

Recycling Council of Ontario Reception: An Update on the Waste Diversion Act Review

**The Honourable John Gerretsen
Minister of the Environment**

October 19, 2009

I'm pleased to have the opportunity to speak to you this afternoon.

This is Waste Reduction Week and I want to thank Jo-Anne and all our partners at RCO for their great work reaching people and teaching the importance of the 3R's and how to build a cleaner and more sustainable province.

It was great to join Oscar the Grouch and a whole group of Toronto Eco-school students today and hear about these young people doing their part for waste reduction.

There's much to be done.

State of waste in Ontario

Waste is a big problem in Ontario.

Ontarians generate close to one tonne of waste per person per year.

Too much of that — close to 80 per cent — is going to landfill here and across the border. One third of that is packaging.

This is the 21st century. Landfill is a last-century solution — digging bigger holes to bury our waste is like dumping our future prosperity into a pit and walking away.

The value of these materials is gone for good, not to mention the value of the land being used and the business opportunities that could be capitalized on by reusing and integrating that waste into new products.

That's not even factoring in the effects of landfill on climate change — one tonne of municipal waste produces up to 2.1 tonnes of greenhouse gases.

If we continue this way, we will be leaving potential environmental problems for future generations to contend with.

That's a legacy none of us want to leave.

Green Economy

We need to dramatically increase Ontario's overall waste diversion rate, which is currently around 22 per cent.

As a first step, we need to recognize the inherent value of what we've been throwing away.

Waste is a resource for second and third generation products. It becomes the raw material for new, green products and helps us transform our economy to be greener and more sustainable.

Reuse and recycling make business sense and environmental sense.

The early numbers from economic studies currently underway back this up.

Our current waste diversion programs are helping drive the green economy in Ontario and will create almost 7000 new jobs, generate \$673 million GDP, and nearly \$339 million in wages.

Other jurisdictions are seeing the same general trends in job creation and GDP.

The bottom line — the green economy stimulates the entire economy.

Those jurisdictions that make the transformation early will gain the competitive advantage in the global green economy.

It's time to move forward, to be innovative and take a leadership role that truly responds to the need for a new waste framework for the 21st century.

Extended Producer Responsibility

The fact is, the world is moving to Extended Producer Responsibility.

The idea is simple. Those who are most closely connected to products and packaging are being made responsible for managing the wastes associated with what they put into the marketplace.

In the European Union, this is the fundamental approach to packaging. It's resulting in more efficient and effective waste diversion and to the emergence of new "greener" products.

For example: Austria, Belgium, Germany and Sweden recycle more than 60 per cent of their packaging waste, from residential and from the Industrial, Commercial and Institutional sectors. That's an impressive number.

EPR policies have provided companies with the incentive to redesign their products and packaging, and sometimes even their production processes, to save on costs and improve their bottom line.

Progressive companies are recognizing the value of capturing and recycling material for their bottom line. For example: Coca-Cola in the US has invested over \$60 million to support its commitment to recycle or reuse 100 per cent of all its PET plastic bottles and aluminum cans.

Numerous green economic benefits come from increased diversion.

Improved recycling creates the opportunity to replace the use of raw materials with recycled materials. That avoids pollutants and toxics from resource extraction, reduces greenhouse gas emissions, and increases investment and new jobs in the reuse and recycling sectors.

We know people are way ahead on this. Consumers are leading government and business — and momentum is building.

People support Extended Producer Responsibility and stronger actions by producers — in fact, more than three-quarters of Ontarians believe manufacturers should pay to recycle their wastes from products and packaging.

Recognition of stewards

Change is happening and we have to respond to stay ahead.

Credit must go to our producers for all the work that's been done and the inroads you are already making towards sustainability.

We have set an ambitious agenda for EPR-based initiatives over the last year and a half, with the approval of three phases of our Municipal Hazardous and Special Waste Program, two phases of our electronic waste program, and a new used tires program.

I want to recognize all the industry stewards who are here this afternoon for your willingness to rise to the challenge.

We appreciate dealing with products and packaging can be complicated.

We understand planning and support for change must be there too.

We are on a path towards a green economy and to ensuring Ontario is the place to come for the innovative ideas, technologies and green products and processes that come from increased diversion.

Waste Diversion Act Review

An essential step to getting there is through the review of the Waste Diversion Act.

The current approach has not gotten us far enough.

We have heard clearly from our stakeholders that the process is cumbersome and resource-intensive, the designation of materials and request for programs is ad hoc, and roles are overlapping and often unclear.

We have focused on residential diversion at the expense of diversion in the IC&I sectors. And our current framework and approach is not an optimum way to drive diversion, innovation or competition.

It's clear the act needs updating to reflect new realities.

As a first step, the discussion paper — Towards Zero Waste — outlined the issues and asked for feedback on a new waste framework.

We heard loudly and clearly from you.

You told us to focus on outcomes.

You told us to make the process more streamlined and flexible.

And you told us you want certainty and clarity so that you can make long-term waste management planning part of your business strategy.

We have been listening — and we are responding.

I expect to formally release a proposed new waste diversion strategy within the next couple of weeks, as part of my Report on the Waste Diversion Act Review. And I'd like to talk today about what you can expect to see.

Our proposed new waste diversion strategy would be based on 100 per cent Extended Producer Responsibility.

We would identify materials to be diverted along with progressive targets, and timeframes to meet those targets.

We'd make individual producers responsible for diverting what eventually becomes waste from their products sold in Ontario.

And we would give these producers the flexibility to meet that responsibility in the most efficient way possible for their businesses. That could be by developing a plan to collect

and manage their own waste, joining with a group of producers to meet obligations, or by hiring a service provider.

There is no "one-size-fits-all" solution. And we need to respond to that reality with flexibility based on established outcomes.

There would also be a requirement for producers to regularly report on their performance and additional accountability measures, such as penalties, for those who fail to meet their requirements.

And we would put in place support mechanisms, such as phased-in disposal bans, to reduce waste, increase waste diversion and foster a green economy.

Importantly, we would like the new framework to recognize a broader range of processes and technologies — existing, new and emerging — to recover materials that can be reused and recycled to make new products.

We will be discussing with stakeholders how best to define the concept of diversion to encourage the growth of technologies that ultimately preserve the material value of a product.

At the same time we are going to ensure that we provide clear and effective oversight of waste diversion in Ontario.

We need to clarify the roles and responsibilities to better streamline the process, and we are looking at a governance structure and different mandate for WDO to give us robust and accountable governance.

Our proposed framework, based on full extended producer responsibility, proposes a path forward that would promote innovation in product design and diversion services, help us get better environmental outcomes, and make Ontario a leader in waste diversion.

Industrial, Commercial & Industrial Wastes

A key aspect of the proposed framework is to help us better manage wastes from the IC&I sector.

Materials from the IC&I sector make up a big part of the wastes going to landfill, with diversion rates stuck at around 12 per cent. If we are going to achieve our goals on diversion we need to make serious inroads to move that number up.

Under our proposed new framework, we will no longer differentiate between residential and IC&I waste streams.

Blue Box Review

As you know, we are also undertaking a review of the Blue Box program.

The Blue Box has achieved good results. We don't want to lose the improvements that have contributed to its success — we want to build on them by moving forward to full producer responsibility.

At the same time, we recognize the need to plan for this transition. We have a number of issues to deal with, including; the future role of municipalities, how to address municipal investments, consumer accessibility and service standards, and what it means for the program to be part of the new framework.

We know producers are better able to manage their own wastes more efficiently, and should have appropriate control within certain performance parameters.

In the long-term: we expect to see reduced costs to deliver collection services and for recycling.

Increasing Blue Box efficiencies will benefit producers, consumers and the Ontario economy.

I want to assure everyone we recognize the need to move forward in a consultative manner on any changes.

Five-Year Diversion Plan

Looking to the long-term, we will also propose a 5-year diversion plan that would include new material designations and progressive targets. We would be looking at requiring producers to divert a range of new materials, including, for example:

- blue-box type materials from the IC&I sector
- more electronic waste
- and, down the road, other materials like furniture, carpet, mattresses, vehicles, and construction and demolition waste.

Next Steps

So, what are we suggesting as the next steps?

We plan to consult with stakeholders on broad categories of materials we think are priorities to include in the long-term plan.

We also want to talk to stakeholders about the definition of diversion and a proposed new governance structure.

And our discussions will also include transition, to make sure it is reasonable and efficient.

We will be scheduling consultations on the details of our proposed plan and looking for stakeholder and public input and feedback.

We listened and heard what stakeholders told us they wanted.

We are proposing to give producers the flexibility to choose their own approach in an open and competitive market.

I want to reiterate, though, that our strategy has three primary goals:

- To increase diversion
- To encourage cost efficiencies
- And to create incentives for stewards to design more environmentally responsible products.

We want to hear from you about how best to achieve these goals, and we are open to your ideas about how best to do it.

Moving to a more viable and sustainable green economy offers us a valuable opportunity to be bold and innovative, and to create a strong, prosperous foundation for the future and for our children and grandchildren.

We know Extended Producer Responsibility is happening around the world and we want to be able to respond and harmonize with other leading jurisdictions. This helps businesses and improves potential environmental outcomes.

There is much to be done — our government is determined to move forward.

I know that we can count on our important partners, like those of you here this afternoon, to work with us in building a sustainable green economy and a strong, healthy Ontario.

Thank you. And I would be happy to take a few questions.