



**Submission to the
Ministry of the Environment, Conservation and Parks
on proposed changes to blue box programs**

Resource Recovery and Circular Economy Act, 2016 (RRCEA).

December 3, 2020

Thank you for the opportunity to submit our views on the proposed changes to the *Resource Recovery and Circular Economy Act, 2016* (RRCEA).

The Canadian Union of Public Employees (CUPE) Ontario is the largest trade union in the province with more than 280,000 members, and 85,000 members working in the municipal sector in the province. CUPE members work in municipalities, health care, school boards, social services, and post-secondary education. Our members are experts on municipal service delivery, and they perform their work with a sense of duty and pride in communities across Ontario.

CUPE believes private producers should be responsible for reducing their environmental impact, but we have serious concerns with the proposed extended producer responsibility model (EPR) for reasons we will outline below.

In summary, our key concerns are the deterioration of public accountability and oversight of Ontario's recycling systems, the potential negative impact on employment in recycling collection and processing, and the many gaps in regulation that will undermine environmental targets in this new model.

Loss of trusted public accountability mechanisms

The proposed changes will end public oversight and accountability of Ontario's recycling systems, and this concerns us deeply. Municipalities currently report their annual blue box activities, including tonnage and financial data, to Datacall, which is overseen by the Resource Productivity and Recovery Authority (RPRA). However, Part VII of the proposed regulation states that producers will submit annual report to the RPRA beginning in 2024, leaving municipalities out of this process.

Therefore, the new EPR model shifts data reporting and record-keeping from the public to the private sector. This regulation is particularly troubling given the Ministry's recent decision to weaken the regulatory power of the RPRA. The RPRA's ability to investigate industry recycling claims has been diminished, likely as a result of a campaign by corporate lobbyists of electronics and household hazardous waste producers.¹ Environmental critics denounced the government's decision for allowing producers to falsely claim that recyclable materials are being recovered when they are actually going

¹ Welsh, Moira. Ontario pushes pause on recycling watchdog, citing need to cut 'red tape.' Critics decry loss of independent oversight. *Toronto Star*. January 17, 2020. <https://www.thestar.com/news/investigations/2020/01/17/ontario-pushes-pause-on-recycling-watchdog-citing-need-to-cut-red-tape-critics-decry-loss-of-independent-oversight.html>

into landfill.² Any government committed to both accountability and meeting diversion targets should take steps to maintain genuine accountability and oversight.

We are concerned the new EPR model will deem the private sector to be responsible for providing data to the RPRA without any public oversight or recourse. The RPRA cannot effectively provide third-party oversight when the Ministry has already limited its capacity to perform investigations of producers.

The public sector is better suited to provide annual reports on recycling, because they are required to present their data to residents in public forums and give opportunities for their input, unlike the private sector. When data is collected by municipalities, their residents are also able to question how they calculate their tonnage and financial data. But the proposed regulation does not detail any accountability mechanisms for data reporting by producers. It merely states that producers will give annual reports to the RPRA and will require certain information. Therefore, we do not know to what extent we will be able to trust data from producers.

The goal of producers to maximize profit will cloud the data they will provide to the RPRA. For example, they may hide information regarding environmental harm because they do not want to be penalized, and they can hide problematic practices more easily due to the loss of public oversight and accountability. This happened with British Columbia's EPR model. Chaz Miller, an independent solid waste consultant with over 40 years of experience in waste management, claimed producers in B.C. inflated their overall recovery rates due to an inaccurately low amount of reported materials.³ It is clear we need to keep public accountability mechanisms in the regulation. If this change is not made to the regulation, and if producers do not report their actual tonnage and financial data, then there will be no way for the public to accurately assess our recycling systems.

Failures of producer responsibility organizations

B.C.'s EPR model reveals the tenuous relationships between municipalities, producers, and producer responsibility organizations (PROs) over true recycling costs. B.C.'s model relies on the oversight of Recycle B.C. (RBC), a PRO that took over recycling operations in 2014.⁴ Miller recently argued that RBC failed to transfer real costs from municipalities

² Welsh, 2020.

³ Miller, Chaz. *Recycle British Columbia's extended producer responsibility for packaging and paper: An assessment of its impact*. March 2019. West Coast Refuse & Recycling Coalition. https://www.resourcecoalition.org/uploads/pdf/Recycle_BC_White_Paper_2-19.pdf.

⁴ Recycle B.C. was originally launched in 2014 as Multi-Material B.C. (MMBC).

producers based on inaccurate data reporting from the latter group.^{5 6 7} RBC collects incentive fees from producers based on what they believe to be reasonable for recycling services, but their cost data failed to account for municipalities' *actual* recycling collection and administrative costs.^{8 9 10} That failure was documented at a stakeholder consultation held in 2018 to discuss RBC's five-year reauthorization bid. RBC reported:

Local governments expressed dissatisfaction with the incentive rates provided for depot and curbside collection, stating that they are not sufficient to adequately cover their operating costs as required by the Recycling Regulation. They also contend that Recycle B.C. does not provide a transparent methodology for calculating the incentive rates as required by the Ministry in its recent guidance document.¹¹

Municipal governments did not anticipate this failure and are now frustrated their full costs have not been covered by producers. For instance, the Director of Waste Management and Resource Recovery for the City of Vancouver, Albert Shames, reported in February 2017 that the city had \$12 million in actual costs for recycling with only \$8 million in revenue from RBC, thus resulting in a \$4 million net loss.¹² In effect, their EPR model failed to transfer the full costs of recycling from municipalities to producers.

Moreover, incentive fees have skyrocketed in recent years. In 2020, total fees are expected to be \$121,104,904, a 23 per cent increase from 2019, and a *44 per cent increase* over the last 5 years.¹³ B.C.'s example demonstrates that relying on data reporting from producers is bound to fail because they cannot provide trusted data and they are not held accountable for it, resulting in losses for municipalities.

Manitoba has encountered similar problems with PROs failing to report accurate data. The Canadian Beverage Container Recycling Association (CBCRA), an industry-funded PRO who collects non-residential recycling in Manitoba, was thoroughly criticized by

⁵ Miller, 2019.

⁶ Fee Schedule. *Recycle B.C.* 2020. <https://recyclebc.ca/stewards/feespayers/stewards-fee-schedule/>.

⁷ B.C. allows municipalities to charge incentive fees for their collection and depot services through private contractors or via RBC who tenders for those services. Fee rates are calculated to using a methodology by RBC to cover the costs associated with collection, transportation and processing of waste materials.

⁸ Collectors. *Recycle B.C.* 2020. <https://recyclebc.ca/collectors/>.

⁹ Miller, 2019.

¹⁰ Fee Schedule. *Recycle B.C.* 2020.

¹¹ *Recycle B.C. Consultation report on revised packaging and paper product extended producer responsibility plan.* October 2018. <https://recyclebc.ca/wp-content/uploads/2018/10/Consultation-Report-Oct-2018.pdf>

¹² Shames, Albert. *City of Vancouver transfer of recycling to MMBC.* February 2017. https://www.cga.ct.gov/env/tfs/20170216_Task%20Force%20to%20Study%20Methods%20for%20Reducing%20Consumer%20Packaging%20that%20Generates%20Solid%20Waste/20170830/City%20of%20Vancouver%20-%20PowerPoint.pdf.

¹³ Canadian Stewardship Services Alliance. *Report to stewards.* October 24, 2019.

https://www.cssalliance.ca/wp-content/uploads/2019/10/CSSA_ReportToStewards_2019_Final.pdf.

CM Consulting Inc. and academic researchers in 2018 for the lack of transparency concerning their recovery data.¹⁴ CBCRA claimed that Manitoba's overall beverage container diversion rate jumped from 42 per cent in 2010 to 70 per cent in 2016 but CM Consulting Inc. said that they could not verify that claim because they did not have full access to CBCRA's primary data.¹⁵

The Canadian Beverage Association praised the CBCRA's *Recycle Everywhere* campaign as "very successful" without any verifiable evidence of its success, and they said that Ontario will be modeled after it.¹⁶ Why is Ontario's EPR model going to follow ones that have track records of making unverifiable claims? The provincial government has already deteriorated the RPRA's ability to investigate producers, so relying on producers to report their data is destined to fail.

In Toronto where solid waste collection was privatized in 2011 for residents west of Yonge Street, the lack of transparency and close monitoring in the west has clouded the public's ability to assess progress in waste diversion. In 2014, contractors failed to give city administration quarterly reports about their diversion rates, incidents of contamination and contract violations, and they omitted data (such as diversion tonnage) in annual reports.¹⁷ However, from what contractors did report to the City of Toronto in 2013-2015, their data showed lower diversion rates in the west compared to the east where it is publicly operated.¹⁸

Guelph has a remarkable waste diversion rate through efficient and accountable public solid waste services delivered by CUPE members. The city reported a 60 per cent household waste diversion rate in their 2019 corporate environmental sustainability report.¹⁹ Guelph has also conducted internal audits about route collection inspections and

¹⁴ Marcoux, Jacques. 'Recycle Everywhere' beverage container stats dropped from consultant report, citing lack of transparency. *CBC News*. October 22, 2018. <https://www.cbc.ca/news/canada/manitoba/recycle-everywhere-beverage-container-stats-1.4872299>

¹⁵ CM Consulting Inc. *Who pays what? An analysis of beverage container collection and costs in Canada, 2018*. October 5, 2018. <https://www.cmconsultinginc.com/2018/10/who-pays-what-2018-now-available/>.

¹⁶ Canadian Beverage Association. Canadian Beverage Association joins Minister Jeff Yurek to announce the Ontario Government's draft blue box regulation announcement. October 19, 2020. *Cision*. <https://www.newswire.ca/news-releases/canadian-beverage-association-joins-minister-jeff-yurek-to-announce-the-ontario-government-s-draft-blue-box-regulation-announcement-864769012.html>.

¹⁷ Toronto Environmental Alliance. *Protecting Scarborough's success: How contracting out could harm Scarborough's waste diversion performance*. January 2017; City of Toronto. *Future curbside waste collection service delivery east of Yonge Street*. January 7, 2017. <https://www.toronto.ca/legdocs/mmis/2017/pw/bgrr/backgroundfile-99693.pdf>.

¹⁸ *Ibid*.

¹⁹ City of Guelph. 2020 Corporate environmental sustainability report. September 11, 2020. <https://pub-guelph.escribemeetings.com/filestream.ashx?DocumentId=8829>.

employee safety and morale, which is publicly reported to council.²⁰ We urge the provincial government to follow the example of proven recycling systems, with full, transparent, and publicly-accessible data, so that the public can know whether or not producers are meeting targets in recycling.

Need for transparent and accessible public records

We also note that Section 52 of the regulation will require producers, PROs, and processors to keep their records “in a paper or electronic format that can be examined or accessed in Ontario for a period of five years from the date of creation”. However, it is not clear how the public will be able to access those records. If the public will only have access by filing applications under the *Freedom of Information and Protection of Privacy Act* (FIPPA) then this will be a costly and time-consuming burden. Instead of proceeding with the plan outlined in Section 52, we urge the provincial government to keep easily accessible public records so that complete comprehensive reviews of Ontario’s recycling systems are readily available.

In addition, we are concerned about the audit process as outlined in Section 54 of the regulation. The RPRA will require audits from producers to detail each blue box material category supplied to consumers in Ontario. The requirement for an audit is a better attempt to try to receive accurate information from producers, but it is unclear why it will only be required initially in 2026 and every 3 years thereafter.

We strongly recommend changing the regulation to require detailed, *annual* reporting with public accountability mechanisms.

Potential negative impact on employment in recycling systems

The proposed changes to our recycling systems will mean a potential loss in workers — including CUPE members — who are currently employed in curbside collection, drop-off depots, materials recovery facilities (MRFs), and landfill sites, and who provide administrative support for blue box programs. Neither the regulation nor the Minister’s announcements about the new EPR model have specified what will happen to workers employed in public and private recycling systems. Future employment arrangements will depend on how each local municipality handles the transition to EPR, so it is unsettling that there are many ‘unknowns’ regarding the future of these workers and their families.

²⁰ Shaubel, Ruvani. *Audit of solid waste resources curbside collection: Overview of internal audit’s findings*. City of Guelph. November 3, 2015. https://guelph.ca/wp-content/uploads/audit_agenda_110315.pdf.

The *Labour Relations Act* in Ontario provides for successor rights for employees who lose their employment due to a change in their employer. It is unclear whether these provisions of the Act will apply in all circumstances during the transition to EPR. CUPE proposes that regulations be enacted which include protection of the employee who loses their employment due to the transition to EPR.

Ending municipal obligations to operate and inform about recycling programs means municipal governments may be persuaded to privatize any remaining public services and assets in recycling. These assets have had a great deal of public investment over the years and that value could be lost to residents.

We warn against this move because the outsourcing of solid waste services corresponds with service failures and poor pay and working conditions.²¹ ²² Municipalities have historically awarded their contracts to the lowest bidder. The winning contractor saves on labour costs by pushing down pay, providing few benefits (if any), shifting to temporary employment contracts, and pushing their workers to the brink.²³ For example, the County of Simcoe's current contractor, Waste Connections Inc., had severe labour shortages in Summer 2019 as truck drivers reached their maximum of legally-permitted work hours.²⁴ ²⁵ This crisis in staffing resulted in significant collection delays, gaps in service delivery as residents did not know if or when their waste would be collected, and the municipality resorted to a patchwork of other waste collectors to help fill empty routes.²⁶ In that same time period, Waste Connections reported over \$1 billion in third quarter revenue (up 10.3% from the previous quarter) and year-after-year growth,²⁷ demonstrating there is profit to be made in cutting corners and reducing the quality of service. Had Waste Connections increased pay to attract workers, as opposed to relying on overworked and poorly compensated workers, Simcoe County residents would not have experienced this predictable outcome of privatization.

²¹ Smirl, Ellen. *Trashed: How outsourcing municipal waste collection kicks workers to the curb*. Canadian Centre for Policy Alternatives: Manitoba Office. October 2017.

<http://delivery.canadianelectroniclibrary.ca/PDFDelivery.aspx?a=e24abc67-de20-4d65-92cd-fe647279d7fe&b=60445914-cd4d-447d-98ba-bc9b85a873c7&i=y>.

²² MacEachen, Ellen, et al. 2014. *Understanding the management of injury prevention and return to work in temporary work agencies*. Institute for Work and Health.

²³ *Ibid.*

²⁴ County of Simcoe. Waste collection delays. 2019.

<https://www.simcoe.ca/CorporateCommunications/Pages/impacts.aspx>

²⁵ Owen, Jessica. New county waste contract trashed by local politicians. *Barrie Today*. July 2, 2020.

<https://www.barrietoday.com/local-news/new-county-waste-contract-trashed-by-local-politicians-2531880>.

²⁶ County of Simcoe. 2019.

²⁷ Waste Connections, Inc. Waste Connections reports third quarter 2019 results. *Cision*. October 28, 2019.

<https://www.newswire.ca/news-releases/waste-connections-reports-third-quarter-2019-results-885148658.html>.

The experience with Waste Connections drove the County of Simcoe to a different contractor, and now they will need to pay “a huge cost” to change contracts.²⁸ The stress over the procurement process was captured by the Mayor of Ramara Township, Basil Clarke, who remarked, “When that one contractor fails, like the trouble we had last summer [in 2019], what is our fallback solution?”²⁹

Likewise, the City of Ottawa had to pay high unanticipated costs with private contractor Orgaworld. The city government and contractor had a lengthy legal battle beginning in 2010 over how much waste the company would accept at its processing facility. In the contract’s first three years, the city paid nearly \$7.7 million in what the city auditor called “unnecessary” costs stemming from its contract.³⁰ We fear the Ontario government’s plan to end municipalities’ responsibility in this new EPR model will force local governments into exactly these kinds of situations.

Outsourcing solid waste services has been an immense challenge in other Canadian municipalities. For example, the City of Port Moody decided to outsource their waste collection in 1998, driven by the argument they would save money from lower payroll costs and shedding public assets. However, in a few years, they faced escalating waste collection costs and resident complaints about poor service quality, pushing Port Moody councillors to bring back waste services in-house. Their in-house management, working in full collaboration with CUPE members, has been a resounding success, resulting in an award-winning quality of service and greatly improved waste diversion rate. Their rate climbed to 73 per cent in 2011 from less than 50 per cent in 2008 when they had a private contractor.³¹ ³² We see the Port Moody experience as an example that all municipalities to strive for because of its social, economic and environmental achievements.

We have seen other significant moves in municipalities across Canada and across the world to bring solid waste services back under the provision of local governments. For example, in 2010 the City of Windsor contracted out its own collection of solid waste and recently the Essex-Windsor Solid Waste Authority was unable to negotiate a contract

²⁸ Owen, 2020.

²⁹ *Ibid.*

³⁰ Pearson, Matthew. Auditor says Orgaworld contract has \$7M in ‘unnecessary costs’. *Ottawa Citizen*. July 9, 2014. <https://ottawacitizen.com/news/local-news/auditor-says-orgaworld-contract-has-7m-in-unnecessary-costs>.

³¹ Reynolds, Keith, Royer Gaëtan, and Beresford, Charley. *Back in house: Why local governments are bringing services home*. Columbia Institute. September 2016. <https://columbiainstitute.eco/research/our-latest-publication-is-out-back-in-house-workbook-why-local-governments-are-bringing-services-home/>.

³² Federation of Canadian Municipalities. *Getting to 50% and Beyond: Waste Diversion Success Stories from Canadian Municipalities*. 2009.

extension with their contractor, Windsor Disposal Services.³³ As a result, the City Council decided to bring recycling collection back in-house for seven of its municipalities on December 1, 2020, relying on hiring past CUPE members who are knowledgeable and experienced to immediately take on the work.³⁴ An interview with the City of Windsor's manager of environmental services, Anne-Marie Albidone, suggested that the City of Windsor in-house workers will likely continue to provide recycling services even when they transition to EPR in 2024.³⁵

The Ontario government claimed the move to EPR will result in an estimated \$135 million in annual savings for municipalities³⁶ but they have not outlined exactly how local governments will acquire those savings. It should not be assumed that the private sector will always save money. As a 2015 Calgary city-commissioned report concluded there is no evidence that contracting out solid waste services delivers significant cost savings for municipalities.³⁷ In fact, the consultant reported that turning to private contractors adds 5-20 per cent to their services over the public sector.³⁸ Public service delivery can accrue savings due to the productivity of dedicated and experienced unionized staff, and as a comparator the public sector prevents price fixing by private waste monopolies. These savings are well documented: Conception Bay South reported that they saved over \$100,000 by moving to in-house collection in 2011; Saint John moved from a mixed public-private collection model to fully in-house and in 2013 they found that they saved \$700,000 in a year; and Ottawa's publicly-delivered curbside garbage and recycling averages at \$0.83 per pick-up, one of the lowest rates in Canada.³⁹

The transfer of recycling costs from municipalities to producers sounds convenient in theory, but municipalities will need to hold producers accountable if they simply cannot get the job done. We urge the Ontario government to amend the proposed regulation to provide a 'safety net' with protections for municipalities when dealing with common conflicts with private contractors that we have outlined above.

³³ Cross, Brian. City of Windsor returns to in-house waste collection, but in the county. *MSN News*. November 25, 2020. <https://www.msn.com/en-ca/news/canada/city-of-windsor-returns-to-in-house-waste-collection-but-in-the-county/ar-BB1bkmxe?li=AAggNb9>.

³⁴ *Ibid.*

³⁵ *Ibid.*

³⁶ Ministry of Environment, Conservation and Parks. *Ontario developing a stronger, more effective blue box program*. October 19, 2020. <https://www.mediaevents.ca/mecp-20201019/>.

³⁷ CH2M Hill Canada Limited and WIH Resources, Inc. *The City of Calgary residential collection services review: Prepared for the City of Calgary*. August 2014. <https://pub-calgary.escribemeetings.com/filestream.ashx?DocumentId=23043>.

³⁸ *Ibid.* Section 3.3.

³⁹ Reynolds *et al.*, 2016.

Gaps in enforcement and environment outcomes

CUPE is greatly disappointed that the regulation fails to provide a trusted plan for waste diversion. It is important to emphasize the new EPR model will be premised on profit-making for producers — they will be driven to generate as high of a profit as possible, which means they will inevitably cut corners to achieve that. It is troubling the Ontario government consulted closely with producers to draft the new regulation, and they included industry lobbyists in public announcements for the new EPR model (such as the Canadian Beverage Association and GFL Environmental Inc.), but they have not given the same attention to environmental advocacy organizations, trade unions, and civil society groups.^{40 41 42} Our groups are well invested in creating a true circular economy, without a profit motive as a fundamental need in recycling. Our groups are deeply committed to improving Ontario's waste diversion rates, and we would like to work with the government to improve the regulation so that outcomes are improved, and work for all. The public sector has proved better in waste diversion and it is a public policy goal; the same cannot be said of private sector operators and PROs.

The proposed regulation establishes ambitious recovery percentages (i.e. diversion targets), but they are set so far in the future that we are unable to analyze any progress throughout the next decade. Limited maximum targets are set for 2030, so we will have to wait a full decade until we expect to thoroughly evaluate the efficacy of the new EPR model.

The regulation also sets ambitious goals of expanding blue box collection to include unprinted paper and single-use packaging and items (where not currently allowed), but nowhere has the government determined how producers will accomplish that. Furthermore, the targets in the regulation are only for residential waste, not for industrial, commercial, and institutional (IC&I) sectors, and these are the areas where most waste is generated. The Ontario government's failure to include administrative penalties in this regulation signals they are not serious about holding producers accountable if they do not meet diversion targets.

One of the biggest loopholes in the regulation is the lack of enforcement for reducing packaging waste and improving its design. If the goal of Ontario's new EPR model is to

⁴⁰ Ministry of Environment, 2020.

⁴¹ Toronto Environmental Alliance. *Fifty-two groups call on Ontario government to take advantage of once-in-a-lifetime opportunity to fix the blue box and eliminate packaging waste.* August 24, 2020. https://www.torontoenvironment.org/fifty_two_groups_call_on_ontario_government_to_take_advantage_of_once_in_a_lifetime_opportunity_to_fix_the_blue_box_and_eliminate_packaging_waste.

⁴² McGillivray, Kate. Environmental groups lay out concerns with province's blue box overhaul. *CBC News.* August 24, 2020. <https://www.cbc.ca/news/canada/toronto/recycling-overhaul-environmental-groups-concerns-1.5696887>.

encourage producers to redesign their packaging waste, there needs to be requirements in the regulation for producers to create toxic-free waste packaging, and to improve packaging. There are no such requirements in the draft regulation. It is simply assumed producers will improve their packaging. According to Miller and researchers who studied EPR models in Europe, they conclude that years of EPR did not result in the anticipated goal of product redesign.⁴³ Why? Their regulations do not actually compel producers to improve packaging, similar to the regulation for Ontario's new EPR model.

Environmental researchers fear the lax nature of the proposed regulation will allow producers to simply charge more for any improvements to waste packaging, because they do not want added costs to cut into their profits.⁴⁴ This added expense will most likely be passed on to consumers, who will absorb added costs in their grocery bills, thus defeating the goal of ultimately saving costs for the public.⁴⁵

We strongly urge the Ontario government to revise the regulation with a plan to actually achieve improved environmental outcomes. This should include high diversion targets to ensure that producers recover the hardest-to-recycle materials, and to enforce the redesign of packaging waste.

In addition, the regulation does not require producers to service the IC&I sectors and some public spaces. The Ontario government acknowledges this omission but has not addressed it in the regulation. It is well known that as much as two-thirds of Ontario's waste is generated in the IC&I sectors⁴⁶ — this cannot be ignored.

There is also a delay for producers to set up common collection systems for buildings, schools, retirement homes, long-term care homes and some public spaces, as they will not be expected to service those communities until 2026.⁴⁷ It concerns us that the Ontario government is delaying much-needed reform in these sectors. We urge the government to consult with non-industry partners for the forthcoming IC&I recycling framework and ensure every Ontarian can recycle no matter where they live, work and pursue their recreational needs.

⁴³ Miller, 2019; Kunz, Nathan, Mayers, Kieren, and Wassenhove, Luk N. V. (2018). Stakeholder views on extended producer responsibility and the circular economy. *California Management Review*, 60(3) 45–70.

⁴⁴ Dunn, Trevor. Ontario's new blue box plan will recycle more, but it'll cost you more as well, experts say. *CBC News*. October 20, 2020. <https://www.cbc.ca/news/canada/toronto/ontario-s-new-blue-box-plan-will-recycle-more-but-it-ll-cost-you-more-as-well-experts-say-1.5768577>.

⁴⁵ Dunn, 2020.

⁴⁶ Office of the Auditor General of Ontario. *Non-hazardous waste disposal and diversion: Follow-up to VFM Section 3.09, 2010 Annual Report*. 2012 Annual Report. Chapter 4 Section 4.09. <https://www.auditor.on.ca/en/content/annualreports/arreports/en12/409en12.pdf>.

⁴⁷ Ministry of Environment, 2020.

As a final point, the new EPR model gives rule-making powers to the producers and their PROs to develop a common collection system and to determine their own rules. This assumes producers will naturally cooperate and refrain from undermining each other's businesses. We do not believe you can assume this will happen without a strong, centralized body to conduct investigations and ensure fairness amongst producers. It is certain that producers and their PROs will fight for access to waste, as academic researchers have found after studying EPR models in Europe.⁴⁸ The government must enforce the rules amongst producers and their PROs, and as we emphasized earlier, there must be protections for municipalities when dealing with conflicts with the private sector.

Conclusion

The regulation as proposed will turn Ontario's recycling systems into a business model that will have little to no public oversight or accountability, one that threatens to weaken waste diversion and service delivery.

As we have seen in British Columbia among other places, the risk is that instead of streamlining the blue box system in a way that improves services, we will wind up with a programme that is a patchwork of various individual agreements among municipalities and a variety of different producers. This will result in inconsistent delivery across the province. Municipalities will be the ones receiving complaints from dissatisfied residents, but they will have no ability to do anything to correct the problems.

This greatly risks undermining public confidence in our recycling systems. The overall shift of remaining public operations to the private sector will also likely have a negative impact on employment and will result in unexpected costs and service conflicts for municipalities — those who are the best at collection, processing, administration and diversion.

Furthermore, it is assumed producers will improve the overall environmental impact of the goods they sell, but nothing in this regulation compels them to do so. The government's desire to hold producers accountable for their waste is commendable, but many gaps in the regulation must be addressed if we are to ensure our recycling systems operate for the public good.

⁴⁸ Kunz *et al.*, 2018.