




Hamilton

# INFORMATION UPDATE

<b>TO:</b>	Mayor and Members City Council
<b>DATE:</b>	August 21, 2019
<b>SUBJECT:</b>	Waste Free Ontario Act Update - Blue Box Transition Plan Announcement (ES19022) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Craig Murdoch Director, Environmental Services Public Works Department
<b>SIGNATURE:</b>	

## Background

The Waste Free Ontario Act (WFOA) was enacted in November, 2016. This legislation was, in part, designed to move the blue box program to a Full Producer Responsibility (FPR) model (also known as Extended Producer Responsibility or EPR). This model is one where the full lifecycle of products will become the responsibility of companies that produce and import them. In an FPR model, producers would be responsible for funding the full cost of the blue box program and municipalities would no longer be responsible for funding any part of the blue box program (currently, municipalities contribute at least 50% of the funds to operate the blue box program, often more). Although the act defines the goal of this legislation, additional future regulations will lay out the details of how the goal will be achieved. These regulations will include the details on how the current blue box program will transition to FPR. Prior to new regulations being created, the Minister of Environment, Conservation and Parks must direct Stewardship Ontario (SO), the producer organization that oversees the blue box program, to develop a plan to end the current program and transition to a new program.

## Special Advisor on Recycling and Plastic Waste

To move forward with transitioning the responsibility of the blue box to producers, on June 8, 2019, then Minister Phillips appointed David Lindsay as a Special Advisor on Recycling and Plastic Waste. In a mandate letter, Minister Phillips directed Mr. Lindsay to undergo a mediation process with stakeholders and to provide a report to the ministry

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with recommendations on how to improve the blue box program and transition to FPR. This report was provided to the new Minister (Minister Yurek) on July 20, 2019. This report outlined the mediation process that was undertaken and provided recommendations in seven areas of concern for transitioning the blue box to FPR: timeframe for transition; ensuring a common collection system; transitioning municipal assets; standardizing what's in the blue box; determining eligible sources for blue box materials; setting effective diversion targets; and promoting increased diversion from landfill.

#### Direction Letter and Transition Timing

On August 15, 2019, Minister Yurek provided SO with a direction letter to transition the funding and operational responsibility of the blue box program to producers. This direction letter includes requiring that SO develop a plan for transitioning the blue box program and outlines that the plan must (among other things):

- Include a schedule of the transition process.
- Include a description of the wastes covered in the blue box program.
- Include a mechanism for determining steward fees for municipalities and First Nation communities prior to them transitioning.
- Demonstrate that meaningful consultation took place to develop the plan and that consultation will continue during implementation.
- Demonstrate that the plan will include transparent communications between SO and stakeholders.
- Support competition and not adversely affect Ontario's current and future marketplace for the collection and recovery of paper products and packaging.
- Maintain program payments to municipalities and First Nation communities without disruption until those programs transition.
- Maintain Ontarians' access to the blue box program without any negative impacts or reduction in service. Blue box services will also not expand under the SO program.

The direction letter also established a timeline for transitioning the blue box program:

- June 30, 2020 – deadline for when SO must provide a plan to the Resource Productivity and Recovery Authority (RPRA).
- December 31, 2020 – expected date for when the RPRA will approve the transition plan.
- January 1, 2023 – when municipalities and First Nation communities are first eligible to transition.
- December 31, 2025 – deadline for when all municipalities and First Nation communities will transition.

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Although the direction letter establishes a timeline for transition, it does not provide any direction on what mechanism will be used to decide when municipalities will transition within the three-year window. Through the recent mediation process, it was discussed that approximately one third of municipalities, or municipalities that represent one third of the annual collected blue box tonnage, will be transitioned each year, however other factors such as geography may also be considered. This information does not provide any clarity as to when Hamilton will transition.

#### Next Steps

- Staff will participate in consultation opportunities used to develop the transition plan.
- Staff will ensure that the timeline above will be considered in operational planning and decision making such as RFPs for waste collection.
- Staff will advocate for the consideration of assets and contracts during the consultation process.

#### **APPENDICES AND SCHEDULES ATTACHED**

Not applicable