

Comments for the Amendments to the Resource Recovery and Circular Economy Act, 2016 (RRCEA) and related regulations

From: Timothy Wright – Director of Public Works, North Glengarry

This amendment **will not** help the Act reach its goals of creating a circular economy and it relies on Municipalities to provide collection for small businesses and organizations, effectively subsidizing big business polluters (1).

The Resource Recovery and Circular Economy Act, 2016, S.O. 2016, c. 12, Sched. 1 section 2 states that:

“It is in the provincial interest that Ontario have a system of resource recovery and waste reduction that aims to” ... (f) “**hold persons who are most responsible for the design of products and packaging responsible for the products and packaging at the end of life**”. This concept of ‘the polluter pays’ has been able to achieve remarkable results in terms of financial and environmental benefits around the world (2).

As a result of this legislation Polluters have started to pay a portion of the real cost of their products by operating a collection service in Ontario. This has however displaced the former municipal run system (3) (4) and because non eligible locations (NELs) like café’s, hairdressers, places of worship, charities and municipal facilities are excluded from the polluters collection obligations. Prices for collection have been forced much higher.

Which begs the question, why is Pepsi responsible for the bottle that is consumed at home but not the one consumed at the café? Well, according to the Ontario government these locations were not eligible for producer (polluter) funding under the old cost-shared model (5). This completely undermines the circular economy legislation and provides an avenue for polluters to continue to avoid the consequences of their actions by charging whatever fee they wish to NELs.

This amendment will not move the needle on closing this massive loophole. NELs are either going to pay at the polluters recycling centres, that they now have a monopoly over or they will pay through these amendments new system to charge municipalities.

A counter argument that we will often run into is that a separate organization (a PRO) will be charging the fees not the polluters. The important part to understand is that PROs are not separate organisation; they are private organizations owned by the polluters. So, profits (or cost savings through revenue offsets) flow back to the polluters, for example Circular Materials Ontario (CMO) is owned by:

- Costco Wholesale Canada Ltd.
- Empire Company (Sobeys)
- Kraft Heinz Canada

- Keurig Dr Pepper Canada
- Lassonde Industries Inc.
- Loblaw Companies Limited
- Maple Leaf Foods
- McDonald's Restaurants of Canada Limited
- Metro Inc.
- The Minute Maid Company Canada Inc.
- Nestlé Canada
- PepsiCo Canada
- Procter & Gamble Inc.
- Restaurant Brands International (RBI)
- The Clorox Company of Canada Inc

* (6)

So what do we do?

We keep it simple, amend the legislation and regulation to ensure all materials are the responsibility of the producers to collect if requested.

But It's going to be too hard to track to ensure all locations are receiving collection

No, it isn't, complaint-based enforcement will mean that any location that requires pick up need only request to be added to the polluters system when they request it. Those who need pick up will make themselves known. There is no need for polluters to proactively find locations to pick up from. Only to provide an avenue for NELs to identify themselves

But there is a scenario where a small business could produce/design/manufacture packaging themselves and still be under the threshold to be considered a producer (polluter)

Since there is a substantial capital investment to be able to produce plastic packaging (7) this isn't a substantive worry. The focus of the legislation should be on identifying producers rather than

But it is too expensive for polluters to be responsible for their own actions

Twelve out of the 15 companies who own CMO reported \$56.44 billion USD in profit in 2024 sourced from their various annual reports.

Or if you take only the specific subset of Canadian subsidiaries of CMO alone:

- Lassonde Industries Inc.
- Maple Leaf Foods
- Metro Inc.
- Empire Company (Sobeys)
- Loblaw Companies Limited
- Restaurant Brands International

They reported 5.5 Billion in profits in 2024.

So asking them to clean up their own mess should not be outside of their ability. Furthermore Deloitte estimates that the investment required by PROs is \$600 million (8) a low enough amount

that just Loblaws alone could pay the entire cost and still return over a billion in profit (2155M – 600M = 1555M) (9)

A note on NELs

NELs that keep the economic fabric of Ontario running are: Cafés and coffee shops, small restaurants, bakeries, delis, food trucks, ice cream shops, bubble tea stores, hair salons and barbershops, beauty salons, nail salons, spas, massage therapy clinics, dry cleaners, shoe repair shops, tailoring services, watch repair shops, small convenience stores, places of worship, churches, temples, mosques, synagogues, cemeteries, golf courses, amusement parks, hospitals, long-term care facilities, clinics, medical centers, universities, colleges, community colleges, recreation centers, sports complexes, entertainment venues, community centers, municipal buildings, government offices, public libraries, fire stations, and police stations.

References

1. **Jones, Allison.** Ontario proposes to weaken impending new recycling rules over costs to producers. *Cochrane Eagle*. [Online] The Canadian Press, June 23, 2024. <https://www.cochraneagle.ca/national-business/ontario-proposes-to-weaken-impending-new-recycling-rules-over-costs-to-producers-10848088>.
2. **GACERE.** Circular Economy and Extended Producer Responsibility. *Global Alliance on Circular Economy and Resource Efficiency*. [Online] <https://www.unido.org/sites/default/files/files/2024-01/Circular%20Economy%20and%20Extended%20Producer%20Responsibility.pdf>.
3. **Ottawa Valley Waste Recovery Centre.** Blue Box Transition. *Ottawa Valley Waste Recovery Centre*. [Online] <https://ovwrc.com/blue-box-transition/>.
4. **Prince Edward County.** Blue Box Transition. *The County*. [Online] <https://www.thecounty.ca/residents/services/garbage-recycling/recycling/blue-box-transition/>.
5. **Ontario, Government of.** Amendments to the Resource Recovery and Circular Economy Act, 2016. *Ontario.ca*. [Online] June 4, 2025. <https://ero.ontario.ca/notice/025-0536#proposal-details>.
6. **Circular Materials.** Leading consumer brands, retailers and restaurants launch Circular Materials. *NewsWire.ca*. [Online] <https://www.newswire.ca/news-releases/leading-consumer-brands-retailers-and-restaurants-launch-circular-materials-809714795.html>.
7. **Future Market Insights.** Blown Film Extrusion Machine Market. *Future Market Insights*. [Online] <https://www.futuremarketinsights.com/reports/blown-film-extrusion-machine-market>.
8. **Resource Council of Ontario.** Resource Council of Ontario. *Overview of Ontarios Bluebox Regulation*. [Online] <https://www.retailcouncil.org/topics/sustainability/overview-of-ontarios-blue-box-regulation/>.

9. **Loblaw.** Loblaw Reports 2024 Fourth Quarter Results. *Loblaw*. [Online]
<https://www.loblaw.ca/en/loblaw-reports-2024-fourth-quarter-results-and-fiscal-year-ended-december-28-2024-results/>.

10. **Kawartha Lakes.** Blue Box Regulation Impacts to ICI Properties. *jumpinkawarthalakes.ca*.
[Online] <https://jumpinkawarthalakes.ca/blue-box-regulation-impacts-ici-properties>.