

Upside of Waste Management Workshop

**Exploring Business Opportunities
from the Provincial Solid Waste Management
Strategy**

October 22, 2009



- Regulatory Context
 - Waste Diversion Act
- Diversion Programs
 - Key Elements
 - Funding, Investments & Incentives



Waste Diversion Act, 2002

The purpose of this Act is to promote the reduction, reuse and recycling of waste and to provide for the development, implementation and operation of waste diversion programs.



- WDA shifts responsibility
 - From government to industry for
 - Managing products & packaging that enter waste stream
 - Developing, implementing & operating diversion programs
 - Initiatives required to achieve performance goals such as market development, R&D, incentives, education
- WDA shifts costs
 - From government & general taxpayers
 - To industry & potentially their consumers



Roles & Responsibilities

- Provincial Government/Minister of the Environment
 - Establishes diversion policy & sets program requirements
 - Provides guidance during program development
 - Approves or rejects program
- WDO Board
 - Co-ordinates industry initiatives by establishing IFO
 - Monitors Industry Funding Organization performance
- Industry Stewards
 - IFO manages program development & implementation
 - Stewards contribute to plan development through participation in consultation process
 - Stewards register, report & pay fees to IFO



Diversion Programs

- Blue Box Program
 - Printed papers & packaging from residents
- Municipal Hazardous or Special Waste Program
 - ~ 30 materials from residents
 - Some materials from small quantity IC&I generators
- Waste Electrical & Electronic Equipment Program
 - > 40 items from all residents & businesses
- Used Tires Program
 - On-road & off-road tires from all residents & businesses

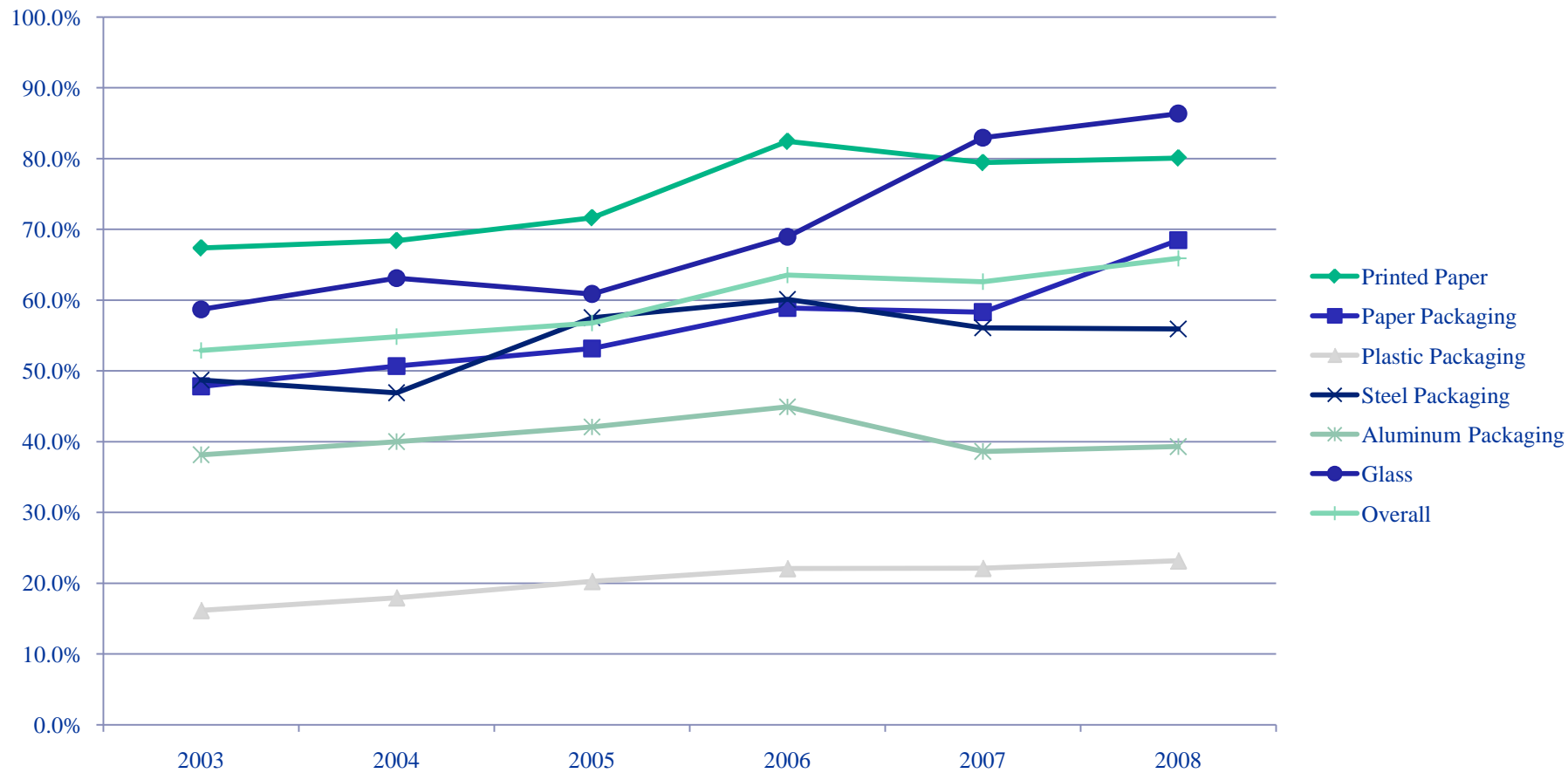


Blue Box Program Plan

- Commenced on February 1, 2004
- Stewards contribute 50% of net residential system cost comprised of
 - In-kind advertising lineage from newspaper publishers
 - 20% to Continuous Improvement Fund
 - Remaining in cash disbursements
- > 200 municipal programs provide collection
- Surpassed 60% diversion goal
 - Diverted 66% of residential BB materials in 2008

Blue Box Program Plan

Recycling Rate





- > \$300 million transferred from industry stewards to municipalities since 2004
 - Intended to reimburse costs
 - Likely some reinvestment in expanded services
- Special projects
 - \$1.8 million to develop recycling training curriculum & implement for 200 participants
 - \$5.4 million to develop & place print/TV/radio ads



- Upgrading sorting facilities
 - > \$3 million to install 5 optical sorters for plastics
 - ~ \$5.5 million to install other sorting equipment
- Establish glass markets
 - \$1.75 million for glass sorting facility
 - ~ \$300,000 to commercialize use of recycled glass in ceiling tiles & filter media
- Build plastics markets
 - \$2.4 million shared between 2 processing facilities
 - To expand capacity for plastic film & tubs/lids



- On October 16, 2008, Minister requested that WDO
 - Conduct review of 10 BBPP issues using extended producer responsibility (EPR) principles as framework
 - Incorporate consultation with public, municipalities, businesses, Blue Box stewards, ENGOS

- Posted on WDO website
 - *Report on Consultation to Support BBPP Review*
 - Summary of public opinion survey, stakeholder meetings, written submissions
 - *BBPP Review Report and Recommendations*
 - Summarizes consultation issues & key themes
 - Sets out recommendations & other comments



- 85% collection target
- Minimum of 75% diversion target
 - Printed papers & packaging materials directed to compost or recycling markets net of residue

Recommended Targets

Material	2007 Diversion Rate	Year 1 Diversion Rate	Year 2 Diversion Rate	Year 3 Diversion Rate	Year 4 Diversion Rate	Year 5 Diversion Rate
	(%)	(%)	(%)	(%)	(%)	(%)
Printed Paper	79%	80%	81%	82%	83%	85%
Paper Packaging	58%	60%	63%	65%	67%	70%
Plastics Packaging	22%	27%	32%	38%	44%	50%
Steel Packaging	56%	58%	61%	64%	67%	70%
Aluminum Packaging	39%	45%	51%	57%	63%	70%
Glass Packaging	83%	83%	83%	84%	84%	85%



Direction to Revise BBPP

- Received from Minister on August 14, 2009
- Establish diversion target of 70%
 - To be achieved by December 31, 2011
- Improve methodology for calculating diversion
 - By including additional avenues where residential Blue Box materials are collected
- Include packaging-like materials sold as products
 - That are compatible with current collection & management systems
- Revised BBPP due to Minister by April 30, 2010



Direction to Review

- Received from Minister on August 14, 2009
- Material management issues
 - Moving to a greater consistency of materials collected across Ontario
 - A process to establish mechanisms to identify & manage problematic materials
 - Including identification of appropriate parties to be involved
- Recommendations due to Minister by February 28, 2010



- Phase 1 commenced April 1, 2009
 - Desktop/portable computers/peripherals, monitors, printers, fax machines, televisions
 - Industry offers \$165/tonne to Collection Agents
 - Collection costs being studied to determine if \$165/tonne incentive requires adjustment
 - Industry contracts for transportation, consolidation, processing services
 - Through competitive bidding process



- > 50 municipalities acting as collectors
 - Depot, event, bulky item at curbside
- > 200 other collection locations e.g.
 - Salvation Army, Sears, Staples
 - Office buildings, universities/colleges
- Ontario Electronic Stewardship
 - Picks up WEEE at no cost to collector
 - Arranges for transportation & recycling
 - Tracks material to final destination
 - Confirms 3Rs management & diversion rates



- Approved by Minister on August 14, 2009
- Program will expand as of April 1, 2010 to include
 - Copiers, scanners, telephones, cameras, AV equipment



Total Annual Expenditures

Collection, transportation, consolidation, processing	\$ 64.26 M	86%
OES administration	\$ 1.00 M	1%
Program delivery	\$ 2.87 M	4%
P&E	\$ 3.89 M	5%
R&D	\$ 1.15 M	2%
Plan development/start-up	\$ 1.28 M	2%
Total	\$ 74.44 M	100%



- 2 existing WEEE processing facilities planning expansions
- Other existing WEEE processing facilities upgraded to meet program standards
- 2 new WEEE processing facilities established in Ontario since April 2009
- New business for existing transport & warehousing companies during economic slow down



- Phase 1 commenced July 1, 2008
 - Paints/coatings, solvent, oil filters, oil containers, single use dry cell batteries, antifreeze, pressurized containers, fertilizers, fungicides, herbicides, insecticides, pesticides
 - Industry stewards through IFO
 - Pay for post-collection costs
 - Transportation, processing, recycling, disposal where required
 - Offer incentives for reuse & antifreeze bulking



- 103 municipalities acting as collectors
- Other collection locations
 - Automotive service centres
 - Oil filters, antifreeze, oil bottles from ~7,500 locations
 - > 50 locations accept do-it-yourself materials
 - Retailers e.g. Rona, Home Depot
 - > 300 locations accept oil filters, antifreeze, oil bottles, paint, batteries



- Program will expand as of July 1, 2010 to include
 - Secondary batteries, aerosol containers, fire extinguishers, fluorescent bulbs & tubes, pharmaceuticals & sharps, corrosives, mercury-containing thermostats, switches & devices
- Industry stewards will be responsible for both collection & post-collection



Total Annual Expenditures

Collection, transportation, consolidation, processing	\$46.17 M	63%
Research & Development	\$0.76 M	1%
Promotion & Education	\$5.50 M	8%
Plan Implementation/Administration	\$8.87 M	12%
Phase 1 Operating Deficit	\$6.72 M	9%
Contingency (for uncertainty in baseline data)	\$4.69 M	6%
Total	\$72.73 M	100%



- More paint processing capacity
 - Some paint currently shipped to Quebec
- More battery processing capacity
 - Ontario company expanding
- Discussions underway to establish Ontario processing capacity for oil bottles
 - Bottles currently shipped to Quebec



Used Tires Program Plan

- Commenced September 1, 2009
 - On-road & off-the-road (OTR)
 - Includes passenger, farm & industry tires
- Priority on diversion/higher end uses
 - Promote Ontario-based market for recycling & recycled products i.e. green technology
- Disposal not part of program unless 3Rs options not available or technically feasible
 - Landfilling including use as daily cover
 - Incineration including use as fuel



- Program will clean up tire stockpiles
 - Within three years
- Estimated 2.5 to 2.8 million tires
 - In legal & illegal stockpiles



Used Tires Program Plan

- ‘Collectors’ receive tires from consumers
 - Tire dealers, automotive recyclers, municipalities
- Industry through IFO
 - Pays collectors a Collection Allowance
 - \$0.88 per passenger/light truck tire
 - \$3.05 per medium truck tire
 - Off-the-road tires (e.g. agricultural tires)
 - If ≤ 10 kg - \$0.88; if > 10 kg - \$3.05
 - Pays a Transport Incentive to haulers
 - Haulers pick up tires at no charge to collectors
 - Pays a Processing & Manufacturing Incentive to processors
 - Processors receive tires from haulers at no charge



Total Annual Expenditures

Collection, transportation, processing	\$58.7 million	79%
Expansion of Ontario manufacturing capacity	\$1.6 million	2%
R&D	\$2.5 million	3%
P&E	\$2.8 million	4%
Stockpile cleanup	\$2.3 million	3%
Program development & administration	\$6.0 million	8%
Total	\$73.9 million	100%



- Ontario companies expanding
 - Estimated \$2 to \$4 million in capital equipment
 - Additional shifts/jobs
- 2 out-of-province companies are establishing new processing facilities in Ontario
 - 1 company from Quebec for OTR tires
 - 1 company from New York

- ‘Waste’
 - Historically managed to protect public health
 - Disposal often results in environmental impacts
 - Contains hazardous products/components
 - Mercury & lead in electronics, lithium ion/nickel-cadmium batteries, fluorescent bulbs/tubes, etc.
 - Disposal being viewed as squandered resources
 - Public expects more diversion



- ‘Secondary resources’
 - Capture paper fibres, glass, aluminum, ferrous & precious metals, various plastic resins, rubber
 - Feedstock for manufacturing
 - Recycling considered urban ‘mining’



- Diversion programs in 2010
 - > \$400 million in economic activity
 - Public education, collecting, sorting, consolidating, processing
 - Directing materials that formerly were landfilled
 - To supply existing/new 'green' industries



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