

PROPOSED AMENDMENTS TO THE BLUE BOX REGULATION

PREAMBLE

The Blue Box Regulation (O. Reg. 321/91) under the *Resource Recovery and Circular Economy Act, 2016*, makes producers responsible for the paper, packaging, and single-use items they supply in Ontario. Under the regulation, producers are responsible for organizing, running, and paying for blue box programs across the province.

Moving the blue box to producer responsibility has provided relief for municipalities and taxpayers. In 2022, the municipal portion of blue box costs was \$171 million and these costs would have continued to grow if municipalities had not transitioned before inflation and other economic factors led to costs increases across the waste sector.

The costs of collecting and recycling waste have increased due to high inflation, labour shortages and supply chain bottlenecks for infrastructure. Blue box collection costs alone could more than double between 2020 and 2030. Cost increases of this magnitude were not anticipated when the regulation was passed in 2021 and have jeopardized the stability of the blue box system today.

The government is committed to avoiding cost increases and making the system more responsive, accountable, and transparent to the businesses that fund the blue box.

For this reason, Ontario is proposing targeted amendments to the Blue Box Regulation to curb future cost growth while maintaining current services and a commitment to improving recycling outcomes. The ministry is also proposing additional technical changes to improve implementation.

The actions proposed are a first step as the government considers broader measures to help stabilize system costs while maintaining producer and resident confidence in the blue box system. The government welcomes feedback on areas for future consideration as part of a continued commitment to improve the Blue Box Regulation.

MAINTAINING CURRENT SERVICES

The Blue Box Regulation sets new requirements in 2026 that were intended to build on existing services by expanding collection to un-serviced buildings and setting recovery targets to improve recycling outcomes.

The ministry has heard from producers that now is not the right time to expand – more time is needed to provide cost relief and more time to plan for increased recycling.

ITEM 1: Delay Recovery Targets for Select Material Categories

Current Requirement:

The Blue Box Regulation sets recovery targets that require producers to recycle a portion of the materials they supply in Ontario.

The regulation currently requires producers to make “best efforts” to achieve the targets. Starting in 2026, the "best efforts" requirement will be removed, and the targets will be more directly enforceable.

Material Categories	2026 – 2029 Recovery Target	2030 and onward Recovery Target
Paper	80%	85%
Rigid Plastic	50%	60%
Glass	75%	85%
Metal	67%	75%
Non-Alcoholic Beverage Containers	75%	80%

Proposed Change:

The ministry is proposing to delay the recovery targets of paper, rigid plastic, glass, metal, and beverage containers by five years to 2031 to allow producers more time to plan and make the appropriate investments needed for collection and recycling. This would defer new investments over a period of five years.

The ministry is proposing to give producers more time to meet the targets currently set out in the regulation. To provide more regulatory clarity during this delay, the ministry is considering the best way to maintain diversion – either keeping the existing requirement that producers make "best efforts" to achieve recovery targets or reflecting existing industry best practice through a new requirement that all collected materials be sent to registered processors (this proposal is discussed in more detail below, item 7).

Material Categories	2031-2034 Recovery Target	2035 and onward Recovery Target
Paper	80%	85%
Rigid Plastic	50%	60%
Glass	75%	85%
Metal	67%	75%
Non-Alcoholic Beverage Containers	75%	80%

Compostable packaging would continue to have no collection or management requirements. However, producers will be required to register and report on how much is supplied in Ontario each year.

These changes are meant to provide cost savings by allowing producers time to make necessary investments in technology and infrastructure to improve the processing and recycling of blue box materials. Materials will still need to be sent for recycling using current technologies, and the ministry does not anticipate recycling levels would fall below baseline levels recorded in municipal blue box programs.

ITEM 2: Remove Planned Expansion for Multi Residential Buildings, Schools, and Specified Long-Term Care Homes and Retirement Homes

Current Requirement:

Starting January 1, 2026, the Blue Box Regulation would expand the blue box program by requiring producers to collect blue box material from more multi-residential buildings, specified long-term care and retirement homes, and schools that were not serviced by municipal programs before transition. These facilities either did not have blue box services or had contracted recycling collection individually through a private-sector waste company.

Proposed Change:

The ministry is proposing to remove requirements to expand to multi-residential buildings, specified long-term care and retirement homes and schools that did not have municipal blue box services.

This would reduce future costs and allow producers to focus on current blue box services.

This change would not impact facilities that were serviced by municipal blue box programs before transition. Their transition to producer responsibility will continue as part of the overall transition of municipal programs that will be finished by the end of 2025. However, any new facilities in these communities would not be serviced by producer responsibility.

It is expected that this removal would not have a negative impact on existing levels of recycling in these facilities because those with recycling contracts would extend them. However, in some facilities without existing recycling contracts, or in new facilities, there would not be new recycling services unless the facility chooses to contract with a private sector company for collection and management of printed paper and packaging. The ministry is looking for feedback on whether this change would impact the existing diversion services at any of these existing facilities, or if there are any barriers to facility owners or operators procuring recycling services for newly built facilities in the future.

FOCUSING ON RESIDENTIAL MATERIALS

The Blue Box in Ontario has primarily been a residential program focused on recycling material disposed of at homes. The regulation sets requirements that would expand recycling beyond the residential system to collect materials away from home. For producers of beverage containers, this requires collection in more industrial, commercial, and institutional (IC&I) establishments. For all producers of all materials, this includes a requirement for a limited number of additional recycling bins will be added in public spaces.

The ministry has heard from producers and PROs that now is not the right time to expand beyond the primarily residential sector due to significant costs.

ITEM 3: Remove requirement to collect beverage containers “away from home”

Current Requirement:

The regulation sets out which blue box materials producers are obligated to collect and manage. Beverage containers used for business purposes are included in a producer’s obligation. For all other materials, blue box materials supplied for business purposes are not included. Instead, recycling for businesses is covered by a different regulatory framework that identifies individual establishments that must source separate materials for recycling.

The regulation also determines the portion of a producer’s supply that is eligible for deductions. Deductions allow producers to reduce the amount of material subject to recovery targets to reflect materials that are not managed by the blue box system. For beverage containers, deductions are not allowed. For all other materials, deductions are allowed for materials managed in specified IC&I locations to reflect that these materials are not collected by the blue box system.

Under the current regulation, these two provisions result in recovery targets applying to all beverage containers – including those supplied to and/or disposed of in the IC&I

sector. This, in effect, requires producers to develop a system to supplement the curbside blue box and collect containers “away from home.”

Currently, there is not a cost-effective away from home collection system available. The time is not right for an expensive expansion beyond the blue box due to the cost impact it would have on consumers.

Conversations on improving away from home collection of beverage containers in Ontario will continue. It is important to clarify the role of the blue box system for residential beverage container collection and recycling. This will maintain current levels of beverage container recycling and provide clarity and cost savings to beverage producers. The ministry is not proposing to change the beverage container target but welcomes stakeholder feedback.

Proposed Change:

The ministry is proposing to amend the regulation to align collection and management requirements for beverage containers with all other blue box material categories.

The regulation would be amended to align beverage containers with other materials in terms of the definition of a consumer and ensure that beverage containers supplied for business purposes are not included in a producer’s obligation.

The regulation would also be amended to allow deductions for beverage containers to reflect that many containers are not managed by the blue box system.

This change would allow producers of beverage containers to deduct the weight of their product that is supplied to businesses and meet their regulated recovery targets based on the materials collected by the residential blue box system.

If these changes are made, beverage producers would be obligated to meet a recovery target of 75% of all residential containers as per the proposal in Item 1. The ministry is also looking for stakeholder feedback if this recovery target is achievable for the blue

box or if further changes to the target are needed to ensure producers can comply with regulated recovery targets.

ITEM 4: Remove Expansion of Public Space Collection

Current Requirements:

Currently, producers are required to establish and operate blue box bins in the same public spaces as were provided in eligible communities under the old blue box program.

Starting January 1, 2026, the Blue Box Regulation requires producers to expand the number of public spaces with blue box collection. The regulation sets out a per-capita formula for the number of receptacles in each community.

In some communities this could result in new public space recycling bins in some parks or other public spaces. In other communities, the new public space collection would supplement an already existing municipal public space network.

The ministry has heard that the regulation requires bins in locations that may not be cost-effective to service. Additionally, the wastes collected from public spaces are highly contaminated and often cannot be recycled. The ministry has also heard that the timing isn't right for this expansion of the blue box program. Removing this provision would save significant costs for producers and avoid collecting unrecyclable materials. The ministry does not expect this would negatively impact current public space recycling levels in Ontario and any municipally-funded public space collection programs would continue.

Proposed Change:

The ministry is proposing to amend the Blue Box Regulation to remove requirements to expand public space collection.

This would reduce future costs and allow producers to focus on collecting residential materials, which is the traditional scope of most blue box programs in Canada.

Collection for public space bins that were previously part of local blue box programs will be maintained since these communities will have transitioned by the end of 2025 and are part of existing blue box service contracts.

MAKING THE RIGHT INVESTMENTS

Producers are currently making investments in collection and sorting infrastructure to deliver a consistent, accessible, and effective producer-run blue box system.

When it comes to recycling, the ministry has heard that changes to the regulation could help producers make more cost-effective investments. This includes revisiting the targets and timelines for materials that lack viable recycling options such as flexible plastics. It also includes considering an appropriate role for energy recovery.

ITEM 5: Reduce and Delay Flexible Plastic Recovery Target

Current Requirement:

The Blue Box Regulation obligates producers to collect and manage packaging and single-use items made from flexible plastic and meet regulated recovery targets.

Flexible plastics are materials like food wraps, flexible pouches, and bags.

Under the current regulation, flexible plastic recovery targets are set at 25% for 2026, rising to 40% in 2030. Flexible plastic was not commonly collected in municipal programs and diversion rates are below 10%

Producers have told the ministry that meeting the flexible plastic targets would be challenging given current technological limitations.

The challenges of recycling flexible plastics are reflected in some Canadian provinces where targets are more flexible, either applying to all plastics as a single group (so easier to recycle materials, like rigid plastics, can make up more of total performance) or allowing producers to set their own targets for flexible plastics through program plans.

Proposed Change:

The ministry is proposing to reduce the recovery target for flexible plastic to 5% (to reflect the estimated current level of diversion) and delay enforcement of this recovery target from 2026 to 2031.

This proposal recognizes the technological limitations in recycling and infrastructure challenges. This proposed change will help bring costs under control while maintaining current recycling levels. It will also ensure that this material continues to be collected and managed and that producers can continue to work with consumers and processors to identify the best way to collect and manage this material.

ITEM 6: Allow energy recovery to count toward diversion targets

Current Requirement:

The Blue Box Regulation prohibits producers from including materials supplied for energy recovery activities in the materials used to meet their management targets, including:

- materials recovered for use as a fuel or fuel supplement
- materials sent to an incinerator used or used in incineration

The ministry has heard that this prohibition is overly restrictive. It does not recognize factors such as packaging design or contamination in determining what can be recycled. Furthermore, it fails to recognize that energy recovery has a role to play in diverting material from landfill. Finally, allowing a role for energy recovery in meeting blue box targets could help manage costs for blue box producers without impacting overall recycling outcomes.

Energy recovery is a recognized part of the waste diversion hierarchy globally, including in the European Union. Ontarians are familiar with the 3R's – Reduce, Re-use, Recycle – and the Blue Box Regulation will remain committed to this hierarchy. However, there is another segment of waste after the first three Rs have been used. This is where a fourth R – Recovery – plays a role rather than sending material to landfill. Recovery is not

meant to replace or displace recycling – it is meant to provide another tool for keeping material out of landfill.

Proposed Change:

The ministry is proposing to amend the regulation to allow producers to:

- Allow material collected and sent for energy recovery to comprise of no more than 15% of the management target (like rules in Alberta).
- Define energy recovery as the use of a non-recyclable material as a direct fuel source in an incineration activity (for example, energy-from-waste facility, cement kiln) or as a feedstock to produce fuel (for example, pyrolysis or gasification to generate diesel).

It is important to note that this provision would apply to non-recyclable material. Non-recyclable material is the segment of material that producers sent for processing but could not be recycled. This non-recyclable material could then be sent to energy recovery instead of landfill. Furthermore, this segment could not account for more than 15% of their overall target for each material category. Finally, there would be no requirement for a producer to send material to recovery – the regulation would be enabling only.

Ontario's environmental regulations and the proposed changes will not mandate a specific type of technology that needs to be used for recovery. Each producer or PRO will determine the most appropriate technology to be used.

The ministry is looking for feedback on how energy recovery could contribute to a more cost-effective blue box system and offer more ways to divert material from landfill. The ministry is also seeking feedback on the proposed 15% cap on energy recovery.

The ministry is also looking for feedback on how the amount of non-recyclable materials going toward energy recovery could be tracked and audited in the system.

TECHNICAL CHANGES

The ministry is proposing technical changes to the Blue Box Regulation to improve implementation, clarify requirements, and ensure continuity of blue box services.

ITEM 7: Consider the best ways to ensure collected materials are sent for processing

Current Requirement:

The Blue Box Regulation requires producers to make “best efforts” to achieve recovery targets until 2026. The processing of collected material is currently driven by an expectation that compliance with recovery targets will drive materials to be recycled.

The ministry has heard that there is confusion on how “best efforts” are determined and this challenge leads to operational uncertainty for producers, PROs, and service providers.

The Blue Box Regulation does not currently have an explicit requirement that all materials collected through the blue box common collection system be sent to a registered processor. In practice, material collected through the blue box system is sent to processors.

This requirement is found in all other producer responsibility regulations under the *Resource Recovery and Circular Economy Act, 2016* to ensure collected materials are not sent directly to landfill.

Proposed Change:

Given the proposed delay in Item 1, the ministry is considering whether “best efforts” requirements are sufficient to drive diversion until 2031, or whether to amend the regulation to clarify that all collected materials must be sent to a registered processor and not directly to a landfill.

The ministry is looking for feedback from producers, PROs, and processors to determine the most effective approach to ensure that collected materials are not sent directly to a landfill.

ITEM 8: Clarify definition of a facility

Current Requirement:

The current definition of “facility” can include a wide variety of multi-unit residential establishments, from single-family residences with a basement apartment, to high-rise apartments and condominium buildings.

This has presented challenges in identifying buildings that producers and PROs must service as part of the regulation. Municipalities must submit reports on serviced dwellings to the Resource Productivity and Recovery Authority (RPRA), who in turn prepares a verified database that PROs can use in planning collection. That a multi-residential building can include such a wide variety of establishments has led to challenges with clearly identifying the multi-residential buildings in a timely manner.

Proposed Change:

The ministry is proposing to revise the definition of facility to specify that it includes multi-residential buildings with six or more residential units to support consistency with definitions in other regulations (e.g., O. Reg. 103/94).

The ministry would amend the regulation to specify that any multi-unit residential building that has five or fewer residences would be considered a residence.

ITEM 9: Clarify collection requirements for schools

Current Requirement:

The current definition of facility includes “a building that contains a school or private school” within the meaning of the *Education Act*. However, this definition does not clearly include all other uses on-site. This could result in some uses located in a school, such as a daycare or community centre, not being eligible to receive collection services from the producer-run blue box system.

Proposed Change:

The ministry is proposing to amend the regulation to clarify that producers are responsible for collecting all blue box wastes generated at a school to ensure that there is no loss of service for other users of school buildings. This is not expected to have any significant additional cost for producers.

ITEM 10: Maintain depot access for residents in unorganized territories

Current Requirement:

Unorganized territories are parts of northern Ontario where there is no local municipality to provide services.

The Blue Box Regulation does not require producers to provide recycling for residents of unorganized territories unless these residents live in a local service board area.

Some municipalities provide access to garbage and recycling drop off for residents of neighbouring unorganized territories.

However, there is confusion in the regulation if unorganized territories must be serviced which could result in these residents losing access to municipal recycling depots after 2026.

Proposed Change:

The ministry is committed to maintaining blue box access for these residents.

The ministry is proposing to clarify that producer-run blue box depots must accept wastes from residents of unorganized territories, where these residents also have access to a garbage depot in that municipality to maintain service for these residents.

It is anticipated that the total additional volume would be minimal with no significant additional costs for producers.

ITEM 11: Update Timelines for Providing Blue Box Services

Current Requirement:

The regulation currently has no timelines for:

- servicing newly built residences
- servicing facilities that have registered after 2026
- providing an offer of service to First Nation communities after 2026

This lack of clarity can make it challenging for RPRA and PROs to implement the regulation and could result in collection service inconsistencies.

Proposed Change:

The ministry is proposing producers and PROs be required to meet timelines as specified by RPRA in a registry procedure. RPRA would consult with relevant parties including producers, PROs, and First Nation communities, before finalizing. This would provide consistent service for residents of Ontario, including First Nation communities, while giving PROs clarity for planning.

ITEM 12: Provide More Flexibility on Printed Promotion and Education Materials

Current Requirement:

In addition to online materials, subsection 72(1) of the Blue Box Regulation requires producers to provide print materials to each residence and facility annually.

Producers have asked for more flexibility to better reflect the predominant use of online materials and to save money that would be spent on print materials for more than five million households in the blue box system.

Proposed Change:

The ministry is proposing to require producers to provide promotion and education materials in print only where requested by a municipality or resident. This change will save producers costs and reduce the amount of printed material required.

ITEM 13: Provide Flexibility on French Language Requirements

Current Requirement:

Subsection 72(2) of the Blue Box Regulation requires online and print materials in both English and French.

Producers have asked for more flexibility to reflect where French materials are needed and avoid the provision of French materials in communities where there is low or no demand.

Proposed Change:

The ministry is proposing to require French language materials only in areas designated under the *French Language Services Act* or when requested by municipality or resident. This change will save producers costs.

AREAS FOR FUTURE CONSIDERATION

As mentioned at the outset, the actions being proposed are a first step as the government considers broader measures to help stabilize system costs while maintaining producer and resident confidence in the blue box system.

The ministry is thinking beyond these initial steps about what else can be done to support producer responsibility for blue box.

In considering future changes, the ministry is considering ways to drive sustained change by improving system responsiveness, transparency and accountability for producers.

Producers are obligated under the Blue Box Regulation, and they hire Producer Responsibility Organizations (PROs) to help them discharge those obligations. Producers and their PROs have full operational control over the collection and management of the blue box system. This means that producers and PROs can make

decisions to improve the operation of the blue box that will drive long-term and sustained cost savings.

But in order to drive sustained change, producers need to ensure that they have transparency from PROs on system costs and operations, and they need to put in place measures that hold PROs accountable to performance outcomes. The government is interested in hearing about ways the regulation could help producers and PROs achieve those goals.

There may also be other smaller changes that could drive efficiency in collection for businesses. The ministry has heard that PROs could work more closely with municipalities on the collection of blue box material from small businesses located along residential routes. In most places in Ontario businesses contract with private waste service providers for waste management and recycling, however, there could be efficiencies to consider if businesses located along blue box collection routes were to be serviced by the same trucks that manage residential blue box waste. The ministry would welcome any feedback on this issue, or other targeted changes that could improve recycling and the efficiency of the blue box in Ontario.