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## **Amended Blue Box Program Update Information Report**

Report Number: 2017-35

Department(s): Public Works Services

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

### **Executive Summary**

The Ministry of the Environment and Climate Change (MOECC) is revising the financial and service delivery model for the Blue Box program to further shift responsibility of Paper Products and Packaging (PPP) to the Producers of such packaging.

### **Purpose**

The purpose of this Information Report is to provide an update on the amended Blue Box program.

### **Background**

In June 2016 the Waste Diversion Act (WDA) was repealed and replaced by the Waste-Free Ontario Act which now incorporates the:

- Waste Diversion Transition Act (WDTA) and;
- Resource Recovery and Circular Economy Act (RRCE)

Under the previous WDA legislation, the Town received a reimbursement of up to 50% of its eligible blue box program costs from Stewardship Ontario. As a result of the Waste-Free Ontario Act, all costs (up to 100% of eligible) associated with the collection and disposal of PPP will be the responsibility of Producers. This is accomplished by

implementing Extended Producer Responsibility (EPR) or “cradle-to-grave” management of PPP by Producers.

## Discussion

Although this transitioning framework is still being developed, the N6 are expected to have several options to decide how the blue box collection program will be delivered to our residents. At this early stage, indications are that the N6, through their joint contract, may collectively:

- Have the option to maintain the current collection process and funding model referred to as “non-transitioned” for the balance of the collection contract (for reference, the Town received approximately \$ 384,000 of funding towards the Town’s \$679,000 blue box program costs in 2016), or
- Move to full EPR referred to as “transitioned” following negotiations with Stewardship Ontario (intended to be full cost recovery but actual financial implications will only be known after the amended blue box program is approved by the Province and transition impacts negotiated with the municipalities) or,
- Become the service provider to Stewardship Ontario for collection or,
- Any hybrid of the above options.

Staff have also noted the following:

- Fully transitioning to EPR is further complicated as York Region is responsible for the processing and marketing of blue box materials from its material processing facilities and the Region may not transition at the same time as the N6.
- The N6 proactively included a “Changes in Law” provision in the recently awarded waste collection contract to provide a mechanism to address and implement legislative changes including modifications to the Blue Box Program through negotiation.
- Fully transitioning to EPR could have the benefit of increasing funding from producers from the current 50% (eligible) to up to 100% (eligible). Using 2016 tonnages and costing for estimating purposes, the Town could achieve an increase of approximately \$295,000 over the current revenue. The actual amount in future years would be subject to blue box tonnages, efficiency of collection, very restrictive contamination rates and negotiation with our waste collection contractor Green for Life Environmental (GFL) and /or Stewardship Ontario. Some or all of these variables would affect the amount.

What is included as eligible and what is not is still being discussed. Currently the Region assesses municipalities with approximately 14% residual recycling being contaminated enough to go to the waste stream. Public outreach and education and customer service may also not be eligible.

## **Conclusion**

Staff will provide further updates on the amended Blue Box Program as the plan evolves including any impacts to our waste collection program.

## **Business Plan and Strategic Plan Linkages**

This report links to Newmarket's key strategic direction of ensuring effective and efficient services for residents as the province transitions towards EPR.

## **Consultation**

Consultation between all stakeholders is underway to permit Stewardship Ontario and the Resource Recovery and Productivity Authority to prepare an amended Blue Box Program Plan by February 15, 2018 as directed by the MOECC. Further, the Association of Municipalities of Ontario (AMO), Municipal Waste Association, Regional Public Works Commissioners of Ontario and the City of Toronto have joined forces to advocate for the protection of key municipal priorities and a smooth and timely transition to EPR.

## **Human Resource Considerations**

Not applicable to this report.

## **Budget Impact**

### **Operating Budget (Current and Future)**

Potential impacts on the Operating Budget would need to be identified as a result of transitioning the collection and disposal of PPP from the blue box program to producers as a result of the Waste-Free Ontario Act.

### **Capital Budget**

Potential impacts on the Capital Budget would need to be identified as a result of transitioning the collection and disposal of PPP from the blue box program to producers as a result of the Waste-Free Ontario Act.

## **Attachments**

None.

## Contact

For more information on this report, contact: Christopher Kalimootoo, Director of Public Works Services at 905-953-5300, ext. 2551 or via email at [ckalimootoo@newmarket.ca](mailto:ckalimootoo@newmarket.ca).