

Municipality Of Chatham-Kent
Drainage, Asset and Waste Management
Waste and Recycling Services

To: Mayor and Members of Council

From: Rick Kucera, B.E.S.
Manager, Waste and Recycling Services

Date: May 6, 2020

Subject: Transition of the Blue Box to Full Producer Responsibility Resolution

Recommendations

It is recommended that:

1. The Blue Box Program transition to full producer responsibility on January 1, 2023 be endorsed.
2. Providing contract management services to Producers at mutually agreeable commercial terms be endorsed.
3. The resolution be forwarded to the Association of Municipalities of Ontario (AMO) and the Ontario Ministry of the Environment, Conservation and Parks (MECP) no later than June 30, 2020.

Background

The amount of single-use plastics leaking into our lakes, rivers and waterways is a growing area of public concern. Reducing the waste generated and reincorporating valuable resources from our waste stream into new goods will reduce greenhouse (GHG) significantly.

Currently, municipal governments pay for all costs associated with recycling collection and processing within their communities. Under the existing Blue Box program, municipal staff are required to file an annual recycling Datacall with the Province in order to be eligible to receive a rebate equal to 50% of their net costs.

Municipalities have been advocating for over a decade for producers to have full fiscal and operational responsibility for end of life management of their packaging, printed-paper and paper products. Producers are all businesses, manufacturers and distributors of products that are received by the consumer in some form of packaging including printed paper and as such they should be responsible for all materials they introduce into the market.

Transitioning to full producer responsibility for packaging, paper and paper products is viewed as critical to reducing waste, improving recycling and driving better economic and environmental outcomes. Producers are best positioned to increase the resources that are recovered and reincorporated into the economy and enable a consistent Ontario-wide recycling system that makes recycling easier and more accessible. Locally, Chatham-Kent residents will continue to divert all of the same blue box materials they have become accustomed to except at no cost to the ratepayer. This will result in a savings of approximately \$1,042,627 annually based on the actual recycling costs incurred in 2019.

On August 6th, the Province announced the next steps to improve recycling in Ontario and designed to eventually save taxpayers money and divert more blue box waste from landfills. The announcement by Minister Yurek ensures that municipal Blue Box programs will be transitioned to full producer responsibility over a three-year period based on the recommendations from the Special Advisor's report titled, "Renewing the Blue Box: Final report on the blue box mediation process." Municipal governments played a key role in helping to develop the recommendations within this report. These recommendations broadly reflected the positions advocated by AMO on behalf of Ontario municipalities. There was also a great deal of alignment with producers on how the Blue Box program should be transitioned.

The municipal transition is proposed to occur between 2023 and the end of 2025, as shown in the table below:

Date	Description
Sept. 2019 – Dec. 2020	Blue Box wind-up plan developed for Stewardship Ontario. Development of a Regulation under the <i>Resource Recovery and Circular Economy Act, 2016</i> .
Jan. 2021 – Dec. 2022	Producers prepare to assume control and operation of system and work with municipal governments and service providers.
Jan. 2023 – Dec 2025	Transition of individual municipal Blue Box programs to full producer responsibility. Occurs in phases over three years with a rolling total of up to one-third of the Provincial program transitioning annually.

The goal of the program is to ensure that the transitioned Blue Box system is affordable for producers, workable for the waste processing sector, and effective and accessible for residents. AMO and municipal representatives are involved in the consultation process to develop a new regulation for the Blue Box. The Province's intent is to finalize a Regulation by the end of 2020 and therefore AMO has asked all Council's to pass a resolution by June 30, 2020 specifying their preference for transitioning.

Comments

AMO staff held in-person workshops on the Blue Box transition across the Province through October and November 2019 to discuss this topic with municipal waste management staff. Over 165 staff and elected officials attended the sessions in Vaughan, London, Smiths Falls, North Bay and Dryden. The workshops provided an opportunity to engage directly with our sector to build understanding about this transition process and the level of engagement from attendees was excellent.

AMO and municipal staff reviewed all aspects related to the transition including what factors might be considered as to when a Council might need to transition. It was recommended by AMO that all municipalities pass a resolution in support of the program, as recommended above.

The resolution will be used to map out an ideal transition timeline for all communities across Ontario. This information will also allow AMO and the Province to better understand whether there are conflicts. If conflicts remain, the Province may decide to retain a third-party expert to develop a methodology as to how municipal Blue Box programs will transition.

However, rather than deferring to the Province to retain an expert immediately, this information would provide a good basis for a more informed decision to be made.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultation

AMO's Municipal 3Rs Collaborative staff were consulted.

Financial Implications

There are no financial implications.

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Attachment: None

C: AMO

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