

**Multi-Material
Recycling Program
Consultation**

May 4, 2010

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MMRP Consultation Webcast

- In room: ~50
- Via webcast: ~200 registered
 - speaker moves slides
 - box for questions/comments
 - sound slider for volume
 - enlarge slide feature
 - request technical “HELP”
- Slides & archived webcast at www.mmstewardship.ca

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Consultation Objectives

- Understand MMRP development process
- Outline SK government preferred approach & highlight key elements
- Provide context to assist you with providing input
- Answer your questions

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Our Speakers Today

- Ken Friesen, StewardEdge
- Mark Wittrup, Ministry of Environment
- Isabelle Faucher, StewardEdge
- Dan Wong, StewardEdge

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Presentation Overview

- Background & Context
- Overview of Current Situation
- Preferred MMRP option
- Regulation, Program Plan Process
- Q&A & Break
- Consultation Process & Oversight
- Timelines & Next Steps
- Q&A

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Context

Mark Wittrup
Assistant Deputy Minister
Ministry of Environment

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Context

- Government moving ahead with establishment of province-wide MMRP
- Financial commitments announced
 - \$1.75M in bridge funding to ensure transitional assistance to existing recycling programs until MMRP implementation in 2011
 - \$250K in start-up funding loan for MMRP
 - \$100K for consultation & Advisory Committee

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Background

Ken Friesen
StewardEdge

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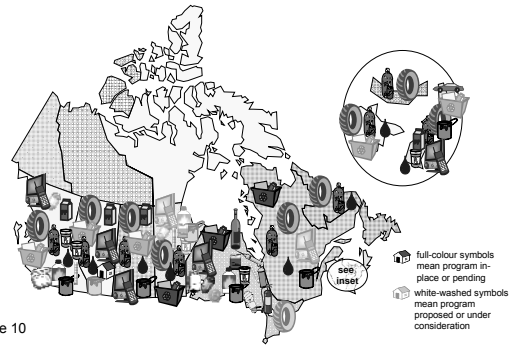
Background

- Desire to move towards Extended Producer Responsibility (EPR)
- Build on existing stewardship programs in SK
- Seek sustainable solution to residential recycling
- Harmonization with other packaging & printed paper (PPP) stewardship programs



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Canadian Stewardship Programs



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What, Why & How? (1)

- What is an “MMRP”?
 - provides for collection of household recyclable materials
 - funded & developed by companies that produce/distribute these products (i.e., stewards) in partnership with municipalities
- Why is it needed?
 - long-standing need for improved recycling services & sustainable funding in the province
 - exacerbated by recent market fluctuations

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What, Why & How? (2)

- How will this affect me?
 - as a business: requirement by law to fund the MMRP
 - as a municipality: receive appropriate funding to operate recycling program
 - as a member of the public: participation in the MMRP is critical to its success
 - cost shift from tax-payer to producer & consumer

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Current Situation

- 100% municipal funding
- Municipalities subject to market fluctuations
- Accessibility varies



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Datacall Overview (1)

- Datacall conducted November 2008 to March 2009
 - municipalities representing 73% of the total SK population provided usable data
- Main cost/revenue findings
 - inexpensive landfill
 - median costs: \$25 to \$48/tonne
 - median cost to recover fibre: \$227/tonne
 - recycling not viable without funding

Cont'd...

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Datacall Overview (2)

- Main cost/revenue findings (cont'd)
 - municipally-operated programs more expensive than contracted programs (\$365/tonne vs. \$112/tonne)
 - recycling cost very dependent on population density
 - many municipally-operated programs are smaller, more remote

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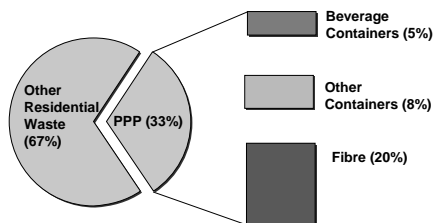
Datacall Results – Generation (1)

- Total annual SK waste generation between 995K & 1,028K tonnes
- IC&I: 518K tonnes
- Construction, Renovation, Demolition (CRD): 142K to 175K tonnes
- Residential:
 - 335K tonnes total waste
 - 109K tonnes of PPP → 90K is non-beverage



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Datacall Results – Generation (2)



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Datacall Results – Recovery

	Fibre	Non-Beverage Containers	Total
Generated (tonnes)	62,000	28,000	90,000
Recovered (tonnes)	35,000	1,500	36,500
Recovery Rate	56%	5%	41%

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Datacall Results - Costs

- High cost of SK recycling attributed to:
 - low population densities
 - distance to markets
 - distance to recycling processors & manufacturers
 - economic downturn in late 2008-2009




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Preferred MMRP Option

Isabelle Faucher
StewardEdge

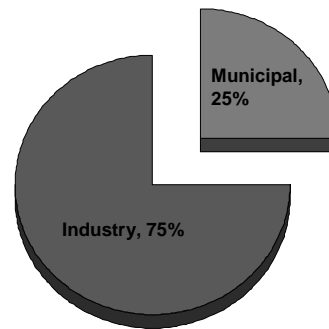
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MMRP Options Considered

Newspapers Separate System	Cost Share 50% Industry 50% Municipal	Cost Share 75% Industry 25% Municipal	MMRP including Beverage	100% Industry Funded
<ul style="list-style-type: none"> Requires 3 separate systems Quantity of newspaper recycled may not increase Overall system cost increases 	<ul style="list-style-type: none"> Still includes significant costs for municipalities Not consistent with some views of "EPR" 	<ul style="list-style-type: none"> Seen as a reasonable balance between industry & municipal cost sharing & control 	<ul style="list-style-type: none"> Removal of deposit system a significant change for SK residents Less cost to consumers overall, but lower beverage container recovery rate Significant change for SARCAN 	<ul style="list-style-type: none"> Closer to "true" EPR Less municipal control / "say" Efficiency opportunity through centrally managed contracts Less favorable to industry

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Preferred Model - Program Funding



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Preferred Model - Materials Targeted



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Preferred Model - Roles

- Role of municipalities
 - can decide on collection type
 - funding available to appropriate level (i.e. efficient & effective recycling program)
- Role of SARCAN (Saskatchewan Association of Rehabilitation Centres)
 - deposit system remains in place
 - could be contracted to service some rural areas
- Role of industry
 - responsible for ensuring all stewards participate
 - develop & execute Program Plan
 - ensure system's sustainability

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Preferred Model - Governance

- Industry-led Board of Directors of the Stewardship Responsibility Organization (SRO)
- Advisory committee consisting of municipalities, industry, Environmental Non-Governmental Organization (ENGO), SK Government (observer)
- Consultation advisory committee could become permanent advisory committee
- Accountability & transparency
 - annual reporting

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Preferred Model - Who Pays What?

Total Net Cost (\$) – <i>excluding</i> SARCAN deposit system	\$10M
Net Cost (\$) to Industry (75%)	\$7.5M
Net Cost (\$) to Municipalities (25%)	\$2.5M
Total Net Cost (\$/tonne)	\$229
Net Cost to Municipalities(\$/tonne)	\$57/t
Net Cost to Industry (\$/tonne)	\$172/t

→ Gross system cost ~ \$10/person/yr

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Preferred Model – Who is Obligated?

- Modeled after
 - similar PPP stewardship programs in Canada
 - existing SK Regulation (e.g., WEEE)
- Hierarchy of:
 - resident Brand Owner,
 - First Importer into SK, or
 - Voluntary Steward



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Preferred Model - Service Levels

- Service levels generally determined by pop. size
 - municipalities with pop. >25K receive curbside collection services
 - expanded depot program for remainder of province
 - but, municipalities can opt for higher level of service if willing to pay incremental cost
- Continued & potentially expanded role for SARCAN
- Increased recovery
- Increased access to recycling



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Regulation & Program Plan Process

Ken Friesen
StewardEdge

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Regulation & Program Plan Process

- 3 main steps to get to MMRP
 - enact regulation
 - SRO develops program plan
 - Minister approves plan



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Regulation & Program Plan Process – Step 1

1. Regulation

- level playing field (obligate all stewards)
- establish high-level key elements (potentially obligated parties, material types, accountability, etc.)
- obligates stewards to develop a program plan



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Regulation & Program Plan Process – Steps 2 & 3

2. Develop Program Plan

- greater level of detail; intended to further define scope of program
- the “how” e.g.
 - rules for stewards
 - commitment to achieve objectives
 - reporting

3. Minister approves Program Plan

- Minister grants approval to operate Packaging & Printed Paper Stewardship Program

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What Could It Look Like Under the Preferred Model?

- Obligate stewards of PPP
- Level playing field for stewards
- Sustainable funding mechanism
- Reduce municipalities' costs dramatically
- Achievable recovery rates: 60% & higher
- More effective & efficient recycling
- Less litter



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Questions?

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Break

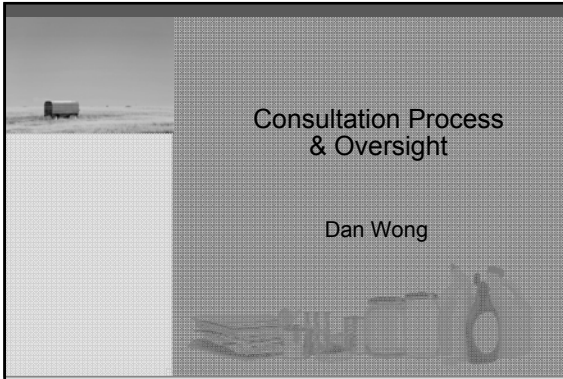
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Welcome Back

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Consultation Process & Oversight

Dan Wong



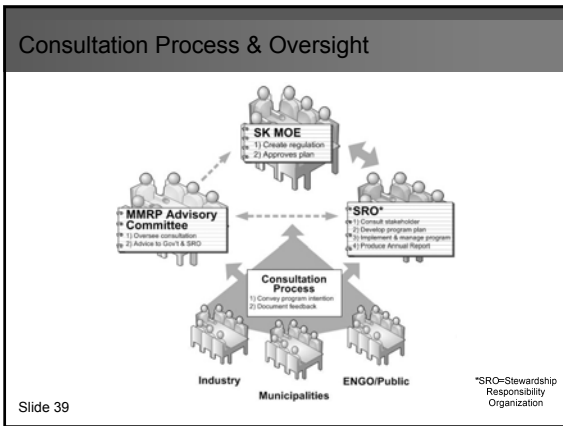
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Consultation Process & Oversight *Joint Advisory Committee*

- Governance
 - co-chaired by municipal & industry representatives
 - consensus-based but allows for dissenting opinions
- Membership
 - municipalities
 - industry
 - NGO
 - government as observers

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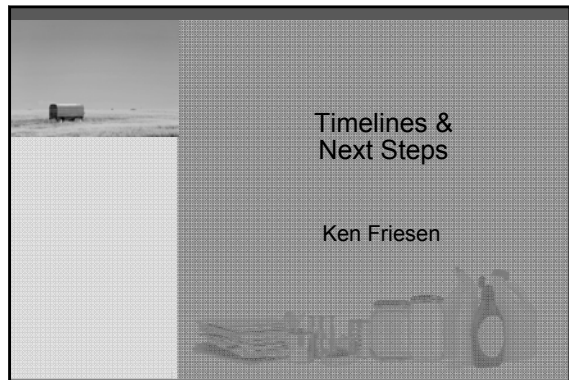
Consultation Process & Oversight



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Timelines & Next Steps


Ken Friesen



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Next Steps

- Provide comments on preferred MMRP approach
- Comments to be considered in drafting of MMRP Regulation
 - regulation will ensure level playing field & participation by all stewards in program



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Tentative Timelines

April 21	MMRP Consultation Paper Released
May 14	Written feedback period ends
May 28	Consultation Report issued
June 15	Draft Regulation to Advisory Committee
July/August	Draft Regulation to Cabinet
July – December	Industry Program Plan Development
January 2011	Minister approves Plan
January - May 2011	Program Implementation Planning
June 1, 2011	Program Commencement

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Submitting Comments

In order of preference

- E-mail: comments@mmstewardship.ca
(via website: www.mmstewardship.ca)
- Mail:
 - Joint Advisory Committee c/o
Ministry of Environment; Chris Potter
 - Landfills & Waste Stewardship
Municipal Branch, 4th Floor
3211 Albert Street
Regina, SK S4S 5W6
- **Deadline: May 14, 2010**



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Seeking Stakeholder Comments

- Please comment on preferred approach, in particular
 - program funding (75/25 split)
 - materials targeted
 - role of municipalities
 - program governance
 - who is obligated
 - service levels (curbside collection for programs population >25K; depots for others)
 - tentative timeline
 - oversight & consultation process

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Questions & Answers

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Thank you!

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