

Report To:	Regional Chair and Members of Regional Council
From:	Andrew Farr, Commissioner, Public Works
Date:	July 14, 2021
Report No:	PW-26-21
Re:	Ontario Blue Box Regulation 391/21

## RECOMMENDATION

1. THAT Report No. PW-26-21 re: “Ontario New Blue Box Regulation 391/21” be received for information.
2. THAT the Regional Clerk forward a copy of Report No. PW-26-21 to the City of Burlington, the Town of Halton Hills, the Town of Milton and the Town of Oakville for their information.

## REPORT

### **Executive Summary**

- On June 3, 2021, the Government of Ontario filed Ontario Regulation 391/21: Blue Box, made under the *Resource Recovery and Circular Economy Act, 2016* and will transition municipal Blue Box programs to full Producer responsibility in accordance with the *Waste-Free Ontario Act, 2016*.
- As requested in Report No. PW-07-20, re: “Blue Box Transition Update”, the date for Halton Region to transition the Blue Box program to full Producer responsibility is April 1, 2025.
- The Blue Box Regulation transitions the collection and processing of Blue Box materials to full Producer responsibility and identifies minimum diversion targets based on material-type.
- As per the new Blue Box Regulation, all transitioning municipalities are required to submit an Initial Report to the Resource Productivity and Recovery Authority by

September 30, 2021. The Initial Report will identify the municipality that provides Blue Box and garbage collection, current levels of services, number of residences, number of eligible locations and number of recycling containers located in public spaces.

- It is forecasted that Halton Region will commence negotiations with Producer Responsible Organization(s) in the latter half of 2022 to determine recommended levels of service, respective responsibilities for the delivery of services and to ensure a smooth transition when new collection contracts commence on April 1, 2025.
- Staff will continue to provide timely information and details to Regional Council during the transition process.

## **Background**

As detailed in Report No. PW-30-20, re: “Proposed Regulations for Producer Responsible Blue Box Programs”, in October 2020, the Province of Ontario introduced a draft proposed Blue Box Regulation that outlined the transition of municipal Blue Box programs to full Producer responsibility. The proposed regulations identified transition dates for respective municipalities to take place between January 1, 2023 and December 31, 2025 as well as diversion targets for recyclable material supplied to consumers.

Following public consultation on the draft proposed regulation, the Government of Ontario on June 3, 2021 filed Ontario Regulation 391/21: Blue Box made under the *Resource Recovery and Circular Economy Act, 2016* (Blue Box Regulation). The purpose of this report is to provide Regional Council with information on the Blue Box Regulation with respect to forthcoming changes to the Blue Box program and how it impacts the residents of Halton as well as the Industrial, Commercial and Institutional sector, and key timelines.

## **Discussion**

As per the Blue Box Regulations, municipalities will transition Blue Box programs and services to full Producer responsibility between July 1, 2023 and December 31, 2025. During the transition period the current levels of service for the collection and processing of Blue Box material are to remain unchanged, and Stewardship Ontario will continue to maintain the Blue Box program on behalf of stewards until December 31, 2025.

This means that municipalities will continue to receive funding to off-set the cost of their Blue Box programs through each respective transition period. With the exception of changes to the timeline for the transition period (now July 1, 2023 to December 31, 2025) and key dates to register and submit reports to the Resource Recovery and Productivity Authority, the bulk of the new Blue Box Regulation remains consistent with the proposed draft Blue Box Regulation introduced by the Province in October of 2020.

As requested in Report No. PW-07-20, re: “Blue Box Transition Update”, Halton Region will transition the Blue Box program to Producer responsibility commencing April 1, 2025. In accordance with the terms and conditions, Halton Region’s current Agreements to collect solid waste material in Halton identified an end date of March 31, 2024 but included two one-year options to extend to March 31, 2026.

A transition date of April 1, 2025 was preferred as it provided an opportunity for Halton Region to learn from the experiences of other municipalities during the transition process, ensure a smooth transition and exit out of our current agreements without risk of penalty. Effective that date, Producers who supply Blue Box material comprised of paper, glass, metal, or plastic or a combination of these materials to consumers, are required to have collection and processing services in place for Halton residents.

Producers are also required to collect and process non-alcoholic beverage containers from businesses which was not identified in the draft proposed Blue Box Regulation. While this is a step in the right direction, legislation from the Province that will require the Industrial, Commercial and Institutional sector to minimize the overall amount of waste they generate and increase diversion of waste from landfill as per the *Waste-Free Ontario Act, 2016* remains outstanding. The Industrial, Commercial and Institutional sector continues to generate the largest volume of waste that goes to landfill.

Commencing January 1, 2026 and once transition is completed, Producer Responsible Organizations are to collect and process a consistent set of recyclable materials from eligible sources across the Province. Producer Responsible Organizations are also required to achieve minimum recovery targets as shown in Table 1: Recovery Targets per Material Type.

Table 1: Recovery Targets per Material Type

Material category	Ontario Blue Box Recovery 2018 (expressed as a percentage)	Recovery percentage 2026 - 2029 (expressed as a percentage)	Recovery percentage 2030 onwards (expressed as a percentage)
Paper	72	80	85
Rigid plastic	30	50	60
Flexible plastic		25	40
Glass	68	75	85
Metal	Aluminum 41% Steel 62%	67	75
Beverage containers	Included in categories above	75	80

To assist in achieving their recovery targets, Producers may establish alternative collection systems such as a location where material may be dropped-off (e.g. current deposit return system for alcoholic beverage containers). Starting in 2024, Producers are

required to report on the amount of their material that was recovered through the revised Blue Box program.

If over a three-year period a Producer has not met their recovery targets, they are required to inform the Resource Productivity and Recovery Authority of the changes they will make to either the manner in which material is collected, or how the Producer will transition to a more easily recycled material type. The Resource Productivity and Recovery Authority was created in 2016 by the Government of Ontario to support the transition to a circular economy and to carry out compliance and enforcement activities of mandated diversion programs including the new Blue Box Regulation.

In accordance with the new Blue Box Regulation, municipalities are required to submit the following information as part of the Initial Report on or before September 30, 2021:

1. The number of residents and residences in the eligible community.
2. The municipality, local services board, First Nation or other entity that provides the Blue Box program and garbage collection in the eligible community.
3. The contact information of the person responsible for waste management in the eligible community.
4. The number of residences that received collection services in the eligible community.
5. The criteria or conditions used to determine which facilities were included in the Blue Box program as of August 15, 2019.
6. The number of facilities in the eligible community that received collection services.
7. The number of Blue Box receptacles in a public space in the eligible community that receive collection.

While Halton Region is responsible for the collection of solid waste and is to report this information to the Resource Productivity and Recovery Authority, the information requested is to be specific to each local municipality. As the local municipalities provide collection of garbage and recyclable material in public parks, Halton Region will work with each of the local municipalities to verify and document the number of garbage and recyclable containers serviced by the local municipalities in addition to the roadside containers collected by Halton Region on behalf of the local municipalities. Halton Region's Commissioner of Public Works will submit the Initial Report on behalf of the Region by the September 30, 2021 timeline.

The new Blue Box Regulation identifies the following as being eligible locations for the collection of recyclable material:

- Single-family households;
- Multi-residential buildings;
- Schools (public and private);
- Retirement homes;
- Long-Term Care facilities;

- Public spaces; and,
- Businesses (non-alcoholic beverage containers only).

Halton Region currently provides collection of recyclable material from the majority of locations that are deemed eligible. This will assist in a smooth transition as fewer new locations (e.g. private schools) will need to be included when transition occurs. Based on Halton Region's transition date of April 1, 2025, the Region is required to submit a Transition Report by no later than August 31, 2023. The Transition Report is similar to the information provided in the Initial Report but focuses primarily on identifying the locations where services are to be delivered. The Resource Productivity and Recovery Authority will provide detailed guidance on how to register and report with the Authority.

In addition to being responsible for all costs associated with the collection and processing of material, Producers will also be responsible to provide promotion and education material to the eligible locations to inform them of acceptable materials and levels of service to be delivered. Contact information is also to be included so residents will know whom to contact if they have any concerns with the collection of their recyclable materials or require further information. Producers will also be responsible for supplying and replacing containers used for the collection of recyclable material.

While the intention of the new Blue Box Regulation is to transition the municipal Blue Box program and increase the recovery of recyclable material by requiring Producers to be responsible for the materials supplied to consumers in Ontario, it will also transition the cost of these services from municipalities to Producers. The approved 2021 budget for Halton Region's Blue Box program is \$4.6 million, which is net of funding received from the Resource Productivity and Recovery Authority. The result of negotiations with Producers, Regional Council approval of recommended levels of service and the award prices through a competitive proposal process will determine the actual impact on the waste management budget and business plan for 2025.

## **Next Steps**

Staff will continue to monitor the implementation of the new Blue Box Regulation and impact on those municipalities transitioning effective July 1, 2023 (City of Toronto, City of Ottawa and City of London). While the new Blue Box Regulation identifies the responsibilities of Producers following transition, it is clearly understood that the municipalities will be critical in ensuring a successful transition without disruption to current levels of service to eligible locations. Though the new Blue Box Regulation also identifies responsibilities for Producers to provide information to eligible locations and respond to customer inquiries, Halton Region will continue to receive calls from residents on the Blue Box program and is rightfully expected to be of assistance.

Based on Halton Region's date to transition the Blue Box program, it is anticipated that the Region will negotiate a transition agreement with Producers and/or Producer Responsible Organization(s) in the latter half of 2022. During the negotiations Halton Region will recommend that the Region continue to collect recyclable material to maintain

an integrated waste management system that will ensure a smooth transition and continuing success of current program.

Halton Region will also work in partnership with the Producers to develop a communication plan to effectively inform eligible locations of the next level of waste collection services and whom is responsible for the various levels of service. Staff will contact those municipalities transitioning on July 1, 2023 to learn of their experiences with Producers and better understand expectations during the negotiating process.

Staff will update Regional Council on the progress of negotiations to ensure information is provided in a timely manner and to keep Regional Council aware of any issues that may arise. A report to Regional Council in the Spring of 2022 will provide up-to-date information on the anticipated negotiating process with Producers, will recommend that staff negotiate on behalf of the Region, the proposed terms of the agreements, followed by Regional Council approval for staff to negotiate the transition of the Halton Blue Box program to full Producer responsibility.

The following key milestone dates identify next steps for the transition of the Halton Blue Box program to Producer responsibility commencing April 1, 2025.

<b>Description</b>	<b>Date</b>
Submit Initial Report to the Resource Productivity and Recovery Authority	September 30, 2021
Regional Council approval for staff to negotiate a Transition Agreement with Producers, including proposed levels of service	Spring 2022
Negotiations with Producers	Summer-Fall 2022
Regional Council approval of the final levels of service for next collection Agreements and Agreements with the Producers	Spring 2023
Release and award of solid waste collection Request for Proposals	Summer and Fall 2023
Commencement of new solid waste collection Agreements	April 1, 2025

FINANCIAL/PROGRAM IMPLICATIONS

There are no direct financial implications associated with this report. Any financial implications arising from the transition to full Producer responsibility will be communicated to Regional Council through the transition process, and will be reviewed as part of the annual budget process.

Respectfully submitted,



Rob Rivers CET  
Director, Waste Management and Road  
Operations



Andrew Farr  
Commissioner, Public Works

Approved by



Jane MacCaskill  
Chief Administrative Officer

If you have any questions on the content of this report,  
please contact:

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Attachments: None

