

Background Information

General Industry Background

Under the MGA and as an expectation by its residents, municipalities have provided waste collection services for many decades. With increasing public pressure, environmental values and economic benefits, many municipalities have developed and taken ownership of extensive waste diversion programs for their communities.

At the provincial level, Alberta Environment and Parks dictates through the Environmental Protection & Enhancement Act how waste (general and hazardous) is handled, stored, transported and disposed of within Alberta. However, the province does very little in terms of requirements for waste diversion (recycling) programs or goals to assist municipalities.

In addition, the province is responsible for regulations related to a number of stewardship programs that exist for specific materials such as oil, tires, electronics, paint and beverage containers. With the exception of beverage containers, these programs are often managed and subsidized by municipalities as they have developed programs and expectations for them within their respective communities.

In terms of a national context, Alberta has the worst record for waste generation and diversion in the Country, with over 1,100 tonnes annually generated per capita and less than 20% of that being diverted from landfill. In addition, Alberta is one of the only provinces that has not yet taken action to develop diversion targets or policies at the provincial scale.

Issues Background

1. Provincial regulations

Through provincial legislation, there are a number of materials (oil, paint, tires, electronics, household hazardous waste and beverage containers) that are regulated and administered by delegated administrative organizations that are arms-length from government.

In 2013, Environment & Parks (at that time ESRD) had completed an extensive consultation on the development of a new recycling regulation that would include necessary regulatory amendments to existing provincial recycling programs that would ensure long term sustainability. As a result, a Designated Materials Recycling Regulation package was developed for approval.

The package proposed several changes to the province's existing regulatory framework for recycling designated materials. The proposed changes are intended to:

- streamline Alberta's regulatory framework
- provide options to shift end-of-life management responsibilities from taxpayers to producers and consumers
- reduce municipal solid waste in Alberta

Regulatory amendments will:

- Consolidate Alberta's existing recycling regulations under one regulation – the Designated Materials Recycling Regulation;
- Remove specified maximum environmental fees from regulation while still ensuring consumer protection from excessive fees;
- Expand the electronics program to include small appliances, audio/visual equipment, telecommunications equipment and power tools; and
- Expand the used oil materials recycling program to include automotive anti-freeze/coolant containers and diesel exhaust fluid containers.

Despite consultations around these proposed changes in late 2013, no further progress has been made by the Province, which would represent an important first step in enhancing Alberta's waste reduction record. These provincial programs are being strained financially resulting in extra stress on the service providers, typically municipalities, to provide these programs at point of collection.

2. *Extended Producer Responsibility*

There is a national trend for provincial jurisdictions to implement targeted policies for a number of recyclable materials, including printed paper and packaging, hazardous wastes, agriculture plastics, construction materials, textiles and other difficult to manage materials.

In order to create a harmonized approach to EPR, in 2009 the Canadian Council of Ministers of the Environment (CCME) has prepared a Canada-wide Action Plan for EPR with common coordinated policies and commitments for government action and common key elements for building producer responsibility through the adoption of EPR approaches to identified priority products. The implementation of this plan will be done within the jurisdictional authority of each provincial government.

Extended producer responsibility (EPR) is defined as a policy approach in which a producer's responsibility, physical and/or financial, for a product is extended to the postconsumer stage of a product's life cycle. EPR shifts responsibility upstream in the product life cycle to the producer and away from municipalities. As a policy approach it provides incentives to producers to incorporate environmental considerations in the design of their products. EPR also shifts the historical public sector tax-supported responsibility for some waste to the individual brand owner, manufacturer or first importer.

The North American recycling industry relies heavily on foreign markets for recycling materials. This is particularly true for plastic and mixed paper recyclables that are sent to China. Currently China is placing restrictions on North American markets by requiring processors and municipalities to produce a cleaner, homogeneous stream of recycling. For mixed blue bag recycling programs, this standard can be difficult to achieve. The current market situation actually builds an argument for EPR in Alberta. Under EPR, the producers of materials deal with their processing and marketing, thus relieving municipalities and processors of this burden. The producers design a system that ensures efficiency and higher-grade materials that are

more widely acceptable on the world market. This is something that municipalities have a hard time doing on their own without the larger-scale resources that the entire province would have under one system.

Presently all provinces (excluding Alberta and the territories) have or are working to have EPR programs in place. Since many jurisdictions across Canada already have EPR programs for printer paper and packaging, producers have built the cost of recycling into their product that is sold across Canada. This means that Alberta's consumers are already paying the cost of these programs through the purchase of these products, on top of paying their municipal taxes or utility fees to manage these programs at the community level.

A number of these provincial programs require producers to cover 100% of the costs associated with managing recycle programs. Often the municipal role continues to remain the same, as the main service provider to residents in terms of collection, processing and marketing. British Columbia is one of the most recent to have launched an EPR program. Under their model, they have provided municipalities with the option to continue in some capacity to be a service provider to residents, or completely opt out and allow the Province to manage the program within their community.

The Recycling Council of Alberta and industry players are currently advocating for a made in Alberta approach that would satisfy the entire industry, and would be governed by multi-stakeholders that would include municipalities. There is a recognition that municipalities are the vital connection to residents and are key in providing these programs. What has been learned from other provincial programs related to EPR, is that things will only start to move forward when municipalities advocate their provincial governments to take the necessary steps.