Clement, Minister of the Environment, addressed to all Heads of Council submitting a News Release and Fact Sheet with respect to the establishment of the Waste Diversion Organization.