



Stewardship Ontario and Waste Diversion Ontario

Blue Box organizations wonder why they weren't consulted on impacts of LCBO deposit-return plan—seek explanations

TORONTO (September 10, 2006)—Two Ontario organizations are wondering why the Liberal government did not consult with them about the potential impacts of its sudden decision to pull LCBO alcohol and spirit bottles out of the blue box and put them into a deposit return system, especially since the government has expressed support for a strong blue box system.

“The LCBO is a major financial contributor to the municipal blue box program in Ontario and the government’s unexpected decision to put its wine and spirit containers on deposit brings financial uncertainty to our government-approved stewardship program to provide industry funding to support the blue box,” said Dennis Darby, Chairman of Stewardship Ontario.

Stewardship Ontario is an industry funding organization established under the *Waste Diversion Act*. It collects fees from companies which introduce packaging or printed paper into the Ontario marketplace that are managed through municipal blue box collection systems. In the past three years, Stewardship Ontario has contributed \$93 million in direct payments and grants to municipalities. By the end of March 2007, that amount will increase to \$130 million.

“We just announced the fees each obligated company would have to pay for 2007 but the calculation was based on Waste Diversion Ontario (WDO) approved costs including managing LCBO containers through the blue box. The calculation included the fees expected from the LCBO. Last year, LCBO’s contribution amounted to \$5 million,” said Darby, who is the director of external relations at Procter and Gamble, a large steward under the provincial program.

As the LCBO will now be paying The Beer Store, a private company, for managing the glass, aluminum, steel, aseptic and plastic containers that Ontario residents will now sort out of the Blue Box and deliver to beer stores, the entire cost and fee structure for supporting municipal recycling programs will need to be re-calculated.

Under the WDO program, stewards are informed of their fees in September to allow them to budget properly for these costs for the following year.

“Now we do not know what these fees will be or how and when these calculations can be completed,” Darby said.

The other organization that was not consulted on the ramifications of the government’s decision is Waste Diversion Ontario, which was created under the *Waste Diversion Act* to operate waste diversion programs for a wide range of materials designated by the Ministry of the Environment including tires, oil and electronic waste. So far, blue box waste is the only industry sector for which a stewardship program has been developed and approved. WDO is responsible for collecting annual recycling tonnage data and financial costs from Ontario municipalities and determining how much industry funding each should receive to off-set their recycling program operating costs.

WDO Executive Director, Glenda Gies, said that in addition to the shortfall in industry funds created by the government’s decision, the amount each municipality will receive for the tonnage of recyclables they divert from landfill will be reduced.

“Since the LCBO containers will no longer be included in the categories for which industry pays Stewardship Ontario, municipalities will no longer receive funds to help pay for the collection and processing of those materials. It’s a significant amount, more than 75,000 tonnes of recyclables annually,” Gies noted.

“In our busy lives, it is likely that many people will continue to use the most convenient means of recycling available to them--their blue box. No matter how many LCBO deposit containers are returned to The Beer Store, municipalities will still have trucks on the road picking up all of the other recyclables in our blue boxes and apartment bins and they’ll likely still collect many LCBO containers for which they will no longer receive industry funding,” she pointed out. Only those people willing and able to take their wine and spirits containers back to a beer store will get a refund. The rest of these containers will be left in the recycling or garbage stream.

Along with the funding issues created by the government’s unexpected decision on LCBO containers, it threw into jeopardy a major municipal-industry joint venture that was about to create new glass processing capacity for up to 80,000 tonnes of glass collected in municipal recycling programs in and around the GTA.

The company that was to provide the majority of new glass processing, Unical of Montreal, has been advised not to proceed because the municipalities—Toronto, Durham, York, Peel as well as Hamilton and Guelph—are no longer able to commit to providing the amount of glass that is needed to run the operation. The glass processing facilities would have provided additional stable, higher value markets for municipalities for their blue box glass leading to reduced municipal program costs.

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Link to Background on Stewardship Ontario and WDO:

http://www.stewardshipontario.ca/pdf/News/2006/EE_Fund_Backgrounder.pdf