

Out with the old, in with the new

HOW IT WORKS NOW:

Municipalities are responsible for garbage and recycling services.

Taxpayers pay municipalities for these services — an average of \$200-\$300 per year per household in Metro Vancouver.

Municipalities use that money to contract out the service or to cover the cost of in-house collectors (i.e. Vancouver and Burnaby).

Recyclables are taken to different recycling firms where they are processed and sold.

Municipalities receive return on recyclables sold as commodities, such as paper, plastic and tin.



Here's how the system works now and how it would work under the new proposal. The goal is to shift the cost of recycling to businesses from taxpayers.

HOW IT IS GOING TO WORK:

Multi-Material BC would oversee recycling services.

It would charge fees to businesses, based on the amount of packaging and printed paper they distribute to consumers. MMBC expects to collect \$110 million per year.

Multi-Material BC would use that money to run its own collection services — or to compensate municipalities who opt into the program, but continue to collect their own recyclables. MMBC would control the contents of all blue boxes — except those in municipalities that opt out entirely.

Recyclables are taken to Green by Nature EPR — a consortium of Cascades Recovery, Enterra Environmental and Merlin Plastics — for processing and marketing.

Any excess revenue would be returned to businesses who paid into the MMBC program, while the cost of recycling services could be reduced in participating municipalities.

Municipalities have three options:

1 They can opt out of the program and continue with their own blue-box system, with no involvement of MMBC. Delta and Langley Township have chosen this route. Delta taxpayers now pay \$50 for blue-box collection.

2 They can opt into the program in full. Multi-Materials BC will take over blue-box collection and hire its own contractors. This is what Coquitlam, University Endowment Lands and Anmore have chosen. Taxpayers would not be charged for recycling, so would see a reduction in their tax bills.

3 They can opt into the program but continue to collect blue bins themselves, as they do now. MMBC would pay them \$32-\$36 per household for the contents of the bins. This could reduce recycling costs for taxpayers.

Researcher Kelly Simola
VANCOUVER SUN

WHAT'S IN YOUR BLUE BOX?

Big changes for recycling in Metro

Confusion surrounds the new Multi-Material BC program, which is set to launch on May 19

KELLY SINOSKI
VANCOUVER SUN

The Surrey Board of Trade joined the growing chorus of opposition against Multi-Material BC Wednesday, calling on the provincial government to delay the new recycling program until it consults and educates businesses on what it will mean to them.

CEO Anita Huberman said the board has been inundated with calls and complaints from small businesses in the past two weeks as MMBC prepares for its May 19 launch.

"They don't understand it," she said. "We ourselves are very confused about the whole situation."

The program, which puts the onus on industry to fund the cost of collecting and recycling packaging and printed paper, has also drawn concern from other business groups across B.C., while municipalities are waiting to see whether the initiative will live up to expectations.

Most Metro Vancouver municipalities — including Vancouver and Surrey — have signed a deal with MMBC that will pay them incentives, or compensation, for the contents of their blue bins; other municipalities, such as Coquitlam, have handed full control of the blue-bin collection system to MMBC. Delta and Langley Township, meanwhile, will continue with their own collection systems.

Delta Mayor Lois-Jackson said the risks of signing on were too great, noting there are no guarantees MMBC will receive the revenue it expects from selling commodities such as paper, tin and plastic because it relies on market rates. This is particularly troubling, she said, since the newspaper industry is talking about signing with MMBC.

"When we got the financial analysis, it was pretty much break-even," Jackson said. "We just want to make very sure we are doing the best thing we can for the residents of Delta."

Rob Costanzo, Surrey's deputy operations manager of engineering, said if the program works as planned it likely will result in a reduction in garbage and recycling collection fees for residents in his city — but he acknowledges that could vary by municipality.

If the program doesn't meet expectations, municipalities can bow out of it by giving six months' notice.

"We'll know better once we get the actual collections," he said. "Here's how it is supposed to work:

The MMBC program will enable residents to recycle new categories of packaging that are not commonly included now, including milk cartons, plastic foam packaging, plant pots, aluminum foil packaging, certain types of plastic film packaging and drink cups.



WAYNE LEIDENHOUS/STYLING FILES

What is Multi-Material BC (MMBC)?



Multi-Material British Columbia is a not-for-profit, industry-led organization that is in the process of taking over the blue-box system from municipalities on May 19 and recouping the costs from companies that generate packaging and printed paper. It is among more than 20 "extended producer responsibility" programs introduced in B.C. during the past two decades, which has seen industry assume responsibility for items such as beverage containers, electronics, paint, used oil, tires and batteries. MMBC, a legal entity in B.C., is governed by the Ontario-based Canadian Stewardship Services Alliance's board of directors, which includes representation from Unilever Canada, Metro, Walmart, Tim Hortons Inc., Loblaw Companies Ltd., Coca-Cola Refreshments Canada and Procter & Gamble.

Why are we doing it?

The province says the MMBC-operated program will boost the recycling rate of packaging and printed paper to 75 per cent from 52 per cent while providing curbside blue-box collection to 1.25 million B.C. households. The MMBC program will enable residents to recycle new categories of packaging that are not commonly included in existing curbside or depot recycling programs, including milk cartons, plastic foam packaging, plant pots, aluminum foil packaging, certain types of plastic film packaging and drink cups.

How does it work?

Under MMBC, the responsibility for recycling product packaging shifts from consumers — through fees for municipal collection services — to the businesses that put those materials into consumers' homes. To comply, those businesses have to calculate the amount of packaging and printed paper they distribute to consumers. MMBC then assigns a fee and

uses the revenue to pay for collection services, either municipal blue-box programs or other commercial pickup. MMBC expects the system will collect about \$110 million per year in fees.

Where does the money go?

Allen Langdon, managing director of MMBC, said fees collected from businesses represent the net cost of the program. Any excess revenue raised from the sale of the commodities will then go back to those businesses to help defray their costs. Langdon did not know how much revenue was anticipated to come from the sale of recyclables, saying it would depend on the market value for the various commodities. A 2012 market study by EBA Engineering Consultants Ltd. estimated Metro Vancouver generates 1.3 million tonnes a year in six categories: carpet, glass, electronics, organics, paper and plastic.

Of that amount, 630,000 tonnes are recycled and 650,000 tonnes go to landfills.

Not including organics and electronics, the disposed material in Metro Vancouver is worth about \$53 million. The potential cost savings of disposed recyclables in Metro Vancouver is \$28.5 million.

Do municipalities have to give up their own blue-box collection?

No. Under the MMBC program, municipalities have three options. The first, adopted by most Metro Vancouver municipalities, allows cities to keep running their own blue-box collection system and receive an "incentive payment" from MMBC, which then retains the right to process and sell the recyclables in the blue bins. MMBC estimates the incentive rate is \$32 to \$36 per household, accounting to \$30 million-plus in Metro Vancouver.

The second option, chosen by Delta and Langley Township, allows municipalities to keep the status quo with blue-box collections with no incentives from MMBC, which then has no access to process and

Anita Huberman, Surrey Board of Trade CEO, says they have been inundated with calls and complaints from small businesses.

sell the recyclables. The third option, selected by Coquitlam, Anmore and the University Endowment Lands, lets MMBC hire contractors and deliver curbside pickup directly with no cost to the city.

What can be collected under the MMBC system?

B.C. residents will be able to recycle new categories of packaging that are not commonly included in current curbside or depot recycling programs. Glass must be separated to prevent contamination of the recyclables; it will be up to individual municipalities to determine whether separated glass can be placed in the blue box or if it will have to be taken to the local depot.

Do businesses have to be part of MMBC?

Businesses are not obligated to join MMBC but must comply with the recycling regulations. How they comply is their choice, and businesses that choose not to join MMBC can develop their own stewardship plan. Brewer Distributors B.C. has a stewardship plan awaiting approval by the province, for instance, while the newspaper sector has not yet joined MMBC.

What are the penalties associated with MMBC?

Municipalities with blue bins that have a three per cent contamination, such as broken glass, will face a penalty of no more than \$120,000.

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