

Incentives to Increase Diversion

Date: December 12, 2019

To: City Council

From: General Manager, Solid Waste Management Services

Wards: All

SUMMARY

This staff report responds to the Budget Committee's request for Solid Waste Management Services to provide information to Council about what options exist for incentives to increase diversion. It provides information on financial incentives, source reduction incentives, and social incentives and motivators that aim to increase diversion.

FINANCIAL IMPACT

There are no immediate financial implications resulting from this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on November 25, 2019, Budget Committee considered Item BU11.2 entitled "2020 Rate Supported Budgets – Solid Waste Management Services and Recommended 2020 Solid Waste Rates and Fees" and adopted the motion for the General Manager, Solid Waste Management Services to report on what options exist for incentives to increase diversion.

The Budget Committee Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.BU11.2>

COMMENTS

The City of Toronto operates one of the most comprehensive and sophisticated integrated waste management systems in North America. It offers residential and non-residential customers with convenient access to waste services, including but not limited to, collection, and disposal of garbage, and collection and processing of Blue Bin recycling and Green Bin organics. Complementary to these services are supporting programs which provide education, training, outreach, funding opportunities and tools to motivate and encourage proper participation in diversion programs and waste reduction. There are also policies and mandatory measures in place to increase waste reduction and diversion. This report provides information on financial incentives, source reduction incentives, and social incentives and motivators that aim to increase diversion.

Financial Incentives

Both the City's waste collection bylaws and City policies incent waste diversion. These measures include requirements for customers to participate in all diversion programs offered by the City and a volume-based utility rate structure. Provincial deposit-return programs are also present for select materials. The Long Term Waste Management Strategy (Waste Strategy) also contemplated the feasibility of the City reviewing the potential for reverse vending machines beginning in year 2021 of Waste Strategy Implementation; however, this work has been placed on hold pending completion of the Province's transition of the Blue Bin program to Extended Producer Responsibility which began in 2016 with the enactment of new legislation and continues to move forward.

1. Requirement to Participate in All Diversion Programs

- The City of Toronto's waste collection program is an all-or-nothing service. If a property owner opts out of City garbage collection, it will not be eligible for City collection of any other materials including Blue Bin recycling, Green Bin organics, Household Hazardous Waste, electronics and oversized items (e.g. appliances, furniture). Similarly, if a property owner opts out of any of these diversion components, then the property will no longer be eligible for City garbage collection. The cost of these items is included in the solid waste management rate/user fee.
- When multi-residential buildings are being developed or redeveloped as part of the Toronto Green Standard there are specifications that require waste diversion infrastructure to be as convenient to each resident in the development as the garbage collection program.

2. Volume-Based Rate Structure

- Pay as You Throw is recognized as a best practice for incentivizing diversion by the Resource Productivity and Recovery Authority, a regulatory body created by the Government of Ontario. Solid Waste Management Services' Volume-Based Rate Structure is a system, based on the Pay as You Throw system, where residents pay fees for the services they receive based on the size of their garbage bin. This system was designed to encourage residents to divert as much as possible away

from landfill. Residents with the largest garbage bins pay the most and those with the smallest pay the least.

3. Deposit-Return Programs

- Toronto residents have access to the Province's Ontario Deposit Return Program for alcohol beverage containers, as well as vendor deposit-return programs on specific containers (e.g. 10 gallon reusable water bottles). The City of Toronto encourages residents to participate in these programs which incentivizes taking back the products and receiving the deposit.
- The Province of Ontario has committed to moving forward with Extended Producer Responsibility whereby producers will be fully responsible for the Blue Bin program. Actual transition is expected to begin in 2023. Future deposit-return programs will likely become the responsibility of the producers.

4. Reverse Vending Machines

- Reverse Vending Machines (RVMs) are devices that accept specific items and return money to the user and were considered as part of the Waste Strategy. RVMs are common in Europe and are typically used in jurisdictions with deposit-return systems and in the United States for specific materials (i.e. mobile phones, drink containers, light bulbs and batteries).
- Exploring RVMs will occur as part of the Waste Strategy for the recovery of materials which have value such as small electronics and mobile phones to determine whether it is a feasible option for the City of Toronto.

Source Reduction Incentives

Extensive work on a new Single-Use and Takeaway Items Reduction Strategy for the City is underway and will be presented to City Council in 2020. The strategy will include financial incentives to reduce waste generation at source. Less waste at source means less that needs to be diverted.

1. Approaches to Reduce Single-Use and Takeaway Items

- As part of the plan to reduce single-use and takeaway items in the City of Toronto, Solid Waste Management Services has undertaken extensive consultation with residents and stakeholders on approaches to reduce. Options considered during consultation included mandatory fees and bans to incentivize residents to use their own reusable items instead of single-use items.

Social Incentives and Motivators

Solid Waste Management Services continues to build a culture of waste reduction, reuse, repair and recycling in Toronto. There are many solid waste management initiatives that may encourage residents to reduce their waste or improve their diversion practices.

- Solid Waste Management Services provides robust education and outreach campaigns to ensure residents understand the value of participating in diversion programs.
- Solid Waste Management Services has undertaken Blue Bin contamination reduction activities with single-family and multi-family customers, which include monitoring the composition of Blue Bin recyclables set out for collection. If contamination is found, bins are not collected and property owners and building managers are provided with information including the contamination found and corrective action required.
- The Waste Reduction Community Grants capital program (part of the Waste Strategy) is a three-year program that supports community-based, waste reduction and diversion actions. The funding budgeted for WRCG is \$450,000 (\$150,000 per year) and individual grant amounts range from \$5,000 to a maximum of \$25,000. Those who have ideas to improve diversion are encouraged to apply for a Community Waste Reduction Grant.

Next Steps

- The Waste Strategy will be refreshed in its fifth year, with work targeted to begin in 2020. Solid Waste Management Services will continue to look at incentives to improve diversion as part of this review.

CONTACT

Annette Synowiec, Interim Director, Policy, Planning & Outreach, Solid Waste Management Services, 416-392-9095 Fax: 416-392-4754, Email: Annette.Synowiec@toronto.ca

SIGNATURE

Matt Keliher
General Manager
Solid Waste Management Services