

# CUPE Ontario Division

---

## Submission Waste Reduction Act

---

Ministry of the Environment  
EBR Registry Number: 011-9260

---

Fred Hahn  
President  
Canadian Union of Public Employees  
(CUPE) Ontario

September 4, 2013

---



## **CUPE Ontario Waste Diversion Consultation Submission**

The Canadian Union of Public Employees Ontario Division (CUPE Ontario) is the voice of over 240,000 members, who work in every corner of the province and every sector of the labour force. CUPE Ontario is proud to partner with labour and community groups to build strong communities and the kind of province that we all want. Our members work in long-term care homes, hospitals, schools, universities, shelters, child care centres, water treatment and solid waste. Our solid waste members are part of CUPE Ontario's 80,000 members in the municipal services sector.

CUPE Ontario welcomes the opportunity to comment on the issues of solid waste diversion and the government's latest environmental legislative initiative – the Waste Reduction Act. In a number of sectors, such as energy, agriculture and, solid waste Liberal governments have introduced a variety of legislation and policy initiatives to grow the green economy and reduce our environmental footprint. Despite some positive outcomes and good intentions, these measures have not been without their challenges.

The Environmental Commissioner of Ontario has drawn on Ministry of Environment statements acknowledging that diversion programs have been flawed. From the Commissioners 2010 annual report; "current programs under the Act do not encourage producers to focus on waste reduction first, reuse second and recycling third. Instead, they generally focus on finding the least costly means of collecting and recycling materials." Further; the environment Ministry has said, "there is no direct financial incentive provided to individual producers to reduce their costs through product design, such as designing a product that is easier and cheaper to recycle. The lack of direct financial incentives to improve product design can be an impediment to reducing waste, increasing reuse, and ultimately striving for zero waste."<sup>i</sup>

CUPE members understand the necessity for aggressive diversion targets and feel that fostering public municipal services, a well-regulated system, a commitment to best practices and an adequately resourced system can accomplish diversion targets. Our members submit the following.

### **Municipal & Private Sector Waste Provision**

Solid waste collection (including waste, bulk white goods, organics and recycling) is a municipal responsibility with a mix of private for-profit and public services delivery. Major census metropolitan areas tend to have a wider-range of more accessible services to residents with higher diversion rates, while more rural, northern and remote communities have a stronger reliance on landfill as a solid waste solution with limited diversion targets or plans. There are many factors which go into a municipality's decision making regarding solid waste, but largely it is driven by cost. The result is a reliance on landfill in many communities, the Ontario Auditor General has said, "On average, municipalities reported that the cost of diverting a tonne of blue box recyclable materials was about 40% higher than the cost of disposing a tonne of waste in a

landfill.”<sup>ii</sup>; although it is not clear if municipalities always account for the costs associated with the landfill in this figure. Some municipalities also turn to private waste companies for collection and sorting, believing it will contain costs. The decision to privatize often comes with other factors.

For perspective, it is important to review several examples, which demonstrate the advantages and abilities which exist in the public sector:

- Municipal solid waste collection is comparable in both costs and efficiencies to private-sector providers.
- There are additional benefits to workers in the public sector; for example in workers health and safety. In the public sector, workers who are hurt and injured on the job will have another worker take their place while they heal.
- As with other services, municipalities lose control and flexibility when the private-sector takes over, this is especially true when it comes to diversion goals, recycling and composting.

Some specific examples include:

- *Sherbrooke, Quebec*: The City announced in March 2011 that it was bringing garbage collection services in house, saving the city \$750,000 annually. The city used recycling and composting programs to reduce collection to once every two weeks. The savings was achieved even considering the addition of one new employee and one new truck.
- *Peterborough, Ontario*: In 2010, CUPE found that public collection in Peterborough was 17% cheaper than the average cost of collection for municipalities. Moreover, when compared to neighbouring Kawartha Lakes, who uses a private operator, Peterborough collection was 63% lower.<sup>iii</sup>
- *Port Moody, British Columbia*: In 2009, the City of Port Moody brought solid waste and recycling services back in house after 10 years of private provision. The contractor missed pick-ups every week and provided such poor service the city sent municipal workers to clean up their mess. Two years later, the city’s in-house waste collection won Port Moody a 2011 Solid Waste Association of North America Award of Excellence. The bronze award “recognizes outstanding solid waste reduction programs,” in this case for a communications project to change public attitudes about recycling. The city credits its staff as “recycling ambassadors” for getting the word out.
- *Ottawa, Ontario*: In 2006, the City of Ottawa brought solid waste services back in house in one of its six ‘zones’. Each year the public service has become more efficient. Ottawa’s Auditor General reported in February 2011 that an independent auditor’s report found in-house services saved more than \$5 million in four years. In a February 2010 report to the city’s planning and environment committee, Ottawa’s auditor attributed the savings from using public employees to “route optimization, managing labour costs and the benefits of a new fleet [reduced maintenance costs].” The auditor reported that overall financial performance “reflects continued operational efficiencies,

and the productivity of dedicated and experienced staff.” In November 2011, the city renewed the contract, and voted to bring a second zone back in house.

- *Hamilton, Ontario:* Since amalgamation in 2000, City of Hamilton employees have collected garbage in half the city, and a private contractor in the other half. The city’s in-house operation has consistently been more economically efficient than the contractor’s, even though city employees serve the older downtown core. An April 2011 report to the Public Works Committee confirmed that publicly-delivered solid waste services cost \$1.15 less per household than the private service.

The proposed legislation will seek to enshrine some positive aspects of municipal service provision, but CUPE Ontario questions whether it could also act as a convenient wedge for municipalities to further privatize collection services. This would lead to higher costs for residents and lower service standards.

Extended Producer Responsibility (EPR) is an important concept in diversion, however, as the legislation stands, we view introducing the role of intermediaries as potentially problematic. This measure could serve to forge stronger partnerships and opportunities with the private waste collection industry and producers. Ultimately, as the legislation is laid out, it may favour scenarios, for an intermediary to act as the collector for a producer of goods and sidestepping municipal service providers.

The public is best served by an efficient cost effective service provider, and municipalities meet those criteria. The private waste industry can appear cheaper because of the lower wages and benefits paid for the hard work involved in collection. Moreover, in municipalities with advanced diversion programs, there have been serious questions and evidence raised about private sector collectors ‘jeopardizing’ diversion efforts.<sup>iv</sup>

A specific positive example can be found in Toronto. The City’s successful electronics diversion program sees the public solid waste workers collect the waste and the private sector is involved following collection, to safely salvage and dispose of the material. Another goal is also met by supporting strong public services; given the slow economic recovery, public services also act as a measure of stimulus on the job market and economy as a whole. If diversion and a green economy are key goals of this measure, than this proposed legalisation and subsequent policies/regulations need to be adjusted to foster those goals in the most accountable and effective way, which is through municipalities.

The most positive aspect of the government’s proposal is allowing municipalities to collect more than the 50% cost threshold in recycling collection. The ‘Blue Box’ program is a very successful diversion program with high levels of participation. This success has both to do with the market place for the material collected, but also the education and awareness programs which have taken place in the public for many years. Despite this positive measure, the government could also take steps in its legislation/policy to make recycling a stricter requirement; set municipal recycling targets; and introduce regulation to the recycling industry.

## **Issues of Accountability**

Effective accountability measures are a hallmark of implementing any policy initiative. This is particularly true when it comes to waste collection and diversion. There is a high environmental sensitivity in this field and diversion will assist the province in meeting our environmental goals, as well as strengthen the economic and labour markets for this industry. One of government's primary roles is to enact effective regulation for producers, collectors, and their intermediaries.

CUPE agrees with the broader environmental community that stricter rules need to be placed on the recycling industry and there should be requirements for municipalities to have recycling programs. In addition to the aforementioned, working with municipalities to create a more uniform system of recycling would assist this initiative. In different communities across the province, there are various and often confusing rules on how and what to recycle. The Ministry needs to encourage a policy which is portable across the province.

This also includes the Green Bin program, which only about 40% of Ontarians have access to. For example, two major centres have had challenges implementing this program. In Waterloo, residents are objecting at participating; only 15 to 35% of residents are in the program and the Region is under capacity in collection causing the cost of composting organics to rise. The City of London rejected the idea wholly, with one Counsellor asserting the cost of the program would automatically add 1% to the property tax bill.<sup>v</sup> There are ways the provincial government can increase participation in this program. The successful 'blue-box' initiative benefited from infrastructure investment and public education. Measures to increase participation should be included in the legislation and subsequent policies/regulations.

CUPE also has concerns about the new agency detailed in the Act – the Waste Diversion Authority. Our recommendations will be based on two issues; the transparency of the new organization and its real powers.

First, the legislation seeks to replace existing authorities into one agency devoted to diversion activities of all kinds, including electronics, tires, recycling and EPR. At the start of the provincial push for diversion targets and previous legislation and programs, the current agencies were small organizations working with industry and other public bodies. However, they have grown into larger bureaucracies with their own vested interests. Although consolidation may be appropriate to combat the aforementioned growth of separate agencies, the situation of a single delegated waste authority is not necessarily desirable either.

Waste diversion authority organizations have followed a similar government structure, which is to establish separate agencies charged with specific policy initiatives. This system risks being distant from public accountability and in other Ministry's and agency's scandal has followed. Whether it is Ornge, the Ontario Power Authority or Metrolinx, the current and past Liberal government as operated with structure of powerful organizations. Given the issues, which

have arisen from some of these operations, CUPE Ontario questions whether or not this model should be repeated. Whatever the result of the consultation, the legislation should reflect a higher level of accountability. It is not enough to allow the Auditor General to investigate the new Waste Diversion Authority. The Auditor General's office has a wide-mandate and many competing priorities, which forces it to spread its attention and resources – there is no guarantee when the new Authority would be included in reports. Also, in many cases, such as the Ontario Power Authority gas plant issue, the office only gets involved following a mistake. The government needs to strengthen the accountability measures on any new agency to include Freedom of Information, municipal representation and even reviews by parliamentary committee.

The final issue which needs to be addressed is waste diversion marketplace and economics and what the public sector role should be. The diversion industry is worth a lot of money and benefits immensely from public infrastructure. A coalition of environmental and industry groups identified the following about the value to our economy:

*The addition and expansion of stewardship activities in Ontario through the Waste Diversion Act (WDA) has made an important contribution both to our struggling diversion rate as well as leveraging much needed financial investment in Ontario's waste diversion industry. Programs under the Act have brought an estimated \$240 million annually, expanding on our ability to process collected materials from Ontario's homeowners and businesses directly into our manufacturing and remanufacturing sectors. These programs have also offloaded important costs from the Ontario taxpayers.<sup>vi</sup>*

In addition to the private-sector contribution, there is a role for public sector participation in this industry aside from collection. Municipalities with the help from good policy and/or resources from the province can participate together to help create good jobs in communities around the province.

The greatest roles for the private and Industrial Commercial Institutional (ICI) sector remains in the concept of product stewardship and evolving their participation in diversion. For example, product packaging is a huge concern; municipal taxpayers should not be subsidising private sector packaging practices, which largely ignore EPR and diversion goals. The average waste thrown away is about 70% packaging; when a municipally provided/funded service picks that 'waste' up it amounts to consumers paying twice. This was first dealt with through the introduction of recycling programs, but municipalities still pay half that cost, in addition to their capital infrastructure costs. Making the percentage higher for the private sector is a good start; however, companies need to be made ultimately responsible for reducing their contribution to landfill.<sup>vii</sup> They need to be accountable in a holistic way; in the previous example, it is in reducing, but they also need to be more active in diversion overall and government policy has a role in accomplishing this. The millions municipalities spent on collection and processing of solid waste could be lowered and used to improve and fund other public services.

## **Implementation – Equity & Timelines**

At the provincial and municipal levels, government has been struggling to meet diversion targets for many years. As municipalities near capacity for landfill and our global environmental situation progressively worsens, governments need to lead the way on initiatives like waste reduction and diversion. The timelines in the Ministry's implementation plan need to be shortened; extending the time-period on new regulations only serves to discourage municipalities and the ICI sector, which needs to be a focus. Kenora provides a useful example; in July 2013, the municipality's environmental advisory committee reported that their landfill may not be able to last the 40-years projected if they keep filling at the current rate. The committee went on to suggest improved diversion, especially from construction and contracting sector. The Mayor sidestepped the issue by inferring there would be a "zero waste disposal" situation by the time the landfill was used up.<sup>viii</sup> Effective diversion needs leadership; when communities delay implementing programs they risk dealing with more significant issues later and get shut out of the potential economic benefits from diversion.

The Ministry also needs to consider incentivising municipalities to utilize their resources to achieve aggressive diversion targets. It is a good start to raise the threshold recycling partners have to pay to municipalities, but further is needed so that more environmentally harmful options such as incineration are not pursued further, which frustratingly remains in the discourse in some communities. Combined with maintaining a restrictive process on new landfill, the Ministry should encourage and support municipalities to cooperate on public/public partnerships which would meet their needs. The organic waste digester in Guelph could serve as a model as neighbouring communities contract with the facility. This support could range from connecting municipalities to explore their capital needs, connecting municipalities with the ICI sector, and including resources (in-kind and financial) to support the building of new diversion infrastructure. This measure would meet the goal of economic and labour market development in the sector, but in the more accountable public sector. A singular market based solution focus, will only seek to increase costs to the public or foster less efficient operations.

This legislation and subsequent policy also needs to ensure that diversion targets meet the needs of all communities. It will not be enough to say that once large census metropolitan areas in Southern Ontario are improving diversion that the job is done. This initiative must also help northern, rural and remote communities meet their needs. Again bringing partnerships and uniformity to recycling and organics programs would go a long way to achieve targets. The second component is involving and mandating the ICI sector. It is this sector which drives diversion targets down. The legislation is a good start to bring the ICI sector into diversion programs more, but in order to meet targets, the timeline needs to move quicker – four years is too long.

Finally, the legislation and subsequent regulations or policy needs concrete numbers attached to the enforcement mechanisms. The language regarding enforcement is relatively strong, however, nowhere is it clear how or whom will actually undertake inspections and any

subsequent action. Considering the provincial government's austere position, what guarantees are in place that inspectors will be hired to carry out the legislation? Often, the laws and regulation 'on the books' is effective, but due to a lack of will and commitment they are not enforced. If the government is serious about this legislation working there resources need to be identified.

### **Recommendations**

CUPE Ontario thanks the Ministry for the opportunity to comment and submits the following recommendations:

1. Enshrine that waste producers and their intermediaries should not usurp a municipalities capacity on solid waste collection and diversion targets. It must be clear that an EPR's intermediately cannot engage in collection, where a municipality is completing the work, nor should a municipality be responsible for any additional costs.
2. Make recycling programs a requirement in the legislation and set improved municipal recycling targets, which includes the public portions of the ICI sector.
3. Encourage uniform and consistent rules for diversion – especially for household organic and recycling collection – for all municipalities.
4. Place the new Waste Diversion Agency under Freedom of Information legislation and for review by Parliamentary Committee. Ultimate decision-making power must reside with the elected bodies of the municipalities and the House of Commons and not solely within the new Agency.
5. Provide resources for public-public partnerships for infrastructure builds and improvements, which will lead to meeting diversion targets. An example would be anaerobic digestion for organics.
6. Shorten the implementation timeline to a maximum of two-years.
7. Provide specific resources for enforcement, which includes the hiring of inspectors.



---

<sup>i</sup> Environmental Commissioner of Ontario. Engaging Solutions, Annual Report 2010/11. pg. 106. ISSN 1927-0747 (Online)

<sup>ii</sup> Ontario Auditor Report, 2010. Ministry of the Environment; Non-hazardous Waste Disposal and Diversion. Chapter 3, Section 3.09. Available at: [http://www.auditor.on.ca/en/reports\\_en/en10/309en10.pdf](http://www.auditor.on.ca/en/reports_en/en10/309en10.pdf)

<sup>iii</sup> *Costs and Consequences of Solid Waste Collection Alternatives in Peterborough*

<sup>iv</sup> Toronto Environmental Alliance. *Look Before You Leap: An Environmental Perspective on Privatizing Waste Collection in Toronto*. May 2011.

<sup>v</sup> Outhit, Jeff. *Green bin costs soar. Are they worth it?* Waterloo Region Record; Sat. July 27, 2013, Page: A1, Section: NEWS.

<sup>vi</sup> Multi-Organization Letter to Premier McGuinty dated October 11, 2011. Available at the Canadian Environmental Law Association: <http://www.cela.ca/sites/cela.ca/files/81OLTR%20-%20Premier%20re%20WDA%20-%20final%20-%20October%202011-5.pdf>

<sup>vii</sup> Toronto Environmental Alliance. Don't Trash our Environment: Why companies need to be part of Ontario's waste solution. October 2011.

<sup>viii</sup> Clayton, Reg. *Environmental advisory; Committee raises capacity concerns over Kenora landfill*. Lake of the Woods Enterprise and Miner and News; Thu Jul 11 2013, Page: 3, Section: News.