

July 4, 2025

Sent via Email to : marc.peverini@ontario.ca and minister.mecp@ontario.ca

Marc Peverini
Resource Recovery Policy Branch
Ministry of Environment, Conservation and Parks
40 St. Clair Avenue West, 8th Floor
Toronto, Ontario
M4V 1M2
Canada

Subject: Collaborative Engagement on Advancing Ontario's Circular Economy and Proposed Blue Box Regulation Amendments - ERO number 025-0009

Dear Mr. Peverini,

As a committed stakeholder in Ontario's environmental and economic future, our organization is writing to share our perspective on the critical importance of advancing a robust circular economy in the province. We also wish to express our concerns regarding certain proposed amendments to the Ontario Blue Box Regulation under the *Resource Recovery and Circular Economy Act, 2016*.

Understanding the Circular Economy

The circular economy represents a fundamental shift from a linear "take, make, dispose" model to one that regenerates resources. It re-engages consumption and production by decoupling economic growth from resource use, significantly reducing waste, and re-envisioning value in product design and business delivery systems. A successful transition to a circular economy offers balanced environmental, economic, and social benefits, which must be pursued simultaneously.

About Circular Innovation Council (CIC)

The Circular Innovation Council (CIC), formerly known as the Recycling Council of Ontario, is a national, not-for-profit, membership-based organization with over 40 years of experience in delivering resources and programming that educate and empower Canadians to embrace the

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circular economy. Through our diverse members and partners, we leverage extensive experience and expertise to guide and support the circular economy through research, policy development, and pilot projects. Our mandate is to accelerate Canada's transition towards a circular economy by translating concepts into actionable outcomes.

For over 40 years, as the Recycling Council of Ontario (RCO), our organization has been a leader in advancing effective waste reduction policies and programs across Ontario and beyond.

In fact, it was RCO that the Province of Ontario first commissioned to facilitate the pioneering partnership between producers and municipalities—an initiative that led to the creation of the now world-renowned Blue Box program.

We have played a key role in shaping producer responsibility policy and significantly contributed to Ontario's outcome-focused model, recognized as one of the most advanced in the world. Our organization brings both deep of technical knowledge and operational experience, with a long-standing track record of driving policies that deliver measurable results.

Strengthening Producer Responsibility and the Circular Economy

Effective policies like Extended Producer Responsibility (EPR) are vital tools to redesign markets and reassign end-of-life management of products and packaging to producers and first sellers. These policies are aimed at influencing design and supply chains that deliver products to consumers, often extending beyond local government influence. The CIC, with its long history as the former Recycling Council of Ontario, has been at the forefront of advocating for and implementing EPR as a critical policy intervention for Ontario's transition to a circular economy.

Ontario's stakeholder landscape has dedicated decades to designing systems that assign costs and physical management responsibilities fully to producers. This approach ensures obligated producers have the flexibility to manage those obligations through options that best suit their business designs. The core objective of this re-assignment of costs is to optimize environmental benefits while introducing progressive targets and high operational standards. EPR also offers a significant opportunity to establish local management services and infrastructure, fostering important economic development and employment benefits. Ultimately, a commodity-based industry, recycling relies on consistent sources of materials managed to optimize value.

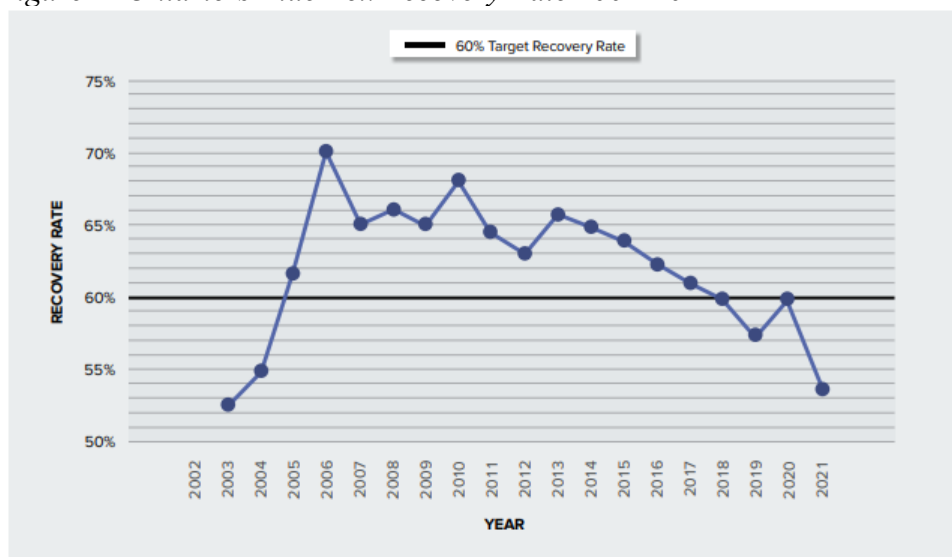
We are writing to express serious concerns regarding the proposed amendments to the *Ontario Blue Box Regulation under the Resource Recovery and Circular Economy Act, 2016*. These amendments represent a significant step backward from the government's commitments to achieving zero waste.

Crucially, these changes could jeopardize capital and program investments made in response to government direction on EPR requirements. This puts new investments and innovations at risk, potentially stifling the development of a first-class recycling industry in Ontario. While many other provinces and territories in Canada are expanding or introducing EPR, this retreat from EPR risks making Ontario a laggard.

Ontario's Blue Box program has been a cornerstone of the province's waste management and recycling efforts. Maintaining its current trajectory and fostering further innovation are vital for Ontario's environmental and economic future. The Blue Box program not only helps reduce waste and environmental impact but also creates opportunities for innovation in recycling technologies and sustainable materials management. These initiatives can generate new economic opportunities, support green jobs, and demonstrates Ontario's commitment to environmental leadership. Undermining or significantly altering the Blue Box program at this critical juncture would jeopardize these benefits and impede our progress toward a broader circular economy.

Since 2013 Ontario's blue box performance has experienced declines year over year with its worst performance in 2021 dipping below a 60% recovery rate. The transition to full producer responsibility was in part to improve the blue box system performance backstopped by progressive targets that are consistent with performances in other Provincial jurisdictions.

Figure 1- Ontario's Blue Box Recovery Rate 2002-2021



Source: <https://rprr.ca/wp-content/uploads/Datacall-Trends-Report.pdf>

The proposed cites cost reductions and future cost containment options are aimed at offering relief to Producers. However, the retreat from targets and reduced service scope will not lead to lower system costs. Instead, it will reassign these costs back to local governments, deviating from the original policy intent of EPR.

Local governments and producers have collaborated for over a decade to transition to full producer responsibility. This regressive step is unfair to all stakeholders, particularly Ontario municipalities and the materials management industry, which have been managing the finances and making investments to prepare for this transition. Almost all other Provinces have been able to maintain and or increase their collection and recycling targets under the same conditions (*high inflation, labour shortages and supply chain bottlenecks for infrastructure*) as Ontario.

Summary of Recommendations

CIC offers a list of responses to aspects of the proposal for which it can offer a recommendation. The table below is a summary of all of our recommendations for easy reference. Below the table we've provided additional details and rationale to support each specific recommendation.

Proposed Amendment	Recommendation
Delay Recovery Targets for selected material categories by five years to 2031.	<p>1) CIC does not support this amendment.</p> <p>The prescribed recovery targets and timelines to achieve them for Selected Material Categories as they are currently stated in the Regulation should be maintained and enforced.</p>
Reduce flexible plastic target to 5% and delay enforcement until 2031	<p>2) CIC does not support this amendment</p> <p>Flexible plastics have had chronically low collection and recycling performance in Ontario, yet they continue to proliferate in the marketplace. Maintaining a target of 25% diversion will ensure efforts and investments are focused to support improvement.</p>
Remove planned expansion for multi-residential buildings schools and specified long term care homes and retirement homes.	<p>3) CIC does not support this amendment</p> <p>Maintain the scheduled onboarding of multi-residential buildings, and long-term care and retirement homes and schools.</p>
Remove the requirement to collect non-alcohol beverage containers from 'away from home' sector.	<p>4) CIC does not support this amendment</p> <p>Recommend re-establishing the beverage container deposit return working group to continue and deliver a plan to expand and improve non-alcohol beverage container collection and recycling that matches or exceeds the performance in other Provinces.</p>
Allow deductions for beverage containers.	<p>5) CIC does not support this amendment</p> <p>More clarity is needed to understand where outside of the blue box non-alcohol beverage containers are being collected as the proposal suggests and how collection is verified to facilitate a fair and transparent deduction.</p>
Remove expansion of public space collection.	<p>6) CIC Does not support this amendment.</p> <p>Continue the service expansion of public space collection.</p>

Allow energy recovery to count toward diversion.	<p>7) CIC does not support this amendment</p> <p>The objective of the Regulation is to optimize value from collected materials and to make them available to be re-integrated back into manufacturing of new PPP and products.</p>
Consider the best way to ensure collected materials are sent for processing.	<p>8) CIC supports this Amendment.</p> <p>Registering collection and processing service providers and directing all collected materials through them supports transparency and promotes fairness. Accuracy of performance is critical for assessing the efficacy of the policy including target setting. It is also critical to ensure fairness between Producers and their Pros that all obligated parties are meeting their obligations.</p>
Allowing collection from SMEs.	<p>9) CIC supports the collection of blue box materials from SMEs.</p>

Recommendations with Rationale

1) **Maintain prescribed recovery targets and timelines to achieve them for selected material categories as they are currently stated in the Regulation.**

Rationale; Lowering or delaying targets will likely not reduce costs for Producers. Much of increased costs of the transitioned PPP program including new infrastructure and expanded and improved services will occur even if targets are delayed and therefore may have little to no effect on the overall cost of the system and ultimately costs to producers. The transition of the blue box Producers from Ontario municipalities has necessitated a consolidation of the system, with adjusted services boundaries and new service contracts. Much of these activities will be advanced irrespective of target delays. Target delays means that these fixed costs will now be amortized over less materials with less offsetting revenue. The assertion that this change is meant to allow for time to make necessary investments in technology and infrastructure is confusing. Relieving producers of their obligation will reduce investments needed to improve recycling systems or infrastructure, not provide time to invest in it. More details are required from the Ministry to understand this rationale.

In addition, to potentially no real savings for Producers, delaying targets means that materials managed outside the blue box and their respective costs (disposal and litter streams), will be redirected back to local governments and Ontario taxpayers.

Ontario's service providers to the EPR programs including transporters, sorters, processors and manufacturers make investments to expand and improve their

infrastructure and systems based on assurance that comes with policy design that includes progressive and increasing targets that help to ensure materials will be available to them on a reliable and consistent basis. Delaying targets which may delay some costs for Producers may stand costs and stifle investment in the materials management industry. This is particularly true where those investments are needed the most for example in the management of flexible plastics.

To the comments in the proposal regarding setting ‘best efforts’ targets or requiring materials to be diverted to registered processors neither of these amendments will achieve the stated objective of ‘maintaining diversion’.

2) Maintain at 25% recovery target for flexible plastics

Flexible plastics have had chronically low collection and recycling performance in Ontario, yet they continue to proliferate in the marketplace. Maintaining a target of 25% diversion will ensure efforts and investments are focused to support improvement.

3) Maintain planned expansion for multi-residential buildings, schools and specified long term care homes and retirement homes

Statistics Canada estimates that more than 2.8 million Ontarians (18%)¹ are currently living in multi-residential buildings and contribute a large portion of the generated tonnage for blue box packaging. Much of the multi-residential sector in Ontario remains under serviced as it relates to recycling programs. For example, the City of Toronto² estimates more than 50% of their multi-residential sector does not have access to blue box recycling services. With more than 50% of their population living in Highrise buildings, a large population in Ontario does not have access to the same services as other segments of the residential sector. In its 2021 report the Office of the Auditor General of Ontario recognized the poor recycling performance in Ontario’s multi-residential buildings and recommended that the MOECP implement measures to improve it. The Ministry agreed with the response and committed to improve diversion by making all buildings eligible for producer run Blue Box services starting in 2026.

The Ministry agrees with the recommendation. Ontario has already taken steps to improve diversion in multi-unit residential buildings by making all buildings eligible for producer-run Blue Box services starting in 2026.

With an aging population (increase in 35% over the next 7 years) this too will be a critical source of blue box materials to be diverted from disposal. These source points are often conveniently located around established blue box collection routes and onboarding

¹ <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/fogs-spg/page.cfm?lang=E&topic=3&dguid=2021A000235>

² Waste Management Strategy Panels for Website; City of Toronto ; Long-term waste Management Strategy

them will not necessarily add costs to the service system in fact may help to densify routes.

Schools offer a critical opportunity to educate youth on the importance of responsible consumption, waste reduction and the value of recycling. Many schools have made important commitments and investments to adopt zero waste policies and practices. Given many are experiencing financial stress and budget constraints offering producer paid recycling service is essential.

4) Do not remove the requirement to collect beverage containers ‘away from home’.

Beverage containers are an important and growing part of the packaging stream and should be a focus on the EPR transition. Delaying targets, reducing the scope and allowing producers deductions are all steps backwards. Save Manitoba, Ontario is the only province in Canada that does not have a comprehensive policy and corresponding program for beverage containers sold, irrespective of where they are consumed. In fact, most provinces are able to achieve over 75% recovery rates of all beverage containers sold. Ontario should be no different.

The proposal suggests that *businesses are covered by a different regulation (assuming the 3Rs Regulation) framework that identifies individual establishments that must source separate materials for recycling*. Under its own [Strategy for a Waste Free Ontario](#), the Ministry acknowledges the limitations of the 3Rs Regulations;

Ontario’s industrial, commercial and institutional (IC&I) sectors, including construction and demolition, divert just over 13 per cent of their waste

Ontario Regulations 102/94 (Waste Audits and Waste Reduction Work Plans), 103/94 (Industrial, Commercial and Institutional Source Separation Programs) and 104/94 (Packaging Audits and Packaging Reduction Work Plans) made under the Environmental Protection Act, commonly known as Ontario’s 3Rs Regulations, govern the IC&I sectors. Businesses view the three regulations as the policy framework for waste generator responsibility.

Ontario Regulations 102/94 and 103/94 require large IC&I establishments (e.g., hospitals, restaurants, and offices) to identify the amount and types of waste they generate, develop waste reduction work plans, separate certain wastes at source and make reasonable effort to ensure that separated wastes are sent for reuse or recycling. Ontario Regulation 104/94 requires manufacturers, packagers and importers to audit their packaging practices and develop packaging reduction plans.

The 3Rs Regulations also require multi-residential dwellings of six or more units to source separate recyclable wastes. Improving resource recovery from high-rise and other multi-residential dwellings is important as we continue to develop more compact communities.

Now more than 20 years old, the 3Rs Regulations no longer adequately drive waste diversion. Their requirements are limited to large establishments and only select waste materials and require only “reasonable efforts” to send source-separated wastes for recycling or reuse.

The Ministry’s proposal also states that *currently there is no cost effective away from home system available and the time is not right for an expensive expansion beyond the blue box due to the cost impact it would have on consumers.*

As stated, currently Ontario is the only Province in Canada that does not have a recycling system in place for non-alcohol beverage containers. These systems in other Provinces are long standing, financially sustained and maintain higher recovery rates than the Ontario blue box has ever achieved.

By maintaining a results-based regulation that establishes high targets, producers will be incented to collect used beverage containers from all channels in order to maintain their regulatory obligations. Absent high recovery targets, in conjunction with a level-playing field for a deposit return or other equally efficient system, Ontario’s performance will continue to lag behind most other provincial jurisdictions.

To that end we suggest that the Ministry re-establish its deposit return working group and ask it to deliver a plan to expand and improve non-alcohol beverage container collection and recycling that matches or is better than those in other Canadian Provinces and keep to regulated timeframes on targets.

5) Do not allow deduction for beverage containers to reflect that many containers are not managed by the blue box.

Setting high targets and requiring all beverage containers sold in the province (home and away) negates the need to allow for deductions that will require sound measurement methodologies and verification.

6) Do not remove the responsibility for public space collection and recycling services from producers.

Public spaces generate a significant portion of eligible materials to improve recycling in Ontario and due to their chronically low performance should be a focus of the blue box program. Municipalities who have predominately managed waste and recycling in Ontario’s public spaces have been preparing for many years to transition recycling over to producers and have made investments and set budgets appropriately in anticipation. It is unfair to change course and scope out public spaces from the blue box program and revert back to municipalities and their taxpayers to cover the cost.

Additionally, with high material specific recovery targets Producers and their PROs will innovate and invest to improve infrastructure, and operations and communications to improve the performance in open space recycling. If producers of beverage containers

move to deposit return to manage the total scope of their containers, as per our earlier recommendation, they will be collected away from parks and open spaces, reducing overall materials managed and associated costs.

7) Do not allow energy from waste to count toward diversion.

The circular economy aims to design out waste and pollution, keep materials and products in use as long as possible and regenerate natural systems. While energy from waste can reduce landfill volume, generate electricity or heat, it also permanently destroys materials, can undermine recycling markets by locking in long term service supply contracts, may discourage waste reduction and can still create toxins and ash that still requires disposal management. The proposal cites that this segment of materials that are allowed to be managed through EFW would be non-recyclable. It would be impossible without a clear definition of ‘non-recyclable’ and comprehensive oversight to monitor this requirement and as such it is likely that recyclable materials and their value will be lost to EFW management.

8) Do require all processors to register with the Resource Productivity and Recovery Authority and that all materials collected in the blue box be sent to only those that have registered.

Registering collection, transportation, sorting and processing service providers and directing all collected materials through them supports system transparency and provides assurances to producers and the public. In an outcomes-based regulation the transparency of operations including final fate of materials is critical for market fairness and performance reporting.

9) Allowing Collection from SMEs

Currently many Ontario SMEs are not eligible for recycling services from their local municipalities and therefore must source services from the private sector. Given their small nature and low materials generation rates, private sector haulers may not offer them services or have minimum volumes or weights, that they cannot meet, in order to gain access to services. As a result, much of the recyclable materials are lost to disposal.

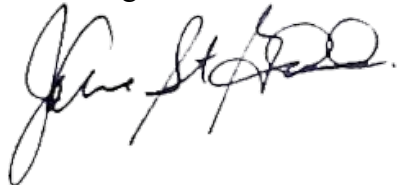
To optimize and densify services routing it makes sense to offer recycling services to SMEs that neighbour residencies as part of the overall blue box system and for municipalities to negotiate service pricing with Producers and their Pros tonnage from SME sources should be tracked and reported separately and not be counted toward producer recovery targets.

On behalf of the Circular Innovation Council we appreciate the opportunity to provide comment on this important regulation amendment proposal. We encourage the Ministry to conduct a comprehensive stakeholder consultation process and meet with a wide variety of stakeholders as it considers its proposed path forward. Moreover, Ontario’s blue box recycling system is world renowned and has set a high standard to which many other jurisdictions wish to emulate. We

implore the Ministry to reverse its course on many of its proposal amendments and demonstrate its commitment to a sustainable and circular economy.

Please feel free to contact me at your convenience should you wish to discuss this submission.

Best Regards,



Jo-Anne St. Godard
Executive Director
joanne@circularinnovation.ca