

Item 12.1.1

HALIFAX

Extended Producer Responsibility (EPR)



Presentation for ESSC May 3, 2018

What is Extended Producer Responsibility?

Brand owners and manufacturers are responsible for the costs of product recovery and recycling.

- How does this happen?
 - Voluntary
 - Milk Stewardship
 - Batteries(Call2Recycle.ca)
 - Regulation
 - Electronics (E-waste)
 - Paint

Examples of Extended Producer Responsibility

Enabled in NS by provincial regulations (NSE Solid Waste Management Regulations)

- Regulated Products in NS include:
 - E-Waste (TV, Computers, etc..)
 - Paint Products
 - Fees are collected at point of purchase
 - Industry must submit a plan for the recycling and recovery
 - Current program is drop off at designated depots

Extending Producer Responsibility for Packaging

- Packaging in the Blue Bag
 - Plastic
 - Glass
 - Metal
 - Cartons
 - Paper



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Extended Producer Responsibility for Packaging

- Packaging producers and manufacturers are responsible for costs
 - Collection, process and marketing of residential materials
- HRM's residential costs to collect, process & market materials:
 - \$ 4 million annually – collection
 - \$ 2.5 million annually - process/market
 - Minus revenues \$ 1M to \$ 1.9M

Extended Producer Responsibility for Packaging

- In Canada EPR for packaging exists in BC, ON, SK and MB and Quebec.
- Producers fund programs by incorporating costs into their national product pricing. This means the selling price on a package in NS is helping to fund recycling programs for that same packaging else where there is EPR legislation .

EPR Models for Packaging

Full (BC)

- Producers fund and are responsible to deliver a recycling program for materials in the blue bag program.
- Producers determine collection service levels(depot drop off or curbside for materials, frequency of collection, etc.)
- Producers determine the list of materials for recycling, what materials are added or removed from a blue bag recycling program.
- Producers not obligated to provide blue bag processing for the business or institutional sectors.

Shared (PQ,ON, SK,MB)

- Producers cost share to provide funding to support municipalities delivery of recycling collection, MRF processing and marketing of blue bag materials.
- Municipalities continue to determine collection service levels, types of materials collected and frequency .
- Municipalities determine list of materials for recycling
- Municipalities continue to provide processing for businesses and institutions

Council's Input on EPR

- Funding Models – To include Full Cost Recovery
- Municipal Service Model – Role in Collection & Processing
- Recycling Accessibility – Curbside model preferred option
- Life Cycle Management – Design for Environment
- Product List and Priority – Recycling and Special Waste

- 2 Letter of Support Sept 2014 & Feb. 2018

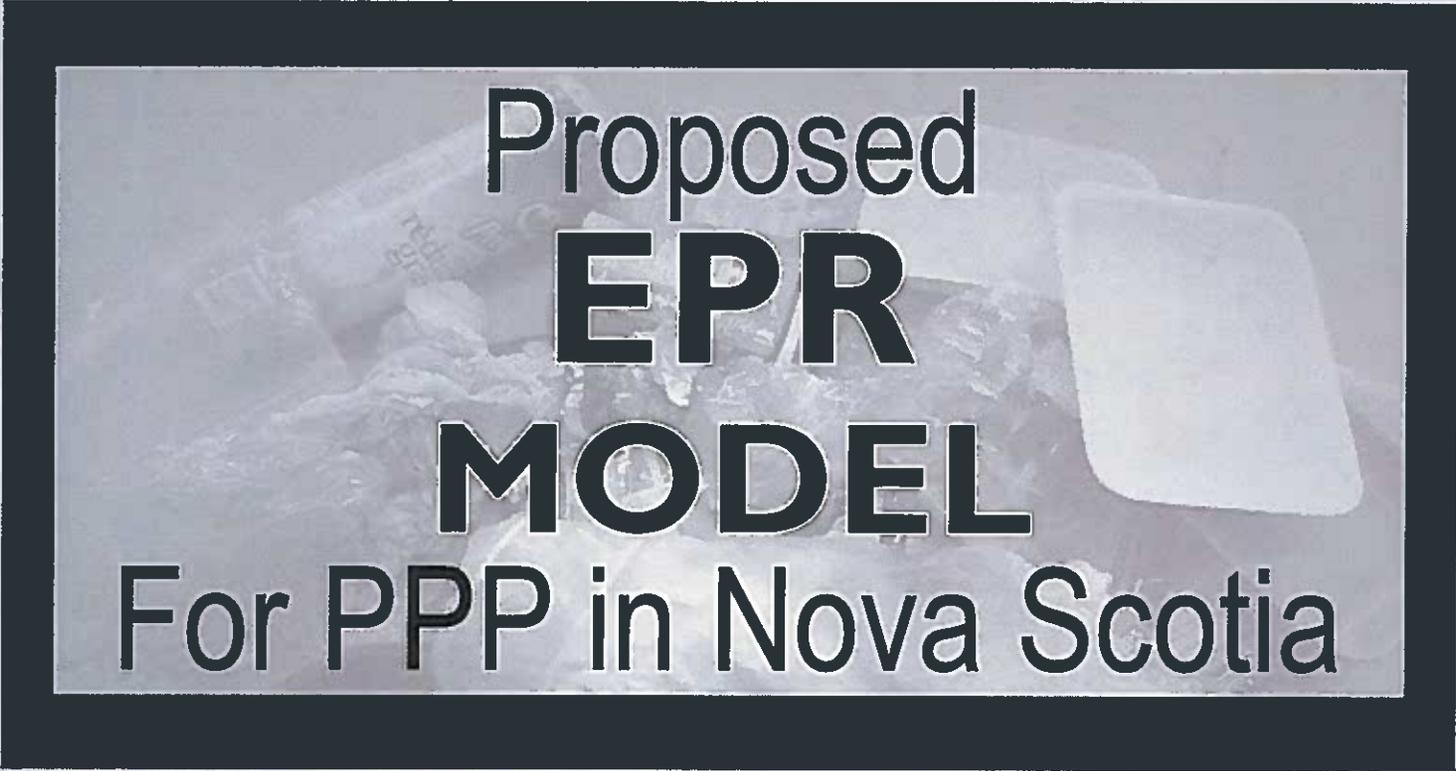
EPR Next Steps

- Regional Chairs & NSE are working together to conduct a municipally led project to independently examine how the current solid waste management system can become more efficient
- Efficiency study slated for completion Fall 2018
- Regional Chairs (attached) EPR toolkit, with presentations undertaken in all municipal Regions to inform others about EPR
- UNSM Plenary May 11 – Solid Waste Extended Producer Responsibility

Learn how your Municipality can shift responsibility of managing printed paper and packaging to industry and significantly decrease both costs and risks associated with municipal curbside recycling programs. Eighty per cent of Canadians benefit from extended producer responsibility for these products. Should Nova Scotia follow in these footsteps? Come find out about what this approach would mean in Nova Scotia.

HALIFAX

Questions ?



Proposed
EPR
MODEL
For PPP in Nova Scotia

NOVA SCOTIA SOLID WASTE-RESOURCE

REGIONAL CHAIRS



MUNICIPAL COST TO MANAGE WASTE IN NS

- In 2005 Solid Waste Management costs were \$70,115,488
- In 2015 Solid Waste Management costs were \$109,403,443
- 9.66% of total municipal expenditures
- With a 56% increase over 10 years – the current method of paying for the system is unsustainable.

**EXTENDED
PRODUCER
RESPONSIBILITY**

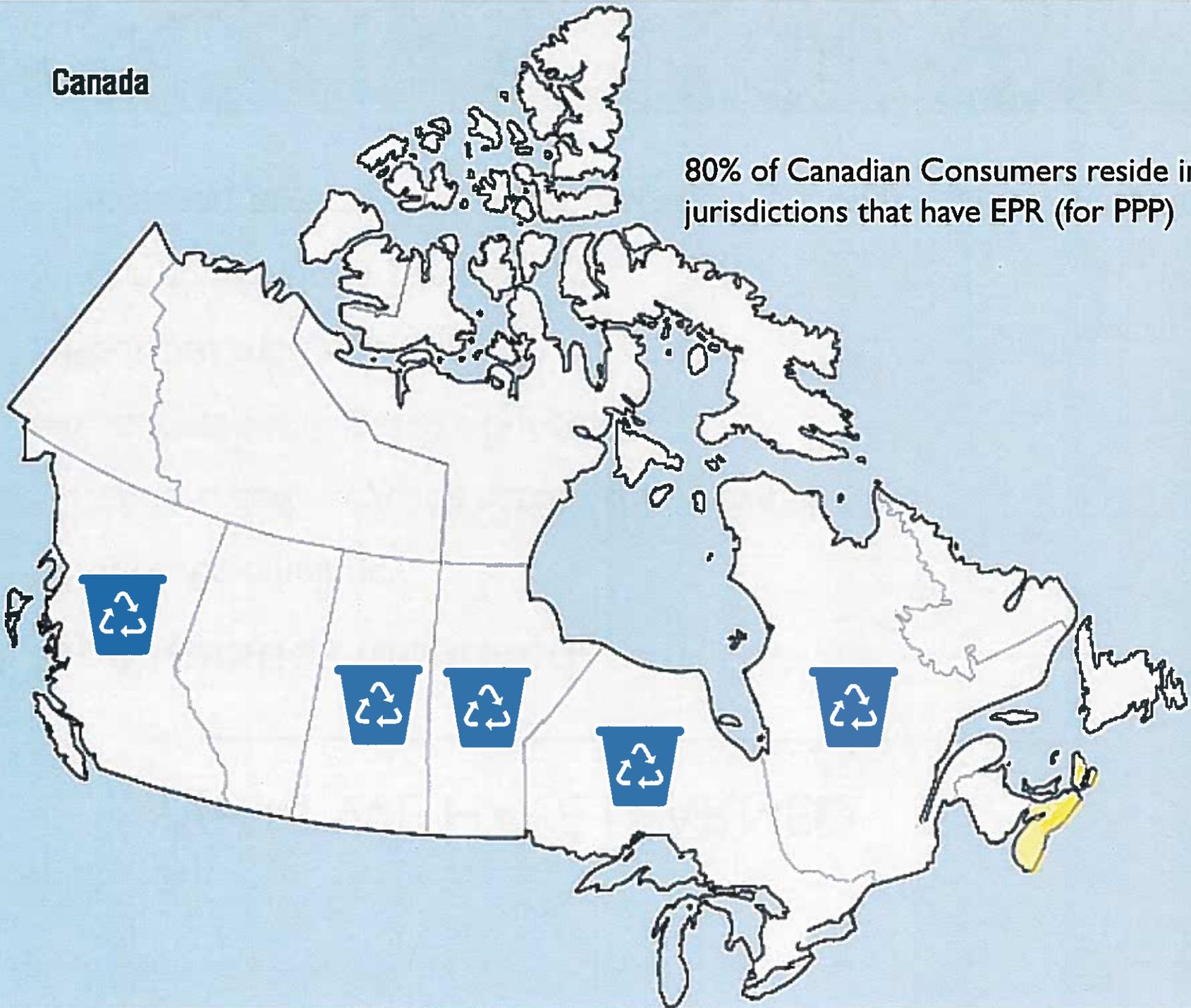
an environmental policy approach
in which a producer's
responsibility for a product is
extended to the postconsumer
stage of a product's life cycle

**PRINTED PAPER
AND
PACKAGING**

Each province defines this by material types but is basically the bulk of the materials currently collected in our residential blue bag system

Canada

80% of Canadian Consumers reside in jurisdictions that have EPR (for PPP)



WHAT WE HAVE LEARNED

- Opportunities identified:
 - Improves efficiency
 - Standardized recycling across the province
 - Reduced municipal tax burden
 - Reduced market risk
 - Potential for jobs gained
 - Increased diversion as more materials get added to the program

WHAT WE HAVE LEARNED

- **Concerns raised:**
 - Potential for job loss
 - Stranded infrastructure
 - Impact on small businesses
 - Consumers are already paying

Proposed

EPR MODEL FOR PPP IN NOVA SCOTIA

SENSITIVE TO MUNICIPALITIES

- Use existing infrastructure/human resources
- Municipalities have the right of first refusal for collection and education
- Maintain or improve current level of curbside service
- Apply to residential PPP
- Allow time for planning and transition

Proposed

EPR MODEL FOR PPP IN NOVA SCOTIA

SENSITIVE TO BUSINESSES

- Exempt small businesses
 - With revenue under \$2M
 - Supplying less than 1 tonne of PPP to Nova Scotia residents annually
 - Single storefront in NS and are not supplied by or operated as part of a franchise
 - Newspapers and registered charities
- Harmonized with other Canadian EPR programs
- Monitoring and compliance to ensure a level playing field

EPR BENEFITS

ECONOMIC – Drives efficiencies, increases economy of scale and reduces municipal tax burden

ENVIRONMENTAL – Drives ‘design for environment’ (closing the loop) and increases diversion

SOCIAL – Corporate social responsibility involves industry at the table.

Chairs accept toolkit and
commit to regional
sharing

Each Chair presents EPR
toolkit to respective
Regional Waste Authority

Regional Chairs present
EPR toolkit to UNSM

NEXT STEPS

EXTENDED PRODUCER RESPONSIBILITY

**Nova Scotia Solid Waste-
Resource Management
Regional Chairs Committee**

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REGION 2a:

Vernon Pitts

REGION 2b:

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REGION 3:

Tom Taggart

REGION 4:

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Extended Producer Responsibility (EPR) is a policy approach that shifts the responsibility and costs of managing specific wastes/recyclable materials from municipalities to producers (i.e. brand owners and manufacturers). This means that producers establish a system to optimize efficiency.

Municipal curbside recycling programs are a type of producer funded EPR. In Canada, every province from Quebec west to British Columbia, except Alberta, has implemented EPR. Materials included in the curbside recycling program in Nova Scotia are referred to as 'printed paper and packaging' (PPP).

Provincial legislation is required in Nova Scotia to shift both the responsibility and the cost of recycling programs away from the taxpayer to the producer. This is referred to as EPR for PPP.

In Nova Scotia, the Solid Waste-Resource Regional Chairs, represented by elected municipal officials, have established a working group to focus on moving EPR forward. This group is called the Municipal-Provincial Priorities Group.

The Priorities Group is engaging with stakeholders to build an EPR program proposal that works for Nova Scotians. This proposal will build on insights and lessons learned in other provinces that have implemented EPR for PPP. Some of the findings include:

1. EPR would **significantly decrease both costs and risks** associated with municipal curbside recycling programs.
2. EPR would **give Nova Scotia consumers direct access to PPP programming they are already paying for indirectly but are receiving none of the benefits.**

EPR – What's in it for municipalities?

1. Funding to support recycling programs

- Under this framework, producers are responsible for funding collection, processing and marketing of materials, as well as supporting education.
- Across Canada, in 2016, producers provided more than \$367 million to fund provincially-regulated PPP programs. Nova Scotia received \$0.00.
- It is estimated that a Nova Scotia EPR model could generate a financial benefit of up to \$16M per year.
- Municipalities would no longer manage the risk of rising costs and fluctuating commodity markets.

2. Access to PPP programming for which Nova Scotia consumers are already paying.

- Producers fund PPP programs in Canada by incorporating program costs into their national product pricing. [i.e. no eco-fees are charged as an added cost at point-of-sale.] This means the selling price on a box of cereal in Nova Scotia is helping to fund recycling programs for that same packaging elsewhere.
- Nova Scotia consumers are already paying for the incremental costs of PPP programs in other provinces, but without an EPR program here, are receiving none of the benefits.

Regional Chairs are working to develop an EPR for PPP proposal that works for Nova Scotians

Sensitive to municipalities:

- Use existing infrastructure/human resources
- Right of first refusal for collection and education
- Maintain or improve current level of curbside service
- Apply to residential PPP materials
- Allow time for planning and transition

Sensitive to Businesses:

- Exempt small businesses:
 - With revenue under \$2M
 - Supplying less than 1 tonne of PPP to Nova Scotia residents annually
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