



REPORT FOR ACTION

Municipal Principles to Guide Transition of the Blue Bin Program

Date: August 22, 2017

To: Public Works and Infrastructure Committee

From: General Manager, Solid Waste Management Services

Wards: All

SUMMARY

At its meeting of July 4, 5, 6 and 7, 2017, City Council adopted a staff report providing an update on new Provincial waste management framework legislation. City Council requested that the General Manager, Solid Waste Management Services report back to the September 19, 2017 Public Works and Infrastructure Committee, on a list of proposed principles that will guide the discussions and negotiations between the City and producers of designated materials collected in the City's waste diversion programs

This report outlines:

- Proposed municipal principles to guide transition of the existing Blue Box Program Plan during transition under the *Waste Diversion Transition Act, 2016* and as a future full Extended Producer Responsibility program under the *Resource Recovery and Circular Economy Act, 2016*; and
- City staff engagement with implementation of the *Waste Free Ontario Act, 2016*, including collaborations with key producers, steward representatives, other municipalities and Ministry of the Environment and Climate Change representatives and staff to advance transition of existing diversion programs to full Extended Producer Responsibility.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services, recommends that:

1. The Public Works and Infrastructure Committee receive this report for information.

FINANCIAL IMPACT

There are no immediate financial implications resulting from this report.

The future impacts of the regulations, policy statements, and programs established under the *Waste Diversion Transition Act, 2016* and the *Resource Recovery and Circular Economy Act, 2016* on Solid Waste Management Services' program costs and funding are yet to be determined.

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

DECISION HISTORY

At Its meeting of July 4, 5, 6 and 7, 2017, City Council adopted Item PW22.4 entitled "New Provincial Waste Management Framework Legislation - Bill 151: Waste Free Ontario Act, 2016 - Update" and requested that the General Manager, Solid Waste Management Services report back to the September 19, 2017 Public Works and Infrastructure Committee, on a list of proposed principles that will guide the discussions and negotiations between the City and producers of designated materials collected in the City's waste diversion programs.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.PW22.4>

At its meeting of March 31 and April 1, 2016, City Council adopted Item PW11.2 entitled "New Provincial Waste Management Framework Legislation - Bill 151: *Waste-Free Ontario Act*", and requested the General Manager, Solid Waste Management Services to report back to the Public Works and Infrastructure Committee on the status of *Bill 151: Waste-Free Ontario Act*, its implementation, and any anticipated impacts on Solid Waste Management Services programs.

The City Council Decision document can be viewed at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW11.2>

COMMENTS

ISSUE BACKGROUND

Formation of the Municipal Resource Recovery and Research Collaborative

Since reporting to City Council in July 2017 on the City's involvement with the implementation of the *Waste Diversion Transition Act, 2016* and *Resource Recovery and Circular Economy Act, 2016*, City of Toronto staff, the Association of Municipalities of Ontario, Municipal Waste Association and Regional Public Works Commissioners of Ontario have come together to form the Municipal Resource Recovery and Research Collaborative. The constituent members of the Municipal Resource Recovery and Research Collaborative offer unparalleled knowledge and experience regarding the delivery of effective and efficient waste diversion programs in their local communities. Similar to previous informal arrangements with these organizations, the Municipal

Resource Recovery and Research Collaborative allows municipalities to combine resources for policy and data analysis. Autonomy of Municipal Council's decision-making will be maintained, as the Municipal Resource Recovery and Research Collaborative will only bring recommendations for consideration and deliberation by local Councils. The Municipal Resource Recovery and Research Collaborative has developed a set of proposed municipal principles to guide discussions with stakeholders, which will ensure that key municipal priorities, such as maintaining existing service levels, are protected.

Proposed Municipal Principles for the Transition of the Blue Box Program to full Extended Producer Responsibility under the Resource Recovery and Circular Economy Act, 2016

Municipalities have acted as the primary residential waste diversion service provider for more than 30 years. Leveraging the collective waste management experience of Municipal Resource Recovery and Research Collaborative members, a set of proposed municipal principles were developed to facilitate municipal discussions with stakeholders on the transition of existing waste diversion programs. These principles are outlined below.

- Producers should, at a minimum, be required to ensure the transition of the Blue Box Program Plan and the revised role of municipalities will not negatively impact Ontarians' experience with and access to Blue Box services and other diversion programs.
- Programs and targets must improve environmental outcomes.
- Targets must be set high enough to achieve the goals of a circular economy, including zero waste and zero greenhouse gases from the waste sector, and include mechanisms to ensure collected materials continue to be recovered once targets are met. A process for regular review of targets is required to foster continual improvement.
- Municipalities recommend that Provincial targets for reduction, reuse and recovery should be material specific and adaptable rather than set as a broad "basket of goods" for designated materials.
- Designated materials should be recovered regardless of where they are generated. While different mechanisms may be required to recover designated materials from Commercial and Industrial waste, recovery targets must ensure that producers are required to take full responsibility for all designated materials managed as municipal waste.
- Where producers do not meet targets for designated materials, municipalities should be compensated for any resulting financial impacts.
- Mechanisms must be put in place to ensure that producers have viable opportunities to establish multiple approaches for meeting commitments and to ensure full and fair competition among these approaches.

- Municipalities that continue to provide recovery services for the management of designated materials should be compensated by producers for the provision of agreed management services for designated materials.
- Where municipalities no longer provide services on behalf of producers or their designated recovery agents, a mechanism needs to be agreed to and implemented to compensate for the investments already made by municipalities and transition costs.
- A firm deadline (with intermediate check-in deadlines) should be set for the transition of all existing programs to the *Resource Recovery and Circular Economy Act, 2016* framework.
- The producer's financial obligation for operating the existing Blue Box Program Plan should be increased incrementally during the transition period.
- Process and target dates should be identified for designating additional materials for producer responsibility regulations.

The Municipal Resource Recovery and Research Collaborative and City staff will advocate for inclusion of these principles during consultations on regulations and/or policy statements under the *Waste Diversion Transition Act, 2016* and *Resource Recovery and Circular Economy Act, 2016*, as well as any related new waste diversion programs developed outside this new legislation.

Amending the existing Blue Box Program Plan

To date, the Municipal Resource Recovery and Research Collaborative has engaged in discussions with key producers and steward organizations, such as Stewardship Ontario, and Ministry of the Environment and Climate Change staff regarding amending the existing Blue Box Program Plan, currently operating under the *Waste Diversion Transition Act, 2016*, to a new Blue Box program operating under a full Extended Producer Responsibility framework. Producers are those entities who produce, import, or transfer materials designated by regulations issued under the *Waste Diversion Transition Act, 2016* or *Resource Recovery and Circular Economy Act, 2016*. The parties agree that a smooth and timely transition of the existing Blue Box Program Plan under the *Waste Diversion Transition Act, 2016* represents a critical first step in the evolution towards a circular economy in Ontario. Amendments to the existing Blue Box Program Plan could become a blueprint for the future development of regulations and new Program Plan under the *Resource Recovery and Circular Economy Act, 2016* for managing packaging and printed paper.

On July 7, 2017, the Municipal Resource Recovery and Research Collaborative and key producers sent a joint letter to the Minister of Environment and Climate Change outlining the parties' shared interest in accelerating transition of the existing Blue Box Program Plan to a new full Extended Producer Responsibility program (Attachment 1). The transition process would begin with extensive consultation for all affected stakeholders.

On August 14, 2017, the Minister of Environment and Climate Change responded to the joint letter from Municipal Resource Recovery and Research Collaborative and Stewardship Ontario (Attachment 2). The Minister of Environment and Climate Change acknowledged the accord described in the July 7, 2017 letter between Stewardship Ontario and the Municipal Resource Recovery and Research Collaborative on the future of the Blue Box Program and the joint leadership demonstrated by producers and municipalities to advance this critical program.

On August 14, 2017, the Minister of Environment and Climate Change has directed the Resource Productivity and Recovery Authority and Stewardship Ontario to develop a proposal for an amended existing Blue Box Program Plan (Attachment 3). This proposal should outline an amended Blue Box Program Plan, which will operate under the *Waste Diversion Transition Act, 2016* and will provide a framework for transition to full producer responsibility under the *Resource Recovery and Circular Economy Act, 2016*. In this direction letter, the Minister of Environment and Climate Change outlines his expectations with respect to program design, components and consultation related activities.

Consultations on a proposed amended Blue Box Program Plan will be held in due course. In the interim, the Municipal Resource Recovery and Research Collaborative and producer representatives will meet with Ministry of the Environment and Climate Change staff to discuss intended next steps and outcomes in more detail.

Next Steps

The transition of existing waste diversion programs under the *Waste Diversion Transition Act, 2016* and implementation of new programs and policies under the *Resource Recovery and Circular Economy Act, 2016* is expected to occur over several years starting likely no earlier than 2019. City staff will actively participate in consultations on transitioning the existing Blue Box Program to a new full Extended Producer Responsibility program arising from the Minister of Environment and Climate Change direction to amend the existing Blue Box Program Plan.

Staff will maintain collaborative efforts with the Province and all waste management stakeholders to advance waste reduction opportunities for all residents, businesses and organizations in the City. Staff, with support of the Municipal Resource Recovery and Research Collaborative, will engage in discussions with the Ministry of the Environment and Climate Change, key producers and steward organizations to maintain progress on the transition of the Blue Box Program Plan.

Staff will update Committee and City Council regarding the progress developing the amended Blue Box Program Plan under the *Waste Diversion Transition Act, 2016*; the final amended Blue Box Program Plan submitted to the Minister of Environment and Climate Change for the transition period under the *Waste Diversion Transition Act, 2016*; and when the Province issues regulations or policy statements focusing on designated material and new diversion Program Plan under the *Resource Recovery and Circular Economy Act, 2016*.

CONTACT

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SIGNATURE

Jim McKay
General Manager
Solid Waste Management Services

ATTACHMENTS

Attachment 1 - Letter dated July 7, 2017 from Municipal Resource Recovery and Research Collaborative and Stewardship Ontario - "Request for Support towards beginning the transition to a circular economy for paper products and packaging in Ontario"

Attachment 2 - Letter dated August 14, 2017 from the Minister of the Environment and Climate Change to Municipal Resource Recovery and Research Collaborative and Stewardship Ontario

Attachment 3 - Letter dated August 14, 2017 from the Minister of the Environment and Climate Change "First Phase Transition - Direction Proposal for an Amended Blue Box Program Plan"