

Product Stewardship

Date:	March 25, 2008
To:	Public Works and Infrastructure Committee
From:	Geoff Rathbone, General Manager, Solid Waste Management Services
Wards:	All
Reference Number:	p:/2008/swms/Apr/004PW (#6725)

SUMMARY

The City currently receives WDO funding for approximately one half of its Blue Box costs, but bears the remaining cost for the Blue Box program and 100% of Green Bin, litter and garbage costs. If the Province were to enact legislation that required industry to be responsible for 100% of the costs of managing post consumer packaging and printed material in the Blue Box, Green Bin, waste and litter streams, the City would receive additional funding of approximately \$40 million annually. These additional funds could be spent on the City's other diversion programs that are necessary to meet the 70% diversion goal and would result in a reduction in the solid waste utility rate of approximately \$40/household/year.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services recommends that the City of Toronto support the AMO/AMRC recommendations to request the Province of Ontario to enact legislation to ensure that:

1. industry be responsible for 100% of Blue Box costs for all post consumer packaging and printed paper and 50% of the costs for packaging and printed paper in the Green Bin, waste and litter streams, to be fully implemented over a period of three years; and
2. following full implementation of recommendation 1, industry be responsible for 100% of the costs of all post consumer packaging and printed paper managed in the Blue Box, Green Bin, litter and waste streams.

FINANCIAL IMPACT

If the Province were to enact legislation requiring industry to be responsible for the full cost of managing all post consumer packaging and printed paper, the City would receive additional funding of approximately \$40 million annually (\$12 million in additional Blue Box funding and \$28 million for waste, litter and the Green Bin program).

DECISION HISTORY

At its meeting of December 11, 12 and 13, 2007, City Council directed the General Manager of Solid Waste Management Services to provide an update report to Public Works and Infrastructure Committee on the former Deposit Return Sub-Committee's recommendation that "WDO/Stewardship Ontario funding for the blue box system be increased from 50/50 shared municipal/industry responsibility to 100% industry funded."

COMMENTS

During the past few months, City staff has been participating on an Association of Municipalities of Ontario (AMO) /Association of Municipal Recycling Coordinators (AMRC) committee with a number of other municipalities to come up with an alternative approach to the current Blue Box funding model that would make industry more responsible for the packaging and printed paper that they produce. These meetings have culminated in a Position Paper for an Alternative Approach to Ontario's Blue Box Funding Model.

The Position Paper highlights the fact that municipalities do not have control over the packaging that is produced but incur significant costs to manage the packaging when it becomes waste. Since industry is producing packaging and printed paper, they should be responsible for the cost of recovering this material in municipal recycling programs and funding should not be coming from the municipal tax base. A main recommendation in the Position Paper is that that industry be responsible for 100% of Blue Box program costs, which is consistent with the resolution already approved by City Council.

The Position Paper also points out that the initial design of the Blue Box cost sharing model between municipalities and industry has resulted in a reimbursement system based only on the material that actually ends up in the Blue Box and does not reflect the costs of managing all the packaging that is produced and introduced into the market. Considerable packaging, due to the nature of its composition has either no market or a very poor market and is therefore landfilled. These costs are borne 100% by the municipal taxpayer. The Position Paper recommends that after a three-year period where industry is paying 100% of Blue Box costs, full extended producer responsibility be implemented where industry is responsible for the costs of managing all consumer packaging and printed paper including what ends up in the Green Bin, litter and waste streams.

The report also recommends that industry be required to meet strict recovery rates that would be set by the Province to ensure the programs are effective.

We support the AMO/AMRC Position Paper on An Alternative Approach to Ontario's Blue Box Funding Model and recommend that the Province of Ontario be requested to enact legislation to ensure that:

- 1) industry is responsible for 100% of Blue Box costs for all post consumer packaging and printed paper and 50% of the costs for packaging and printed paper in the Green Bin, waste and litter streams, to be fully implemented over a period of 3 years; and,
- 2) following full implementation of recommendation 1, industry is responsible for 100% of the costs of all post consumer packaging and printed paper managed in the Blue Box, Green Bin, waste and litter streams.

The full true cost of managing post consumer packaging and printed paper in the waste and recycling stream would be realized by the producer, which would enable City funds to be spent on other diversion programs.

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SIGNATURE

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