

# Executive Summary

## *PAC says No! – to 100% Blue Box Costs for Stewards*

In a strongly-worded response to the Ontario Ministry of Environment, Waste Diversion Act review, the Packaging Association of Canada (PAC) outlined its opposition to a Ministry proposal for industry to pay 100 per cent of blue box costs.

“If this proposed change to the Ontario Waste Diversion Act is implemented, it will have major negative impacts to our industry. We already pay 50 per cent of the net cost of the Blue Box Program (BBP) which adds approximately two per cent to overall costs,” says James Downham, President & CEO of PAC.

PAC argues that various other stakeholders including consumers, householders, and government should be involved in the process. Mr. Downham says “in effect the consumer/householder has no responsibility for their buying decisions or encouragement to participate in waste diversion. And municipalities, which currently operate collection systems, also have no financial obligation to implement efficiencies into the collection and sorting system. Both groups are critical in the cradle to cradle life cycle and retailers and brand owners shouldn't have to go it alone.”

The MoE consultative process encouraged participants to change the way we think about waste. PAC believes that the WDA suggested “forward-thinking” framework is, in fact, a concept that is proposing yesterday's solutions for today and tomorrow's problem.

“Extended Producer Responsibility is a dated concept that pits all stakeholders in the life cycle process against each other. It is a punitive (glass is half empty) process in that it is searching for blame and wants to allocate responsibility to only one specific group, the retailer and/or brand owner,” Downham stated.

### Sustainable Packaging – A 21st century strategy for a more sustainable way of life

Rather than a punitive process PAC recommends a reward (glass is half full) process for those companies that have implemented sustainable packaging best practices. PAC encompasses its principles which are a more holistic approach to solving a far greater environmental problem.

“Since 2006, PAC has become a driving force in Canada to make packaging more sustainable. It is systematic approach to environmental concerns related to the entire life cycle of packaging; some of which include the health and safety of the products, clean manufacturing processes, the use of renewable energy, and resourcing of raw materials through to its manufacture, transportation, recycling and disposal.”

PAC has teamed up with the Sustainable Packaging Coalition, a science-based, not-for-profit organization out of Charlottesville, VA to develop courses and deliver training to the packaging community at large. Customized training has been delivered to over 300 executives and buyers from companies including Walmart and Costco.

Mr. Downham points out that, “the Canadian packaging industry has demonstrated tremendous leadership and established a strong foundation for sustainability through innovative products and processes, education, packaging competitions, national conferences and Walmart Expositions which have attracted over 1400 attendees to two events.”

## Specific Recommendations

- **Consumers are the forgotten stakeholders**
  - One of the biggest complaints we receive from government and consumers is “over packaging” of many products such as toys, games and electronic products. Most people – including government – forget these are imports and blame domestic companies. We often have little control over how imports are packaged or the environmental practices of the originating country. Much of the packaging is necessary to protect the product in transit. It is our contention, that if the consumer is driven to purchase the item, they must share some responsibility for the packaging as it is an integral component of the product.
- **Municipal Waste, Responsibility and Accountability Go Hand in Hand** – Our industry has previously expressed concerns about the municipal system such as the use of single stream collection, which ends up contaminating much of the material and lowering its value. We have expressed concern about the inefficiencies in the system, with very little action being done. We believe there are still too many municipal recycling facilities. An inefficient system with no obligation to reduce cost will only exacerbate the competitive off shore problem for the stewards.
- **Financial Analysis** – It is our recommendation that the Ministry be obliged to carry out an economic cost impact analysis on the affected producer companies before any changes are made to the Act.
- **Harmonization for Effective Spending** – Ontario could do more to advocate for harmonization of waste management approaches on a national basis. This lack of harmonization continues to be very costly to industry. This issue has been carried over to the Province itself, where municipalities are under no obligation to collect all the materials that industry is being charged for under the program.
- **Sustainable Packaging Adoption** – PAC recommends the adoption of sustainable packaging definition of the Sustainable Packaging Coalition as a critical component of the forward-thinking framework as laid out in the request for review document of October 2008.
- **Support S-PAC; an Eco Rating System** – PAC launched the development of S-PAC, a Sustainable Packaging Rating System in 2007. It is an industry-led voluntary initiative and consultation process designed to accelerate the progress of the packaging industry towards environmental sustainability. It is our recommendation that the Ministry consider financial support to facilitate the continued development and implementation of S-PAC as a provincial and possibly a federal eco rating system. It could be implemented on a broader scale and become a national standard under the guidance of the CCME through their strategic initiative on sustainable packaging.
- **IC & I Errors and Omissions** – The discussion paper states that Ontario diverted just 12 per cent of its Industrial, Commercial and Institutional (IC & I) waste in 2006. PAC estimates that would represent about 350,000 – 400,000 tonnes each year. Based on past discussions with major food chains, they return at least one million tonnes of paper packaging directly to the mills each year. It is our view that the current statistics used by the Ministry are misleading. This perpetuates the message to the public that virtually nothing is being done by the IC & I sector regarding recycling or reuse.
- **Energy from Waste** – It is interesting to note that the discussion paper makes reference to many of the “best practice” waste management programs in Europe and Japan. Yet no where does it discuss the subject of energy from waste, despite the fact that EFW accounts for 80 per cent of the waste management process in Japan, 40 per cent in Europe and more than 20 per cent in the U.S.

Prince Edward Island uses material that can no longer be recycled as an energy source for its clean and efficient EFW facility, which heats government buildings, the university and hospitals. The concept has a significant presence in Ontario as Peel County has been running an effective EFW for years and Durham County recently made a decision to go forward with a program.

*Leading Industry Relations*

