



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No.**  
**Environment and Sustainability Standing Committee**  
**October 6, 2016**

**TO:** Chair and Members of Environment & Sustainability Standing Committee

**SUBMITTED BY:** Original Signed  
Taso Koutroulakis, A/Director TPW

**DATE:** September 12, 2016

**SUBJECT:** Extended Producer Responsibility (EPR)

**ORIGIN**

June 9<sup>th</sup>, ESSC motion requested staff prepare a report outlining the opportunities and challenges for HRM with a full EPR model for paper and packaging.

**LEGISLATIVE AUTHORITY**

Solid Waste regulations fall under provincial legislation. Changes to the legislation and regulations have a direct impact on municipal services and costs in terms of administration, education, disposal, materials management, processing and enforcement. HRM Charter, Part XIII Solid Waste Management, Section 336 (a-j) refer to the authority to make by-laws respecting Solid Waste Management.

**RECOMMENDATION**

It is recommended that Environment and Sustainability Standing Committee request staff prepare a report outlining the opportunities and challenges of EPR for HRM once the province wide review of the solid waste management system has been completed.

## **BACKGROUND**

EPR is an economic instrument, enabled by provincial legislation, where producers of products and packaging are responsible for designing and financing end of life management of their products and associated packaging. The goal is to shift responsibility for funding end of life management upstream away from the taxpayer to the product manufacturer. Legislative and economic instruments encourage manufacturers to design environmentally friendly products and reduce waste at its source. EPR is one pillar in a zero-waste approach advocated by organizations involved in environmental sustainability.

At the October 2010 meeting of UNSM, Nova Scotia municipalities requested financial support for solid waste program delivery. A resolution was approved to support EPR. At the October 2015 ESSC meeting, a staff report dated August 10, 2016 provided rationale for a shared EPR model for Atlantic Canada. At that time, no decision had been made by the province as to what model of EPR would be implemented. Since this report, Nova Scotia Environment has engaged municipalities and businesses (Our Path Forward consultation, October 23, 2015 workshop) on proposed regulation changes for solid waste management.

On October 23, 2015 the Province of Nova Scotia, through the Minister of the Environment, confirmed that if the province instituted EPR it would be a full model. This was reconfirmed in the legislature on May 2, 2016. In a full model, the manufacturers and producers of paper and packaging are responsible for the cost and management of residential collection and processing service delivery. NSE staff confirmed if an EPR program was established there would likely be a 3 year planning and review process prior to the stewards assuming ownership of the material.

## **DISCUSSION**

There was a meeting of Solid Waste Regional Chairs on July 22, 2016. In attendance was Nova Scotia Environment Deputy Minister Frances Martin, Executive Director Andrew Murphy and Minister Miller's Executive Assistant. Correspondence from Minister Miller dated July 21st was delivered (Attachment A). NSE confirmed at this meeting and as noted in the letter that the province is seeking to partner on a municipally led project to independently examine how the current waste management system could be made more efficient and less costly through a province-wide approach.

A motion was passed at the July 22nd Chairs session and a letter was sent to Minister Miller to confirm that Chairs will collaborate on a study of the solid waste management system that will move towards full EPR regulation. Chairs tasked the Regional Priorities Group to discuss working towards development of a terms of reference for this study.

Once the study on how to make the waste system more efficient in Nova Scotia is complete, staff will provide an update to ESSC on the recommendations. Without this review, its recommendations and subsequent action by the Province it is unknown what efficiencies can/will be achieved within the current waste system in Nova Scotia. As a result, it is premature to review the opportunities and challenges of how a full EPR system may impact HRM.

## **FINANCIAL IMPLICATIONS**

No financial implications with this report.

## **RISK CONSIDERATION**

N/A

## **COMMUNITY ENGAGEMENT**

N/A

**ENVIRONMENTAL IMPLICATIONS**

N/A

**ALTERNATIVES**

N/A

**ATTACHMENTS**

July 21, 2016 Letter from Minister Miller.

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> [or other appropriate Committee link] then choose the appropriate [Community Council/Board] and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Matt Keliher, Manager, Solid Waste 902.490.6606

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**Environment  
Office of the Minister**

PO Box 442, Halifax, Nova Scotia, Canada B3J 2P8 • [www.novascotia.ca/nse](http://www.novascotia.ca/nse)

**JUL 21 2016**

Our File No.:  
10700-40-49830

Richard Dauphinee, Chairman  
Nova Scotia Solid Waste-Resource Management  
Regional Chairs Committee  
PO Box 639  
Mahone Bay, NS B0J 2E0

Dear Mr. Dauphinee:

**RE: Welcome/Introduction to Regional Chairs and Support for EPR**

Thank you for meeting with the Department on May 11, 2016 and again on June 23, 2016 to discuss various funding related issues faced by municipalities. I appreciate the frank and open dialogue. I would like to respond formally to the various items that have been discussed.

**Enforcement Funding:**

Compliance and enforcement and the support provided by Divert Nova Scotia, is an important part of our solid waste system. I am pleased to advise that the Department will be able to grant your request to reinstate the \$70,000 in funding that was lost from Divert Nova Scotia's budget. We will coordinate with Divert Nova Scotia to implement the funding reinstatement. We cannot commit at this time to future years.

**Education Funding:**

Education of our citizens provides important information about how to participate in the solid waste system. While we are unable to fulfil your request for funding, we are prepared to work with you to find other ways to assist. I have asked Andrew Murphy in my department to arrange a meeting with Valda Walsh and our communications team to discuss whether there are new ways of achieving education and awareness outcomes through a more collaborative approach.

**Illegal Dumping:**

We recognize that illegal dumping is a challenge faced across Nova Scotia and that we all have a role to play in finding solutions. To that end I have asked Janet MacKinnon with our Inspection Compliance and Enforcement division to arrange a discussion with Valda Walsh to discuss how the Nova Scotia Environment can be more consistent and coordinated in responding to illegal dumping concerns. Through collaboration and a province-wide approach we can explore how to reduce illegal dumping in an efficient and effective manner.

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Richard Dauphinee  
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**Diversion Credits:**

The Province appreciates the hard work and financial challenges experienced by municipalities in delivering solid waste services. However, reinstating diversion credits to \$4 million for 2016-17 would only increase funding by about \$1.2 million. This represents less than 1 per cent of municipal spending on solid waste in Nova Scotia. We would like to work with Regional Chairs to find solutions but they must result in a more sustainable system.

**Financial Challenge:**

The department appreciates the financial concerns. Before the Province can consider providing assistance, we would need to have a better understanding of the cost challenges and see an independent examination of opportunities for the reduction of costs.

There is some evidence that opportunities do exist to reduce costs, by consolidating infrastructure and collaborating on operations. For example, in British Columbia, there is one material recovery facility to service a much bigger province. In Nova Scotia, we have nine. We need to examine the bigger picture.

If there is interest from municipalities, Nova Scotia Environment would be prepared to partner on a municipally led project to independently examine how the current system could be made more efficient and less costly through a province-wide approach. Such a study could be a first step toward evolving our solid waste system to make it more cost effective. Once there is a clear understanding of the problem, we are prepared to work with you towards solutions.

It is also clear that there is a lack of sufficient support from stakeholders to move forward with extended producer responsibility for paper/packaging and other end of life products. Municipalities need to take the lead in building a business case and creating the conditions for success. This work includes bringing forward a detailed, consensus-based proposal to government for consideration. The proposal must include

- Demonstrated consensus amongst municipalities — large and small, urban and rural - and support from UNSM
- A demonstrated consensus between municipalities and small and large businesses
- Low or no impact to small business
- Sufficient detail in order for the Province to consider public policy impacts
- Maintenance of the environmental performance of the current system while containing or reducing cost, and
- Consistency with other programs across the country

**Richard Dauphinee**

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**NSE will work with you as a collaborative partner to find solutions that will allow Nova Scotia to continue to be a leader in waste resource management. I appreciate your efforts to date and I look forward to continued dialogue on these important issues.**

**Sincerely,**

**Original Signed**

**Margaret Miller, MLA  
Minister of Environment**

**C: Minister Zach Churchill  
Mayor Cecil Clarke, President UNSM  
Deputy Minister Frances Martin  
Valda Walsh, Coordinator Regional Chairs  
Adrian Fuller, Executive Director NSE  
Janet MacKinnon, District Manager  
Andrew Murphy, Executive Director NSE  
Chuck McKenna, Manager NSE**

**bc:**