

REGIONAL DISTRICT OF BULKLEY-NECHAKO
WASTE MANAGEMENT COMMITTEE
(Committee of the Whole)

AGENDA

Thursday, April 6, 2017

PAGE NO.

ACTION

CALL TO ORDER

SUPPLEMENTARY AGENDA

Receive

AGENDA – April 6, 2017

Approve

MINUTES

2-5

Waste Management Committee Meeting
Minutes – September 8, 2017

Receive

DISCUSSION ITEMS

6-8

1. RCBC Conference 2017

9-23

2. Zero Waste Provincial Policy

3. Update on HR Transition

4. Update on Solid Waste Management Plan RFP

5. Mattress Recycling

6. Salvaging

CORRESPONDENCE

24-41

Product Stewardship: An Overview of Recycling
In B.C.

Receive

SUPPLEMENTARY AGENDA

NEW BUSINESS

SPECIAL IN-CAMERA EXECUTIVE COMMITTEE MEETING
MOTION

In accordance with Section 90(1)(c) of the *Community Charter*, it is the opinion of the Board of Directors that matters pertaining to labour relations or other employee relations be held in confidence, and therefore exercise their option of excluding the public for this meeting.

ADJOURNMENT

REPORTS

RDBN Solid Waste
Management Plan Update
-Process Forward

Moved by Director Petersen
Seconded by Director Miller

WMC.2016-2-3

"That the Waste Management Committee recommend that the Regional District of Bulkley-Nechako Board of Directors begin the process of updating the solid waste management plan for the entire regional district (including the Town of Smithers, District of Houston, District of Vanderhoof, District of Fort St. James, Village of Burns Lake, Village of Fraser Lake, Village of Telkwa, and Village of Granisle) and direct staff to notify the public of its intention to update the plan and begin a process of consultation."

(All/Directors/Majority) CARRIED UNANIMOUSLY

Director Reppen spoke to including in the review discussions on waste to energy and increasing recycling along with removing organics from the waste stream. He also noted the need to continue the discussion in regard to wood and metal salvaging at RDBN Facilities. Janine Dougall, Director of Environmental Services commented that the intent is to have a very broad overview of what will work for the RDBN following applicable Ministry of Environment regulations, guidelines and principles.

RDBN Solid Waste
Management Plan Scope
of Work

Moved by Director Petersen
Seconded by Director Miller

WMC.2016-2-4

"That the Waste Management Committee recommend that the Regional District of Bulkley-Nechako Board of Directors that the scope of work for the RDBN Solid Waste Management Plan Update include a full review and update of the existing 1996 Plan."

(All/Directors/Majority) CARRIED UNANIMOUSLY

Ms. Dougall provided an overview of establishing a planning team and advisory committees and that the composition of the advisory committees being a complete representation of the region. She also spoke to the plan monitoring committee being a committee that will work best for the RDBN.

Reports

Moved by Director MacDougall
Seconded by Director Fisher

WMC.2016-2-5

"That the Waste Management Committee receive the following reports:
-the Director of Environmental Services August 25, 2016 memo titled "Solid Waste Management Plan Update Information;
-the RDBN Solid Waste Management Plan Review – Stage 1 Report, March 19, 2009;
-the RDBN Solid Waste Management Plan – September, 1996."

(All/Directors/Majority) CARRIED UNANIMOUSLY

REPORTS (CONT'D)

Paint, Pesticides and
 Flammable Liquids Collection
 -Information – Burns Lake
 Recycling Center

Moved by Director Benedict
 Seconded by Director Miller

WMC.2016-2-6

"That the Waste Management Committee recommend to the Regional District of Bulkley-Nechako Board of Directors that the Burns Lake Recycling Center be provided the opportunity to become a partner with the Extended Producer Responsibility (EPR) Stewardship organization ReGeneration for Paint Collection; and further, that if the Burns Lake Recycling Center does partner with ReGeneration, that paint collection be removed from the Burns Lake Transfer Station."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Paint, Pesticides and
 Flammable Liquids Collection
 -Information – Smithers/Telkwa
 Transfer Station

Moved by Director Repen
 Seconded by Director Fisher

WMC.2016-2-7

"That the Waste Management Committee recommend to the Regional District of Bulkley-Nechako Board of Directors that the Smithers/Telkwa Transfer Station remain a partner with the Extended Producer Responsibility (EPR) Stewardship organization ReGeneration for Paint, Pesticides and Flammable Liquids due to environmental concerns and ReGeneration's recommendation that due to the population base served a second drop off location is required."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Paint, Pesticides and
 Flammable Liquids Collection
 -Information – Fraser Lake
 Bottle Depot

Moved by Director Lindstrom
 Seconded by Director Parker

WMC.2016-2-8

"That the Waste Management Committee recommend to the Regional District of Bulkley-Nechako that the Fraser Lake Bottle Depot be provided the opportunity to become a partner with the Extended Producer Responsibility (EPR) Stewardship organization ReGeneration for Paint Collection; and further, that if the Fraser Lake Bottle Depot does partner with ReGeneration, that paint collection be removed from the Area "D" Transfer Station."

(All/Directors/Majority)

CARRIED UNANIMOUSLY

CORRESPONDENCE

Gordon Murphy and Patrick Kane, Co-Chairs, CCME Waste Management Task Group RE: Notification: Fall 2016 Request for Comment: Guidance on Selecting Policies for Reducing and Diverting CRD Waste
Moved by Director Miller
Seconded by Director Strimbold

WMC.2016-2-9 "That the Waste Management Committee receive the correspondence titled "Gordon Murphy and Patrick Kane, Co-Chairs, CCME Waste Management Task Group, Re: Notification: Fall 2016 Request for Comment: Guidance on Selecting Policies for Reducing and Diverting CRD Waste."

(All/Directors/Majority) **CARRIED UNANIMOUSLY**

Ms. Dougall noted that the CCME (Canadian Councils of the Ministers of the Environment are harmonizing Extended Producer Responsibility across Canada. They are investigating materials that are problematic to the waste stream. Discussion took place regarding EPR programs addressing end of use products so this may allow for salvaging and reuse of metal and wood products.

ADJOURNMENT

Moved by Director MacDougall
Seconded by Director Brien

WMC.2016-2-10 "That the meeting be adjourned at 1:44 p.m."

(All/Directors/Majority) **CARRIED UNANIMOUSLY**

Taylor Bachrach, Chair

Wendy Wainwright, Executive Assistant



Program Highlights

We invite you to come to Whistler and be inspired to make change or inspire others through your own vision of what can happen. Remember, it's possibilities that crystalize to form our future realities. Help us build the realities of tomorrow this June..

General Schedule

June 21 - Sessions begin at 1 p.m.

June 22 - A (/program-details-may-19-am-session.html)ll day sessions and workshops / Gala Dinner and Awards

June 23 - Half sessions and workshops, closing ceremonies at 12:00 p.m.

Detailed programs description and speaker bios will available on the RCBC 2017 Conference App.

Program Highlights (subject to change)

Wednesday, June 21

Session One: Illegal Dumping - Developing a Provincial Collaboration

Alan Stanley, Regional District of Kootenay Boundary

Additional Speakers TBD

Plus a session roundtable

Thursday, June 22

Session Two: Product Stewardship and the Circular Economy

Lucas Harris, MoE & Usman Valiante, Corporate Policy Group - Competition Model in EPR

Jonathan D. Cocker, Baker & McKenzie LLP - North America's First IPR Will Create New Waste Diversion Opportunities

Mikhael Metauro, Cascades - Are We Going Circular or Just Going in Circles.

Michael W. Zabaneh, Reclay StewardEdge, Canada - Moving Towards a Circular Economy - Why Businesses Must Prepare Now and How

Session Three: Circularity - Policies and Principles to Set the Stage for Circularity

Sue Maxwell, Resort Municipality of Whistler - Provincial-wide Zero Waste Strategy

Elena Papakosta, Dell Inc - Design for Recycling

Joe Hruska, CPIA - Circular Economy (CE) or Sustainable Materials Management Systems (SMM) - Why We Need Both for a More a Sustainable Society.

Session Four: Reuse Policies and Practices for Circularity

Tonny Colyn, Salvation Army - Reuse

(Speaker TBD) Metro Vancouver - C&D Policy

Adam Corneil, Naturally Crafted - Deconstruction Wood Recovery

Vanessa Cone, EAB Tool Company Inc. - A Business Case for Remanufacturing

Session Five: Textiles Recovery and Diversion

Amelia Eleiter & Wes Baker, Debrand Services Inc.- Tackling Textile Waste at Home and Abroad

Claudia Marsales, City of Markham - The City of Markham's Innovative Textile Recycling Program

Mary Forbes - Winter Jacket Re-Purposing

Friday, June 23**Session Six: Organics Diversion**

Tamara Shulman & Avery Gottfried, EBA - Waste Composition: Sorting out Program Impacts

Krzysztof Palka, Always Blu - Alternatives to Energy From Waste From Organics
(Speaker TBD) Metro Vancouver - National Food Waste Reduction Strategy

Session Seven: Communications, Messaging and Collaboration

Rod Roodenburg, ION Design - Changing Behaviour by Delivering The Right Message

Jennifer Pereira, Fluent Motion Inc. - Mastering Change Through Insanity: A Future Predictor of Success

BC Zero Waste Discussion Paper

February 2017
BC Intermunicipal Working Group on Zero Waste

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Purpose

The purpose of this policy paper is to request that the provincial government take actions to help BC work towards zero waste.

Executive Summary

Here is a summary of the recommendations to the province of BC on Zero Waste:

1. Develop and implement a Provincial Zero Waste Strategy
2. Enact measures to focus on the higher measures of the zero waste hierarchy (reconsider, reduce, reuse)
3. Enhance existing EPR programs
4. Add new EPR programs
5. Reduce and compost organics
6. Work with specific sectors
7. Maximize use of existing disposal capacity and minimize environmental impacts
8. Advocate to the federal government for zero waste policy

Background

The development of this policy paper was in response to a perceived need for a comprehensive provincial strategy to move BC towards zero waste and complement the work being done by local governments on waste planning and zero waste.

This paper is a result of discussions with local government elected officials from across the province who volunteered to assist and a review of past documents related to waste reduction in BC:

- UBCM motions (2003-2016)
- UBCM Policy Paper 2 (2012)
- CCME commitments on EPR and progress to date
- RCBC –On the Road to Zero Waste: Priorities for Local Government
- RCBC 2015 Conference findings on the Circular Economy
- BC Auditor General Report on Product Stewardship in BC

In some cases, the UBCM motion is referenced in the recommendations below.

Intermunicipal Working Group on Zero Waste

This working group of elected officials from electoral areas, regional districts and municipal government have come together to advocate for stronger provincial action towards zero waste.

Recommendations

1. Develop and implement a Provincial Zero Waste Strategy

The provincial government should develop a provincial level zero waste strategy that includes the following aspects:

- **Goal:** Adopt a zero waste goal with interim targets
- **Definition:** Adopt the Zero Waste International Alliance peer-reviewed definition "Zero Waste is a goal that is ethical, economical, efficient and visionary, to guide people in changing their lifestyles and practices to emulate sustainable natural cycles, where all discarded materials are designed to become resources for others to use. Zero Waste means designing and managing products and processes to systematically avoid and eliminate the volume and toxicity of waste and materials, conserve and recover all resources, and not burn or bury them. Implementing Zero Waste will eliminate all discharges to land, water or air that are a threat to planetary, human, animal or plant health definition of zero waste"
- **Hierarchy:** Adopt the Recycling Council of BC zero waste hierarchy instead of the pollution prevention hierarchy (see Appendix A)
- **Business Case:** Build on the Zero Waste Business case that the Ministry of Environment commissioned
- **Dialogue and Input:** Look to ways to address the top three R's in conjunction with local governments through an on-going dialogue with local governments (as well as other stakeholders). Consider economic development opportunities – adopting a non-siloed approach and working with other sectors (government as well as business) to take advantage of opportunities. There should be a task force with representation from small local governments, large cities and electoral areas (both remote and more central) as well as First Nations.
- **Action Plan:** Map out actions that the province will conduct or facilitate that allows local governments to match within their own solid waste plans (for example, new EPR programs, phasing out of problem products, communications strategies, materials reductions, promotion of sharing/leasing/repairing/reuse, etc.). This will also allow other stakeholders including businesses to plan accordingly.
- **Communications:** Develop and collaborate on communications tools that can be shared by local governments and other stakeholders based on community based social marketing principles.
- **Education:** on zero waste and circular economy in classrooms, colleges, for businesses, etc.
- **Knowledge:** Conduct research, data collection and share knowledge
- **Resources:** ensure sufficient provincial government staff to implement the strategy such as for the actions above and below as well as to assist local governments in waste reduction (B27 2016)

- **Advocacy:** work to enhance zero waste systems with other partners (federal government, other provinces and territories, First Nations, non-profit groups, environmental groups, universities and learning facilities, business, industry, etc.)
- **Monitor and revise:** Renew the strategy every five years based on input from stakeholders, progress to date and knowledge gathered.

Rationale

It is important that the provincial government adopt a zero waste goal as this sets a clear direction and the interim targets push for action. This will also assist local governments in aligning their waste planning with the province's direction. In addition, there are actions that the province can take that cannot be done by local governments so a provincial plan can work in harmony with local government plans to cover the gaps that exist currently. It is also a more efficient use of tax money to have one central government perform some of the work than to have to invent the systems separately at each location, particularly with some regional districts being smaller and perhaps not having the staff capacity to develop these systems.

A clear zero waste definition and hierarchy must be part of the plan to guide the direction and prevent the misuse of the terms that is occurring in some other jurisdictions (such as certification of "zero waste to landfill" despite no meaningful waste reduction taking place or redefining recycling to include burning waste).

Working with local governments and other stakeholders can help to identify the barriers to further waste prevention and provide feedback on new initiatives.

2. Enact measures to focus on the higher measures of the zero waste hierarchy (reconsider, reduce, reuse)

There are numerous policies that the provincial government can enact to reduce waste. It should develop policy for key areas and develop matching tools for local government. The provincial government should adopt these policies internally and model their enactment for other levels of government. Key areas should include:

- Laws to incent reuse (including collection of materials at landfills), durability, reparability, disassembly, etc) (numerous motions on EPR have noted rapid product obsolescence, need for redesign, reparability, reduction in packaging –B31 2008, improved recyclability of packaging, incentives for waste minimization, etc)
- Develop progressive taxation approaches (tax bads not goods) or other forms of incentives. For example, PST exemption for 'repair' of items otherwise destined to be discarded (Swedish example) or decreasing subsidies for virgin materials while encouraging use of recycled content.
- Encouraging renovations or deconstruction of buildings over demolitions.

- Develop green procurement incentives, policy and systems as well as sample policy for local governments
- Mandate opt in programs for directory and other bulk mail delivery but with Canada Post unaddressed admail exemption for local governments (B54 2010, safety exemption B 59 2013)
- Legislate post consumer content requirements for plastic containers (2002 UBCM Environment Action Plan)
- Enact province-wide landfill bans once there are diversion alternatives for products
- Place a moratorium on new bottled water plants
- Push for increase in the use of reusable and refillable containers
- Looking at banning certain products such as plastic cups and cutlery (like France)
- Reduce plastic waste, including implementation of a ban on single-use bags and other plastic packaging (Plastic bag tax –B144 2006 or plastic bag ban B88 2008, B28 2016). Consider banning certain products such as plastic cups and cutlery (like France)
- Reducing packaging and mandating that only truly recyclable packaging is used

Rationale

For many of the above policies, only the provincial government may have the legislative ability to implement or it may make more sense for once central body to enact it rather than several different ones with slightly different outcomes. Other jurisdictions around the world are moving to implement these and the province can learn from their experience. It is also important to ensure that BC and Canada do not become dumping grounds for poorly designed products once other jurisdictions phase them out. In addition, the level of expertise needed to research some of the material aspects may be better suited to the provincial level of government. Determining the targets of policy should be done in conjunction with local government.

It is also important to consider that EPR alone will not deliver design change; it needs to be supported by additional policies such as those listed above.

3. Enhance existing EPR programs

BC is a leader in implementing EPR programs and moving ahead on its commitments to the Canadian Council of Ministers of Environment Canada-wide Action Plan on EPR. However, now that the province has experience with these programs, it is important to foster continuous improvement, address problems that have arisen and push for programs to meet their full potential including for redesign of products and packaging.

- **Understanding the system:** The province should provide better communication about how programs work. By their nature, programs have an incentive to keep costs low for their producers so it is up to other

stakeholders (local government and citizens) to ask for high quality outcomes to ensure the programs deliver what was intended.

- **Recycling Regulation Amendments:**
 - Add targets for awareness that increase over the years
 - Implement outcomes around local and social benefits and impacts (particularly for new programs where existing infrastructure exists)
 - Ensuring service in more rural areas or even mail back systems. Change outcomes to require service where products are sold. Require Regional District specific depot coverage plans. Have an RD by RD discussion to set minimum depot numbers and locations for each one based on population but also flow of commerce and waste. (B39 2011 –access for consumers in small and rural communities, B62 2014 MMBC expansion, UBCM Policy Paper 2012, B28 2012, A6 2014, B24 2014, B29 2016)
 - Focus higher up the hierarchy: Look at ways to redesign, reduce the amount of products or packaging and/or change the materials used and make business accountable. This could be done through mandating differential fees based on environmental/waste impact rather than fees set by operation costs only. Put in targets for reduce/redesign or add clear outcomes or even prescriptive measures. Stewardship plans should be clear on how each program will promote this and achieve targets.
 - The Ministry of Environment needs to have financial penalties for non-compliance (BC Attorney General). See the Quebec model for fines related to not meeting targets.
 - Set recovery rates by product type or materials class (not combined)
 - Better quality reporting on more comprehensive suite of outcomes
 - Have higher targets for programs renewing plans so there is continuous improvement – (UBCM Policy paper on PPP recommends a target of 85% applied to each subcategory (not a composite target) and to apply to each local government (not a provincial average))
 - Address the litter problem of beverage containers by increasing the deposit rates and ensuring that the incentive level at least keep pace with inflation or as adequate to drive desired behaviour
 - Increase the requirement for refilling of beverage containers
 - Add requirements for more local government and stakeholder input (Multiple UBCM documents -2012 Policy Paper, Environment Action Plans) (possibly through seats on Boards or Advisory Committees)
 - Enhance accountability and transparency –public representation on boards, open access to information given to boards and decisions, also access to financial information for all programs, not just those that charge visible fees (Environment Action Plans_2000)
 - Include options for **return to retail**, depot, curbside (Environment Action Plans_2002)

- Coordination of education with province, local government and industry (Environment Action Plans_2000) and for industry to fund it all
- **Recycling Regulation enforcement:**
 - Ensure coverage of all regulated products (for example electronic wristwatches are regulated but presently are not included in any program)
 - Ensure programs protect the environment and pay the costs of that (for example, the major appliance program is to be responsible for safe removal of refrigerants (B77 2013), the tire stewardship program is not covering costs at local landfills so many have take back fees). Eliminating charges at drop off sites should be a key goal and ensuring that local government landfills and transfer stations are compensated as citizens will still bring materials there even if they are not official drop off locations.
 - Ensure the MMBC program is complying with the Recycling Regulation for streetscape recycling (not just for communities with a certain population or density but where waste bins exist)
 - Ensure recycling of glass, soft plastic and expanded polystyrene is as easy as for the other materials (i.e. mandate curbside collection if that is available for the other products in a community) (as per Recycling Regulation)
 - Include other soft plastics and foil in MMBC program
 - Ensure that all beverage containers are refillable or recyclable
 - Create a local government enhanced dispute resolution system – compensation if not meeting service levels or targets
 - Create an independent body to monitor EPR programs (free of industry representatives)
- **Compensation:** Look at how to set fair compensation policies for local government and all service providers, (B33 2010, UBCM Policy Paper 2012) perhaps using the BC Utilities Commission model or something else. There should be an analysis done by an independent third party to ensure that local governments are not subsidizing EPR programs and ensure costs are adequate and accurate for the recovery of materials.

Rationale

Extended Producer Responsibility programs are meant to have the producers pay for managing the products at end of life but also to drive better design of products and packaging. The Recycling Regulation and work of the Ministry of Environment has focused on collection for recycling or responsible handling (in the case of hazardous materials) but few programs are achieving success in redesign, reduction or reuse. In addition, there are many regions where the product may be sold but there are few collection facilities. There are some gaps where some

regulated products have no programs or where programs are not fulfilling their mandate.

As to date competing programs have tended to compete for producers (not to provide better services but to provide fewer services at lower cost), it is unlikely that programs competing in this way will serve the public interest. However, with a monopsony where all collectors must sell to one customer and where citizen feedback calls for central collection facilities (one-stop drop), it makes sense for local governments in some situations to continue to partner with programs as collectors. However, there needs to be an impartial way to ensure fair compensation for these services to ensure that taxes are not used to continue to subsidize program product collection. This fair compensation system should also apply to non-local government collection services to ensure the viability of these service providers.

As the Recycling Regulation is outcomes-based, it makes sense to add additional outcomes that address identified problems and push programs to improve. As developing new programs can be challenging due to lack of data, it makes sense for the province to develop a two-tier system of requirements for programs: those for a new programs, and a higher set of standards for on-going programs upon their plan renewal. Financial penalties for non-compliance with outcomes or failure to meet targets should be implemented similar to other jurisdictions.

Education on how the EPR programs work will allow for better discourse and show stakeholders (including local governments) where their input and advocacy can drive program improvements. Recent discussions show many misconceptions about the Recycling Regulation and EPR in general, which has not been helpful in coming up with coherent recommendations for program improvement.

Access to collection systems is an on-going problem and the Stewardship Association of BC standards do not meet the needs of many communities, particularly smaller or rural communities. Having a Regional District by Regional District level discussion on where the main collection locations will be can ensure adequate service that matches the needs of the communities based on where commerce and materials flow. This can address specifics such as where two communities have adjoining borders so one depot may service both or sparsely populated regions where a small town may be the central hub and so would need a depot, despite a small population.

4. Add new EPR programs

The ultimate goals should be to turn over responsibility of handing products and materials to the producers. To achieve that, the number of products regulated under the Recycling Regulation needs to increase.

- Fulfill the commitment to the CCME Canada-wide Action plan on EPR Phase 1 (commitment was by 2015) by adding the remaining products and materials in the categories of:
 - Packaging
 - Printed materials
 - Mercury containing lamps,
 - Other mercury containing products,
 - Electronic and electrical products
 - Household hazardous and special wastes
 - Automotive products.
 - This would include expanding to Institutional, Commercial, and Industrial (ICI) packaging and printed paper (UBCM Policy Paper 2012) as well as other gaps such as mercury containing thermometers. A thorough review should be done to ascertain the gaps.
- Fulfill the commitment to the CCME Canada-wide Action plan on EPR Phase 2 (commitment was by 2017) by regulating the following products and materials in the categories of:
 - Construction and demolition materials (B90 2010, gypsum B81 2012)
 - Furniture (Mattresses B97 2014)
 - Textiles and carpet
 - Appliances, including ozone-depleting substances
- Develop the next set of products to be regulated so that local government and business can plan accordingly and work with CCME to make these national commitments. Candidates may be:
 - Pool and photographic chemicals (2007 UBCM Environment Action Plan)
 - Agricultural plastics and twine (B84 -2008, B30 2012)
 - Derelict vessels (B23 & B78 2012, B30 2013, B23 2014, B22 2016)
 - Cigarette Butt deposit return program (B129 2016 –referred to executive)
 - Sporting goods and safety equipment such as car seats

The next list should be developed in consultation with local governments and using waste composition studies.

Rationale

The province is to be congratulated for its commitment to the Canadian Council of Ministers of Environment's Canada-wide Action Plan on EPR and the programs it has regulated to date. However there is concern that the province is slipping in its timeline to deliver these. The province needs to provide an amended timeline that it will provide adequate staff to fulfill. This commitment allows local governments to develop their own plans in concert with this as well as for business development to take place in anticipation of the regulatory changes. In addition, the more quickly these large contributors to the waste stream can be part of EPR programs, the

longer the lifespan of waste disposal facilities which results in costs savings across the province.

5. Reduce and compost organics

In addition to EPR programs, systems to reduce and compost the organic components (kitchen scraps, yard and garden waste) are important.

- Develop and share food waste reduction tools (including behaviour change tools using community based social marketing)
- Develop policy as needed or communicate existing policy (such as that allowing food donations) to remove barriers to reduction
- Provide grants for local community groups who wish to develop systems around food sharing or composting.
- Develop and share research on organics nutrient circulation and develop policy for ensuring the cleanest organics and how to return them to the soil (incentives for landscaping, promotion of systems to remove chemicals from sewer system, forecast of volumes, driving markets for compost, etc)
- Facilitate yard waste composting (B112 2016)

Rationale

Handling products should be the role of producers but planning for composting organics will likely remain the role of local government (as food will remain a constant and is often unbranded). This relatively new area is expanding and many local governments could benefit from assistance (particularly smaller ones) in developing systems as well as making the switch from a focus on waste disposal to a focus on organics and ensuring producers fulfil their responsibilities.

It is important to ensure systems are scaled appropriately for the location and not necessarily to the present level of organic waste but that that remains once food waste is reduced. Using the food and organics related components of the RCBC Zero Waste Hierarchy can assist with this and should be followed.

To truly close the loop, the nutrients must be returned to the soil so systems will need to be adjusted to prioritize the use of these local nutrients over fossil-fuel intensive ones.

6. Work with specific sectors

Some actions may be related to activities or sectors rather than by material type.

- In concert with local government, identify target industries to work with to develop new standards for waste reduction and diversion (such as agriculture)
- Develop policies, programs or systems to facilitate waste reduction and diversion at work camps. Require that industry and work camps work with local governments on waste planning, particularly if the waste remains in the region or uses regional facilities.

- Look at cross sectoral systems that impact waste (e.g. forestry wood waste classification and policy)
- Develop policy and model systems for events based waste
- Develop policy and model systems for local governments working with First Nations communities on sharing waste systems

Rationale

The province is better situated to develop these more comprehensive policies and systems but local government collaboration is needed to identify target areas, develop programs and pilot policy or tools.

7. Maximize use of existing disposal capacity and minimize environmental impacts

While the focus of a zero waste strategy is to avoid needing disposal, there are some actions that should be taken:

- Conduct research to determine the remaining province-wide disposal capacity and conduct the actions in the recommendations above to maximize the lifespan of existing landfills.
- Work with regional districts to allow sharing of landfills should it be determined to be more cost efficient, better for social impacts and/or more sound environmentally (such as with drier climates)
- Work with smaller local governments to ensure they can meet environmental standards in a way that may allow for more of their funds to be used on diversion and not all on disposal.
- Improve systems to report and clean up illegal dump sites (B89 2011, B29 2012)
- The province should ensure that no new waste incineration facilities are approved

Rationale

It is important to ensure high standards for disposal are met. Smaller local governments may struggle to fund these commitments at the expense of waste reduction activities. Some areas are better suited for landfills than others due to their climate, for example, where higher rainfall results in more leachate to manage.

Burning of waste is very expensive, resulting in a high opportunity cost relative to reducing waste. It is polluting and wastes the energy embodied in products and materials where far more energy is saved through higher steps on the hierarchy. It reduces the volume of waste but still requires landfilling and in some cases, creates more toxic waste. It also can provide a disincentive to reduce or recycle as certain volumes are required.

8. Advocate to the federal government for zero waste policy

Advocating for the federal government to use the tools at their disposal can complement a provincial zero waste strategy. The province should ask for the federal government to:

- Develop a federal zero waste strategy
- Conduct research and share knowledge of best practices from around the world
- Incorporate best practices into trade agreement requirements
- Integrate zero waste and circular economy systems into policy and incentives
- Change incentives to use less virgin materials and more recycled materials
- Create incentives for better design and phasing out of problematic materials
- Provide tax breaks for repair
- Implement mandatory increased warranty times
- Mandate labels that show the number of years that a product will be supported (such as having parts available) similar to what France is doing
- Ensure repair manuals are available online and parts available
- Looking at banning certain products such as plastic cups and cutlery (like France)
- Enact laws that work towards reuse/sharing and waste reduction (such as the Good Samaritan law for food donations). Review health laws that do not meet intent of safety but deter zero waste. Revisit liability laws with regard to reuse of products.
- Require better labelling of products, including mandating the word “compostable” for certified products only and stopping the use of the word “biodegradable” as it relates to products
- Work with international partners to move towards zero waste

Rationale

While many policies can be developed at the provincial level, there are some that are best done by or in concert with the federal government.

Appendix A –Zero Waste Hierarchy

The Recycling Council of BC Zero Waste Hierarchy was approved by the RCBC Board in 2014. The purpose is to align the direction previously given by the Pollution Prevention hierarchy with a zero waste goal as well as to aid in zero waste planning by giving more direction and defining each level of the hierarchy. It can be seen at <http://rcbc.bc.ca/files/u7/RCBC Zero Waste Hierarchy - APR 14.pdf>. A similar hierarchy was endorsed by Zero Waste Canada and the Zero Waste International Alliance and can be seen at <http://zerowastecanada.ca/zero-waste-hierarchy/>.

Appendix B -Contact

Should you wish to contact the BC Inter-Municipal Working Group on Zero Waste, please contact Sue Maxwell at smaxwell@whistler.ca. Feedback on this document is welcome.

November 2016



PRODUCT STEWARDSHIP:
AN OVERVIEW OF RECYCLING IN B.C.

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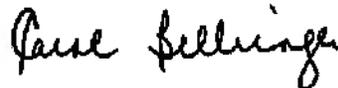
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The Honourable Linda Reid
Speaker of the Legislative Assembly
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Dear Madame Speaker:

I have the honour to transmit to the Speaker of the Legislative Assembly of British Columbia the report, *Product Stewardship: An overview of recycling in B.C.* We are reporting this work under the authority of section 12 of the *Auditor General Act*.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
November 2016

AUDITOR GENERAL'S COMMENTS

WE'VE HEARD FROM many stakeholders who are concerned about government's regulation and management of the recycling system, or product stewardship, in British Columbia. In light of these concerns, we made a commitment in our *Performance Audit Coverage Plan* last year to determine if we should audit the effectiveness of the Ministry of Environment's oversight of product stewardship, with a focus on Multi-Material BC (MMBC).

Over the past year, we undertook significant work to better understand recycling in B.C. We saw that major aspects of this system, such as MMBC, are relatively new. We also saw that the ministry is pursuing several planned improvements to its oversight of recycling. As a result, we decided that an audit wouldn't add value at this time.

We are issuing this report to help legislators and those interested in this topic better understand the recycling program, to fulfill our public commitment to examine this topic and to encourage the ministry's effective management of the program as it moves forward. We'll continue to periodically monitor government's progress to determine if future work in this area is needed.

In B.C. those who make, distribute or sell certain types of products are responsible for recycling them. This shifts responsibility for proper disposal of products from taxpayers and local governments to producers, and creates financial incentives for producers to be more sustainable with the materials they produce. This program covers many products, such as paper, bottles, cans, batteries, tires and much more. Some of these items are picked up at curbside; others are taken by consumers to recycling centres.

Through our work, we saw indicators that the recycling system in the province is performing well in some of the areas that we reviewed.



CAROL BELLRINGER, FCPA, FCA
Auditor General

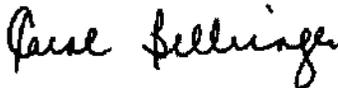
AUDITOR GENERAL'S COMMENTS

The ministry and stewardship agencies have reported positive outcomes and high recovery rates of regulated products. We saw that the ministry has a performance management framework for product stewardship. This includes long-term planning, monitoring of system performance, and enforcement of compliance with regulatory requirements. However, we identified opportunities for the ministry to improve its management and oversight, such as:

- ♦ ensuring the quality of reporting on recycling outcomes
- ♦ resolving policy implications of approving competing stewardship plans
- ♦ consistently applying compliance and enforcement regimes to eliminate free-riders
- ♦ ensuring province-wide access to recycling services
- ♦ encouraging accountability through transparent financial reporting

The ministry is aware of these opportunities for improvement, and is working to address them. We will continue to monitor the ministry's progress in making these improvements, and consider this information when planning our future work.

Thank you to everyone we spoke with, especially ministry staff who were cooperative throughout this work, and to the many stakeholders who met with us to discuss their concerns.



Carol Bellringer, FCPA, FCA
Auditor General
Victoria, B.C.
November 2016

REPORT HIGHLIGHTS

75% OF MOST
PRODUCTS
NEED TO BE
RECOVERED
THEN
RECYCLED

GOVERNMENT
WORKING ON
IMPROVING
ITS OVERSIGHT
OF RECYCLING

19

ORGANIZATIONS
MANAGE RECYCLING
IN BC

Product Stewardship

THOSE WHO **MAKE,**
DISTRIBUTE OR
SELL PRODUCTS
ARE RESPONSIBLE FOR
RECYCLING THEM

WE'LL
MONITOR
GOVERNMENT'S
PROGRESS

14
categories
of recyclable
products like:

BEVERAGE
CONTAINERS
PAPER AND
PACKAGING
BATTERIES
PHARMACEUTICALS

RESPONSE FROM THE MINISTRY OF ENVIRONMENT

THE PROVINCE WOULD LIKE TO THANK the Office of the Auditor General (OAG) for a thorough analysis and review of product stewardship in British Columbia. In particular, the focus on Packaging and Printed Paper and Multi-Material BC's implementation of its stewardship plan provides the Ministry with valuable insight moving forward with providing recycling services to all BC communities. While this report does not contain recommendations, the Ministry agrees with the five opportunities for continued improvement presented in this assessment.

Overall, while the OAG found the product stewardship program to be working well, it did identify select areas of governance and oversight that deserved greater attention. Of the five opportunities presented in the report, the Ministry is making significant progress in most areas and will be working to fully address all the areas by the end of 2018. Actions underway are as follows:

- ◆ The Ministry has initiated a contract to explore how it might better ensure that various forms of competition can benefit consumers. How these forms of competition might play out or best be administered/regulated in BC is the focus of a two-phase study initiated earlier in 2016 with completion and consultation slated for 2017.
- ◆ Since 2013, the Ministry has brought in almost 500 non-compliant producers ('free riders') into compliance, including 100 since the OAG review was first initiated. By the end of 2017, the Ministry anticipates having all producers in compliance with the Recycling Regulation.

- ◆ The Ministry is working with the various stewardship agencies to continually expand services across the province. For the packaging and printed paper program, the Ministry expects to have Multi-Material BC offering industry-funded recycling services to all eligible communities by 2018.

With respect to the OAG opportunity identified for improved reporting on recycling outcomes and ensuring transparency in financial reporting by product stewards, the Ministry will be expanding on its recently improved annual reporting requirements to also ensure greater financial transparency by the end of 2018.

The Ministry believes these months of assessment have been a positive experience for all concerned, and we sincerely thank the OAG for their efforts to further improve product stewardship in BC.

BACKGROUND

PRODUCT STEWARDSHIP VS. EXTENDED PRODUCER RESPONSIBILITY

PRODUCT STEWARDSHIP AND extended producer responsibility (EPR) are two terms that are often used interchangeably, but they have distinct meanings.

Product stewardship is a waste management system that seeks to reduce the environmental, health, safety and social impacts of a product and its packaging throughout its lifecycle. This can include managing the end-state of products, such as recovery and recycling. Product stewardship programs may be either voluntary or mandatory, and can be delivered by government, for-profit businesses, or non-profit organizations. Producers, retailers and consumers may also play a role in these systems.

By contrast, **extended producer responsibility (EPR)** is a mandatory approach to product stewardship where a producer is required to manage the lifecycle of materials they make, import, distribute, use or sell. In particular, EPR shifts the responsibility for ensuring proper management of products from taxpayers and local governments to producers and consumers. It also creates a financial incentive for producers to be more efficient and sustainable with the materials they generate.

In B.C., the system for recycling is often referred to as product stewardship. For the sake of consistency, we use this term. However, it is important to note that product stewardship in B.C. is a mandatory EPR system.

RECYCLING REGULATION

Enacted in 2004 under the authority of the *Environmental Management Act*, the Recycling Regulation (the regulation) details the requirements of producers to manage designated products, with an emphasis on environmental outcomes and program performance.

The regulation requires producers, or third-party organizations working on behalf of producers, to manage the recycling of designated products and materials through stewardship plans. The third-party organizations are known as stewardship agencies.

Stewardship plans must describe how producers or stewardship agencies will achieve target recovery rates for designated products. Stewardship plans are developed through stakeholder and public consultation, and the Ministry of Environment (ministry) reviews and approves them. Alternatively, producers have the option to adhere to a prescriptive set of regulated performance measures set out in the regulation. In B.C., there are currently 19 stewardship agencies and 22 ministry-approved product stewardship plans in place.

BACKGROUND

The regulation places the financial burden on producers, or the designated stewardship agencies, for collecting and paying the costs of managing products. Stewardship agencies are generally funded through fees collected on the sale of products, known as eco-fees, or through producer fees based on the amount of material the producer supplies into the market.

The regulation also requires stewardship agencies to submit annual reports to the ministry on stewardship plan performance. This reporting requirement includes providing third-party assurance on non-financial performance information, such as reported recovery rates of designated products. When an agency charges a visible eco-fee, these reports must also contain audited financial statements detailing revenues and expenses.

MINISTRY ROLE

In B.C., the provincial government does not directly manage recycling, nor does it set or collect fees.

The ministry's role is one of regulatory oversight.

Specifically, the ministry can:

- ♦ approve, deny or rescind product stewardship plans
- ♦ review annual reports of performance information
- ♦ assist producers in understanding and complying with regulatory requirements
- ♦ take actions to enforce compliance when necessary

The ministry can impose fines of up to \$200,000 on individuals or organizations who contravene the Recycling Regulation. Notably, the ministry has limited ability to impose fines on stewardship agencies.

RECYCLING REGULATION

The regulation defines 14 designated product categories:

1. antifreeze
2. beverage containers
3. electronics and electrical products
4. empty oil containers
5. gasoline
6. lead-acid batteries
7. lubricating oils
8. oil filters
9. packaging and printed paper
10. paints
11. pesticides
12. pharmaceutical products
13. solvents and flammable liquids
14. tires

Some of these product categories are further divided into sub-categories. For example, beverage containers are divided between plans covering containers for alcoholic and non-alcoholic drinks.

BACKGROUND

We identified indicators that product stewardship in B.C. is an advanced model that is performing well in some areas. Our province's recycling system has received the highest grade awarded by Extended Producer Responsibility Canada, a third-party non-profit organization that advocates for the development and improvement of extended producer responsibility

programs across the country. For well-known categories of recyclable products, such as beverage containers, stewardship agencies have self-reported that they are meeting or exceeding target recovery rates (see Exhibit 1). We must note, however, that we did not audit this reporting.

Exhibit 1: Target recovery rates for selected stewardship plans

Stewardship agency	Target recovery rates	Recovery rates reported by stewardship agencies	
		2014	2015
Multi-Material BC			
• <i>Packaging and printed paper</i>	75%	80.1%	77.0%
Encorp Pacific (Canada)			
• <i>Non-alcoholic beverage containers</i>	75%	79.1%	78.9%
• <i>Some glass alcoholic beverage containers</i>			
Brewers Recycled Container Collection Council			
• <i>Alcoholic beverages sold in cans</i>	75%	93.1%	92.0%
• <i>Refillable glass beer and cider bottles</i>			

PRODUCT STEWARDSHIP PROGRAMS

Beverage container recycling

Established in 1970, B.C.'s beverage container deposit program was originally designed to reduce litter. It evolved into the oldest EPR program in the province and is one of the longest-standing beverage container recycling programs in the world.

There are two stewardship agencies for beverage containers in B.C. Brewers Recycled Container Collection Council (BRCCC) is the stewardship agency for alcoholic beverages sold in cans as well as refillable glass beer and cider bottles. Brewers Distributor Limited is a private joint-venture company which operates the distribution and collection system for beer containers on behalf of BRCCC. Encorp Pacific (Canada) (Encorp) is the steward for all other beverage container types, including soft drinks, water and non-alcoholic beverages. Encorp is also the steward for non-refillable glass bottles used for wine, spirits, beer and cider.

BACKGROUND

According to a 2015 report by the California-based Container Recycling Institute (CRI), B.C.'s beverage container stewardship program is high-performing and environmentally significant. The report states that "with an overall redemption rate of 84.2% in 2013, the B.C. program is among the highest performing recycling programs of any type in the world." Due to the comprehensive coverage of different product types and materials, the CRI regards the container recycling program in B.C. as "best in class."

Packaging and printed paper

In 2009, the Canadian Council of Ministers of the Environment approved the *Canada-wide Action Plan for Extended Producer Responsibility*. The action plan called for the provinces, including B.C., to commit to developing and implementing EPR programs for an agreed-to list of product categories.

To meet this commitment, B.C. expanded the Recycling Regulation in 2011 to include packaging and printed paper (PPP). Under the expanded regulation, producers of PPP are required to submit a stewardship plan (or be included in such a plan) demonstrating how they will recover the materials they generate. The only comprehensive, province-wide stewardship plan the ministry has approved is from Multi-Material BC (MMBC).

The ministry did recently approve a PPP stewardship plan for BRCCC. However, this plan only applies to the collection of secondary materials related to beer and other alcoholic beverage container packaging, and does not provide curbside services.

According to ministry information, less than 1% of businesses are affected by the new packaging and printed paper regulation, and the largest 150 producers are responsible for about 80% of the costs of the packaging and printed paper stewardship program.

Multi-Material BC (MMBC)

MMBC is a not-for-profit organization and a member of the Canadian Stewardship Services Alliance (CSSA), another not-for-profit organization founded by a coalition of major producers. MMBC's board of directors, includes representatives from Unilever Canada, Loblaw's and Overwaitea Food Group. MMBC also has a B.C.-based advisory committee with representatives from industries, business and local communities in B.C.

MMBC's PPP stewardship plan was implemented in May of 2014. Producers who are members of MMBC must pay fees that cover the costs of the stewardship plan, including program administration, residential awareness and material management. For each designated PPP material, MMBC calculates a fee that covers the cost of collecting, transporting and processing these materials. Producers pay these fees to MMBC based on the amount of materials they report to have produced, distributed or sold in B.C.

In 2014, StewardChoice submitted a competing plan to provide PPP recycling services to residential units in the province, but the ministry did not approve it.

BACKGROUND

The ministry found that the plan did not meet regulatory requirements to provide:

- ◆ sufficient information to key stakeholders during consultation
- ◆ assurance that producers would pay the full costs of collection and recycling
- ◆ reasonable and free consumer access to collection facilities
- ◆ adequate consumer awareness of the proposed plan

MMBC SELF-REPORTING

According to its 2015 Annual Report, MMBC:

- ◆ covered 1,255,000 households in 151 B.C. communities through curbside collection
- ◆ collected 186,509 tonnes of printed paper and packaging out of a reported 243,191 tonnes produced
- ◆ achieved an overall recovery rate of 77% of regulated packaging and printed paper products

Note: We did not audit the reporting from MMBC.

PURPOSE AND SCOPE

THE PURPOSE OF THIS REPORT is to inform the Legislative Assembly and the public on the system of recycling in B.C., including both strengths and opportunities for improvement. To carry out our work, we focused on understanding two segments of regulated products: beverage containers and PPP.

We met with stakeholders, including ministry staff, MMBC, producers and a variety of third parties. We also reviewed documentary evidence, including ministry plans and activities, MMBC's stewardship plan and third-party reports on B.C.'s approach to recycling. We used this information to inform our understanding of the program area and ultimately to make our decision to not proceed with an audit of product stewardship.

Our intention is to inform legislators and the public about product stewardship. This report is not an audit and does not provide assurance on this program area. It is based on our planning work and our risk assessment to determine whether product stewardship warranted an audit. In the following sections, we share what we learned about this program area.

OPPORTUNITIES

IN REVIEWING THIS TOPIC and considering the information we received from the ministry, stakeholders and other sources, we identified several opportunities for improvement. These fall under the categories of:

1. Monitoring outcomes
2. Stewardship agency competition
3. Regulatory oversight of producers
4. Province-wide accessibility
5. Accountability

1. MONITORING OUTCOMES

By regulation, stewardship agencies are required to submit annual reports to the ministry. These reports must contain third-party assurance on non-financial information, such as:

- ♦ total amount of product sold, collected and recovered
- ♦ performance for the year in relation to targets
- ♦ descriptions of how products are recycled
- ♦ the location of collection facilities

This reporting is intended to assure the ministry that the stewardship agencies are achieving the recycling goals set out in their stewardship plans. For example, MMBC and Encorp both report they are exceeding target recovery rates. However, we heard concerns regarding the quality of reporting by stewardship agencies on outcomes and recovery rates.

When we explored the quality of existing third party assurance reporting with the ministry, staff showed us they had contracted a third-party review of the assurance and reporting program to address these concerns. Performed by Deloitte, this review provided recommendations for improvement that the ministry was working to implement. We saw this work as a demonstration that the ministry was addressing identified risks and opportunities regarding the quality of assurance reporting. We will continue to monitor the ministry's efforts in this area.

2. STEWARDSHIP AGENCY COMPETITION

One issue both stakeholders and the ministry identified is the challenge of stewardship agency competition. Under the Recycling Regulation, producers must have a plan to recover designated materials. Producers are not required to sign on with MMBC's plan, but in the absence of other approved plans, they currently have few choices in order to be compliant with regulatory requirements. They can either submit their own plan to manage the collection and recycling of products themselves, or join an existing plan.

OPPORTUNITIES

We were told by some stakeholders that it is unlikely producers can collect and recycle their products themselves because of the technical and logistical challenges they would have doing this province-wide for a single product. Some stakeholders we spoke with also expressed concern that without competition for recovering and recycling PPP, MMBC has few incentives to ensure their operations are efficient.

The ministry told us that approving additional stewardship plans for a single product category could have unintended consequences for existing plans. The ministry is concerned that competition could make stewardship agencies less viable and reduce overall recovery rates. The ministry expressed this concern in its review of the StewardChoice plan, stating that ministry staff will “undertake significant policy work to fully assess how competitive stewardship plans within a single extended producer responsibility product category should be administered ... prior to the approval of new competing plans.”

The ministry has contracted with third-party contractors Glenda Gies and Associates and Corporate Policy Group LLP to examine competition in other jurisdictions and identify best practices for the B.C. context. The first phase of this work, a jurisdictional scan, was delivered to the ministry in March, 2016. The second phase of this work, which will provide recommendations for best practice, is ongoing. We are encouraged that the ministry has taken steps to address stewardship competition within product categories. We look forward to seeing the ministry’s approach to implementing best practices.

3. REGULATORY OVERSIGHT OF PRODUCERS

Another issue identified by some stakeholders we spoke with, was whether the ministry was sufficiently engaging in compliance and enforcement activity for producers who were not meeting regulatory requirements.

In particular, the newspaper industry is a significant group of producers who are not in compliance with regulatory requirements for recycling PPP. According to the ministry, this creates a “free-rider” problem, in that newsprint is recycled by the MMBC program, but the costs of doing so are carried by the other compliant producers.

The challenge posed by free-riders, or non-compliant producers, is significant. The ministry estimates that the underfunded costs to MMBC of recycling newspapers are approximately \$3 to \$5 million per year. As a result of this shortfall, MMBC has publicly stated that it is unable to expand its services to some communities not covered under the current plan, such as Abbotsford and Kamloops. In addition, the ministry expressed concern that the persistence of a financially significant non-compliant producer group undermines stakeholder confidence in the system. Left unchecked, the ministry views this situation as threatening the structure of product stewardship and increasing the difficulty of addressing other challenges.

OPPORTUNITIES

In response to these issues, the ministry has engaged in compliance and enforcement activity to bring obligated producers into regulatory compliance, particularly for the PPP category. According to ministry records, approximately 900 obligated producers signed on to the MMBC program when it first launched. The ministry told us that as of January 2016, its compliance and enforcement efforts have resulted in approximately 250 additional obligated producers signing on. In some cases, the ministry has escalated its actions to the point of issuing Administrative Monetary Penalties.

In November 2015, the ministry began to pursue compliance and enforcement action against newspaper producers. The ministry's use of its compliance and enforcement powers suggest to us that it is exercising its oversight role to move producers into compliance with regulatory requirements. Despite this effort, more work remains for the ministry, as the ministry told us that all newspaper producers remain non-compliant.

4. PROVINCE-WIDE ACCESSIBILITY

During the course of our work, stakeholders informed us that not all communities in the province had access to adequate recycling services, in particular for PPP collection. This is especially common for rural and remote communities. MMBC cites the costs of covering free-riders as the reason it can't expand its services across the entire province.

The ministry did acknowledge that ensuring province-wide access to recycling services can be challenging, particularly where the remoteness or accessibility of a community increases the costs of providing services. The ministry also told us there are "waitlisted" communities that could not or would not join on to the MMBC stewardship plan when it was first offered. Ministry staff showed us they are working with MMBC to extend services to eligible communities and their goal is to expand accessibility to recycling services across the province.

5. ACCOUNTABILITY

Stakeholders raised a further issue with us regarding the accountability of stewardship agencies. Critics have argued that by approving MMBC's stewardship plan, the ministry has effectively imposed a tax on producers without sufficient accountability mechanisms. Some producers have expressed concerns about the lack of financial and operational accountability of stewardship agencies. We heard that there is no obligation for MMBC to demonstrate it is responsibly using the funds it collects to further the best interests of producers and achieve positive outcomes.

As a registered non-profit society, MMBC is not part of government, and is therefore not directly within our audit mandate. Consequently, we focused our work on what the ministry is doing to ensure the accountability of MMBC and other stewardship agencies.

OPPORTUNITIES

As we have previously discussed, under the regulation, the ministry does approve, monitor and require specific outcomes in stewardship plans. These provide a framework for accountability. Also, the ministry advised us that it has more closely examined the operations of MMBC and has not identified any issues of financial mismanagement, such as fraud or other misconduct.

Nevertheless, the ministry recognizes that increased transparency to demonstrate accountability is an opportunity for improvement in this sector. Ministry staff told us they are working to improve accountability by, for example, encouraging detailed financial reporting from all stewardship organizations. The ministry is also undertaking efforts to improve the non-financial reporting information as previously discussed. We agree that the ministry should continue to determine what reporting is expected of stewardship agencies to improve transparency and public perceptions of the system.

LOOKING AHEAD

ASPECTS OF THIS PROGRAM AREA are relatively new and the ministry is establishing plans and taking action to improve performance and address opportunities with the product stewardship system. We look forward to seeing evidence of the ministry's progress in:

- ♦ **improving the quality of reporting on recycling outcomes**
- ♦ **resolving policy implications of allowing competition within a single product category**
- ♦ **eliminating free-riders through a program of regulatory compliance and enforcement**
- ♦ **achieving equitable, province-wide access to recycling services**
- ♦ **promoting financial transparency as a mechanism to improve accountability**

We urge the ministry to publicly communicate its efforts and progress to increase public confidence in the system. We will continue to periodically monitor the ministry's activities in these areas, as well as continue to listen to stakeholder concerns. We will consider information on the ministry's progress when we plan our future program of audits.

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