

Multi-Material Recycling Program – Draft Regulations

ISSUE

On May 12, 2022, the Province of Saskatchewan released a draft of *The Household Packaging and Paper Stewardship Program Regulations, 2022*, for public engagement. The summary that accompanied the regulations states the intention to move to full extended producer responsibility, which means financial and operational responsibility for residential recycling programs would be able to shift from municipalities to industry. This report provides an update on the proposed changes, how it would impact the City of Saskatoon's (City) recycling programs, and a summary of the City's response to the consultations, due on June 30, 2022.

BACKGROUND

On April 6, 2021, the Standing Policy Committee Environment on Utilities and Corporate Services received the [Saskatchewan Household Packaging and Paper Review and Engagement](#) report as information and the City prepared a submission for the consultation as outlined in that report.

In November 2021, the [What We Heard – 2021 Engagement Results](#) was released by the Ministry of Environment. The City's feedback was reflected in the results.

CURRENT STATUS

The Province of Saskatchewan has published a draft of *The Household Packaging and Paper Stewardship Program Regulations, 2022*, and is undergoing consultations on the proposals.

The City's Curbside and Multi-Unit Residential Recycling programs receive funding through a product stewardship program which was developed using the current regulations. Multi-Material Stewardship Western (MMSW) is the producer responsibility organization that operates the program. The City is currently reimbursed 42% of our total cost to operate residential recycling collection programs. Other City-run recycling programs, including recycling depots and outdoor public space recycling, currently do not receive funding.

The City is also a producer of materials covered in the current regulations, due to the distribution of paper to households such as utility bills, notices, and other communications. The City is required to do annual reporting to MMSW on material distribution and pay an annual fee.

DISCUSSION/ANALYSIS

Saskatchewan's Ministry of Environment has provided two documents for their engagement that are attached to this report:

- Appendix 1: The Household Packaging and Paper Stewardship Program Regulations – Summary of Proposed Regulatory Changes; and
- Appendix 2: The Draft Packaging and Paper Regulations.

The key changes between the current regulations and the draft regulations that will impact the City are summarized in Appendix 3: Key Regulatory Changes.

The way the stewardship regulations in Saskatchewan work is that once the regulations are adopted by Cabinet, a producer responsibility organization would design a program to meet the regulations, including additional engagement with stakeholders and negotiations with the Ministry of the Environment. After the ministry approves the program plan, only then would changes begin to take place.

According to the summary in Appendix 1, the program objectives are to:

- preserve the integrity of residential recycling while ensuring uninterrupted collection service to residents;
- minimize disruption of existing municipal contracts with third parties;
- standardize the list of accepted materials;
- ensure an open and competitive market for future collection and processing of materials;
- outline a process for establishing standards, definitions, and service responsibilities; and
- provide for continuous improvement of environmental outcomes.

These objectives are not specified in the draft regulations so there is no guarantee that they will be achieved. However, the above points do provide insight into some of the program details that the Ministry of Environment will consider when assessing a proposed program plan.

Packaging and Paper Stewardship in Other Jurisdictions

The proposed changes in the draft regulations attempt to align with other Canadian jurisdictions, including the full extended producer responsibility approach, the packaging and paper materials, the producers that are obligated by the regulations, and the types of services that need to be included.

British Columbia (BC) has the longest history with this type of regulations. Recycle BC is the producer responsibility organization and has developed a program based on BC's regulations. Their program gives municipalities a choice to continue collections, depot operations, and education with clear program standards to meet. Alternately, a municipality can choose for Recycle BC to take on these roles, which is how about a quarter of the recycling is now collected in BC. In all cases transportation from a transfer station, processing, and marketing of materials is the full responsibility of Recycle BC. It is not clear whether the program for Saskatchewan will offer municipalities this type of choice.

Impacts on Current Program and Engagement Response

The draft regulations and the resulting new product stewardship program may have significant implications for residents, City operations, and environmental outcomes. Appendix 4: Impacts on Current Program and Engagement Response, provides details on the expected impacts and how the City intends to respond in the engagement submission.

Most specific impacts will not be known until the Ministry of Environment approves a new product stewardship program from the producer responsibility organization. The City’s response will request that the program objectives listed above be upheld since they are not included in the draft regulations but reflect the future product stewardship program that the City would like to see approved. As well, the City’s response draws on the extensive experience and data from the City’s recycling programs to specify preferences and considerations for both the draft regulations and the new product stewardship program. The City’s response requests ongoing involvement as the product stewardship program is developed.

FINANCIAL IMPLICATIONS

There are no financial implications by receiving this report as information.

The proposed changes in the summary (Appendix 1) and draft regulations (Appendix 2) are anticipated to have significant financial impacts on how the City funds waste programs and projects. Presently there are no restrictions on how MMSW funding can be used by the City, and the allocations change yearly. In the 2022 approved budget, MMSW funding is allocated to the Leaves and Grass user pay program, the Multi Unit Residential Recycling program, and various mill rate programs and capital projects. The Curbside Residential Recycling program is fully funded by users through a utility fee. Should the draft regulations come into effect, the financial responsibilities of residential recycling will shift away from the City to industry. The extent of this shift, when it could take place, what options may be available to the City to retain an operational role, and the financial implications are unknown at this time and will depend on the product stewardship program designed by the producer responsibility organization following the adoption of the regulations.

Mill rate programs receiving MMSW funding in 2022 include Compost Depots, Household Hazardous Waste, and Debt Management for Recovery Park. The *Solid Waste Reduction and Diversion Plan*, and Waste Reduction Initiatives capital projects also received MMSW funding in 2022. If the draft regulations are adopted, MMSW funding supporting these mill rate operating programs and new capital projects may no longer be available. In 2022, the City used \$1,586,800 of MMSW funding to support mill rate programs and \$400,000 to support capital projects.

The table below summarizes the current recycling utility and MMSW funded items.

Table 2: Recycling Utility and MMSW Funded Programs/Projects based on 2022 Approved Budget and 2023 Approved Plan

Program/Project	Funding Model
Curbside Residential Recycling	Utility
Multi-Unit Residential Recycling	Utility, MMSW
Recycling Depots	Mill Rate
Household Hazardous Waste	Mill Rate, MMSW, Provincial Funding
Leaves and Grass (2022 only)	Seasonal Subscription Revenues, MMSW
Compost Depots	Mill rate, MMSW
Debt Management (Recovery Park)	MMSW
Waste Minimization Reserve	No defined funding model, surplus MURR goes to this reserve

The proposed changes are also likely to impact City employees that currently administer the residential recycling programs. However, with the start of the new curbside organics program, the opening of Recovery Park, the new variable waste utility for garbage and other upcoming waste diversion projects and programs, the City should be able to reassign staff with minimal impact.

OTHER IMPLICATIONS

There are no direct implications by receiving this report.

Appendix 4: Impacts in Current Program and Engagement Response highlighted potential implications of the draft regulations and the intentions of the Ministry of Environment are stated in the summary.

NEXT STEPS

Administration will participate in online engagement sessions for Municipalities, First Nations, Collectors, and Processors on June 8, 2022, and for Stewards/Producers and Businesses on June 14, 2022. Some questions or issues may be resolved through these meetings or additional feedback may arise that will be included in the submission. A comprehensive response for the engagement will be submitted by June 30, 2022.

The next steps for the Ministry of Environment are to use the results of the consultation to finalize the regulations and present them for Cabinet approval. A producer responsibility organization will then develop a product stewardship program. Additional consultation with the producer responsibility organization is expected through 2023 and a new program for packaging and paper could potentially begin phased-in implementation in 2024.

APPENDICES

1. Summary of Proposed Changes – Packaging and Paper Regulations
2. The Draft Packaging and Paper Regulations
3. Key Regulatory Changes
4. Impacts on Current Program and Engagement Response

Report Approval

Written by: Katie Burns, Manager of Community Leadership and Program Development
Dan Gauthier, Environmental Projects and Protection Manager

Reviewed by: Jeanna South, Director of Sustainability
Brendan Lemke, Director of Water and Waste Operations

Approved by: Angela Gardiner, General Manager, Utilities and Environment