

New Waste Reduction and Resource Recovery Framework Legislation

Overview of Association of Municipalities Discussion Paper

**Waste Management Planning
Steering Committee**
April 27, 2015

Outline

- Overview
- Discussion Paper Background
- Critical Municipal Requirements
- Important Municipal Objectives
- Conclusion

Overview

New Waste Reduction and Resource Recovery Framework Legislation

- Producer responsibility framework proposed by Province in 2008, as part of review of *Waste Reduction Act (WDA)*, 2002
- Proposed new *Waste Reduction Act*, 2013 (Bill 91) and supporting Waste Reduction Strategy to replace WDA
- Ministry's current priority is to reintroduce waste reduction legislation
- Producer responsibility framework has been endorsed by municipalities and municipal/industry organizations
 - Gaps and concerns were identified

3

Overview

- Association of Municipalities of Ontario (AMO), with the City of Toronto, the Regional Public Works Commissioners of Ontario and Municipal Waste Association, developed a Municipal Discussion Paper
 - Submitted to the Minister of the Environment and Climate Change (MOECC) April 15, 2015
 - Outlines the critical needs and interests of municipalities and taxpayers, which should be addressed in the new framework
 - Based on municipal positions on draft Bill 91 and the limitations of the current WDA, 2002
 - Proactive step to initiate formal discussions in the absence of new draft legislation and address major municipal concerns

4

AMO Discussion Paper - Background

- The WDA, 2002 and the current diversion program plans provide a mix of cost responsibility schemes:
 - Shared responsibility for Blue Box program (approx. 50/50 cost)
 - Elements of full producer responsibility for other programs - Waste Electrical and Electronic Equipment (WEEE), Municipal Hazardous and Special Waste (MHSW), and Used Tires
- Impacts - increased diversion but also increased costs for municipalities and collection options can be confusing
- Blue Box program - arbitration in 2014 and mediation process to occur in 2015 to determine municipal funding payment

5

Critical Municipal Requirements

1. Maximize diversion of material from disposal

- Disposal capacity is limited, new facilities are difficult to site
- Critical to maximize available capacity by diverting as many valuable resources as possible, focus on reduction and reuse

2. Minimize cost to taxpayers to manage products/packaging

- Shifting full cost of end-of-life management for products/packaging to producers - cost internalized in sale of products
 - Includes cost of program diversion and managing designated products/packaging in collection and disposal stream
 - Both residential and IC&I material that municipalities manage

6

Critical Municipal Requirements

3. Equitable access for residents

- Convenient access to programs to encourage participation and to maximize separation of divertable materials
- Service at least equal to, or better than, the level of service provided under the current system

4. Corresponding changes to existing legislation and instruments

- Clearly defining municipal, industry steward and other stakeholder roles and responsibilities
- Supporting legislative and regulatory framework needs to be in place

7

Critical Municipal Requirements

5. Fair treatment of existing municipal resources and assets and adequate transition period

- Municipal compensation for stranded assets
- Transition plan to reflect existing contracts, to determine fair compensation and approvals by municipal councils

6. Clear rules and roles with balanced, accountable governance

- Key performance indicators and metrics, transparent rules and targets, appropriate penalties and incentives for compliance
- Effective oversight for dispute resolution

8

Critical Municipal Requirements

7. Municipalities, as a sector, need to be formally recognized in the new framework

- WDA and draft Bill 91 provided for producers to act as a group, but not municipalities
- AMO will be proposing a mechanism for funding and governing collective municipal action

8. Decisions and actions based on good facts

- Data must be shared and accessible by all stakeholders to ensure transparency and enable informed decision making
- Compensation methodologies must be based on transparent data and be fair to all parties

9

Important Municipal Objectives

Municipal Role and Compensation

1. Municipal role, as of right, in collecting Blue Box materials with fair compensation

- Recycling collection – curbside and depot, is part of an integrated waste management system, need to avoid fragmentation and increase in costs and truck traffic
- Fair compensation need to be regulated, as opposed to relying on negotiation

2. Municipal right to compete fairly for Blue Box processing

- Level playing field to compete and range of service providers needed to ensure competition
- Transition plan and compensation for stranded municipal assets

10

Important Municipal Objectives

3. Fair compensation for any major new costs

- E.g. municipal administration of disposal bans or harmonizing diversion material streams

4. Compensation for MHSW, WEEE, pharmaceuticals and sharps which enter the municipal waste management system

- Municipalities should be able to compete to provide service
 - municipalities collected ~ 57% of the material in Orange Drop program and provide less than 2.5% of the collection sites
- Return-to-retail and other programs - fragmented

5. Municipal-controlled access to funds for continuous improvement in performance and efficiency

11

Important Municipal Objectives

Expanding producer responsibility to more products/packaging

5. Extend producer responsibility to more branded goods

- Examples include printed paper and packaging in the IC&I sector, expanding the WEEE material list, construction and demolition waste, bulky items such as furniture and mattresses, and small household items such as toys

6. Organic waste diversion

- Branded organics such as diapers, food packaging, disposable paper products, etc. should be funded by producers
- Regulatory structure needs to support increased diversion of organics

12

Conclusion

- New framework needs to recognize the integrated municipal waste management system and municipal investments
 - Municipalities primarily responsible for Ontario's existing residential integrated waste management system, managing annually over 4.9 million tonnes of material at a cost of over \$1B
 - Taxpayers have borne much of the cost of waste diversion over the last thirty plus years
 - Municipalities bear the primary burden when waste materials are not effectively collected and reused - residual wastes end up in municipal disposal facilities, sewers, or streets as litter
- Next steps - consultation and stakeholder discussions
- Committee will be updated as discussions unfold

13

Questions?



14