

Draft Product Management Program for Waste Packaging and Paper

Consultation Workshop/Webcast
June 11, 2013



Workshop/Webcast

- Housekeeping Information
- Welcome
- Consultation Process
- Information for Stewards
- Product Management Program
- Next Steps



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Workshop/Webcast

- Opportunities for questions during presentation
 - before mid-morning break
 - at end of presentation
- Mid-morning break ~10:45 a.m.
- Workshop scheduled to end ~12:30 p.m.
- Questions and comments can be submitted in writing following workshop to:
consultation@mmsk.ca



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Information for Webcast Participants

Slides automatically advance

- 1 Sound slider
- 2 Refer to webcast tips if/as needed
- 3 Technical Support: click link or email
- 4 Information Document
- 5 Full screen (larger) view
- 6 Questions and Comments
 - name, affiliation; slide number (if appropriate) - click 'submit'
 - webcast team receives and answers questions during workshop or via email following workshop



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Information for In-Person Participants

- Venue information
 - emergency exits
 - washroom locations
- When asking questions
 - use microphones so webcast participants can hear
 - provide name and affiliation
 - if question pertains to specific slide, refer to slide number
- Please silence your cell phones



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Welcome



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Welcome

- Workshop with simultaneous webcast to present product management program for waste packaging and paper
- ~40 participating in person
- ~100 participating via webcast



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Multi-Material Stewardship Western

- Multi-Material Stewardship Western (MMSW) is a not-for-profit agency established under the *Saskatchewan Non-Profit Corporations Act*
- Formed in anticipation of the requirement to develop, submit and implement a product management program for waste packaging and paper
- MMSW represents stewards i.e., brand owners and importers of papers and products in packaging to Saskatchewan residents



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MMSW Board

- Includes representatives from
 - Retail Council of Canada (Chair)
 - Canadian Restaurant and Foodservices Association
 - Federated Co-operatives Ltd.
 - Food and Consumer Products of Canada
 - Newspapers Canada



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Saskatchewan Regulatory Context

- 2002 - Saskatchewan approved *The Environmental Management and Protection Act*
 - Clause 81(1)(aa) provides authority to make regulations requiring the creation and operation of a product management program
- February 6, 2013 - Saskatchewan approved *The Household Packaging and Paper Stewardship Program Regulations*
 - stewards required to develop and operate a product management program to manage their own packaging and paper products or enter into an agreement with an agency to do so on their behalf
 - Clause 2(1)(g) defines product management program as “a program for the collection and recycling of residentially generated waste packaging and paper”



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MMSW Activities to Date

- Retained Project Team led by Glenda Gies & Associates to
 - develop draft product management program
 - host this consultation workshop
 - support MMSW board in finalizing and submitting product management program to MOE by August 6, 2013



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Summary

- Multi-Material Stewardship Western is
 - acting as agency on behalf of stewards of household waste packaging and paper
 - working to develop and operate a product management program to meet stewards' obligations under *The Household Packaging and Paper Stewardship Program Regulations*



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Consultation Process

- Local government working group
 - comprised of representatives of SUMA, SARM and ARWMAS
 - acting as point of municipal contact during development of product management program
- MMSW met with local government working group
 - on May 7 to review components of plan
 - via teleconference on June 3 to review components of plan
 - another meeting planned for mid-July

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Consultation Process

- Posting of draft product management program
 - for stakeholder review and comment
- Consultation workshop with webcast
 - to present draft product management program
- Archived webcast and workshop Q&As
 - will be posted following workshop
 - on MMSW's website at mmsk.ca

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Consultation Process

- Written submissions received by June 28 will be
 - considered while preparing final product management program to be submitted to MOE
 - summarized in Appendix C of product management program when submitted to MOE
 - responses describing if/how comments were addressed
 - organized by sector but without attribution
- Written submissions
 - emailed to consultation@mmsk.ca
 - submitted via 'Contact Us' on MMSW website

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Information for Stewards

- Harmonization of Steward Activities
- Definitions
 - steward
 - packaging
 - paper

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Harmonization of Steward Activities

- MMSW is collaborating with packaging and paper programs in other provinces to harmonize program components that affect stewards
 - recognizing that many stewards are national or regional and are obligated under multiple programs
 - recognizing that the Canadian Council of Ministers of the Environment has identified harmonization as a key implementation issue for producer responsibility programs
 - working to harmonize components such as
 - steward registration
 - steward reporting, invoicing and fee payments
 - steward audits and compliance

The Regulations Define Steward

- Clause 3 of *The Household Packaging and Paper Stewardship Program Regulations* defines **steward** as
 - a) the brand owner with respect to the packaging or paper, unless the brand owner is a non-resident brand owner
 - b) if there is no brand owner as described in clause (a), the person that first imports the packaging or paper into Saskatchewan, or
 - c) if there is no brand owner as described in (a) or person that first imports the packaging or paper as described in clause (b), the purchaser of the packaging or paper outside of Saskatchewan that purchases it for use in Saskatchewan

The Regulations Define Steward

- Clause 2(1)(b) defines **brand owner** as
 - the person who is the owner or licensee of a trade-mark that is used in association with or marked on packaging or paper
- Clause 2(1)(b) defines **non-resident brand owner** as
 - a brand owner who does not carry on business in Saskatchewan

For Purposes of Steward Obligation

- MMSW is proposing a definition of steward
 - consistent with *The Household Packaging and Paper Stewardship Program Regulations*
 - reflects best practices and lessons learned from other provincial packaging and paper programs

Draft Definition of Steward

- If two or more persons are designated as a steward, then the earlier provision shall prevail
 - 1) Brand Owner
 - 2) Franchisor for packaging and paper Supplied within relevant Franchise System
 - 3) First Importer
 - 4) Any person who is Resident in Saskatchewan who Supplies Service Packaging
 - 5) Any person who elects to become a steward respecting packaging and paper that would otherwise be the responsibility of another steward

Draft Definition of Steward

- Notes regarding term 'Brand Owner'
 - in the event there is **more than one Brand Owner** for the same packaging or paper, the **Brand Owner more directly connected to the production of the packaging and paper** shall be designated as the producer, **but where the Brand Owner is a Franchisor** who is Resident in Saskatchewan, the **Franchisor shall be designated** as the steward
 - in the event that **products containing two or more independent Brands are packaged to be Supplied together**, then the **Brand Owner more directly connected to the joint packaging** shall be designated as the steward for such joint packaging

The Regulations Define Packaging

- Clause 2(1)(e) defines packaging as
 - any packaging or container that is composed of glass, metal, paper, boxboard, cardboard, paper fibre or plastic or any combination of those materials and contains a product but does not include approved containers as defined in *The Litter Control Act*

For Purposes of Steward Reporting

- MMSW is proposing a definition of packaging
 - consistent with *The Household Packaging and Paper Stewardship Program Regulations*
 - reflects best practices and lessons learned from other provincial packaging and paper programs

Draft Definition of Packaging

- Includes
 - primary packaging
 - grouped or secondary packaging that goes to household
 - transportation packaging that goes to household
 - service packaging
 - packaging components and ancillary elements integrated into packaging which perform a packaging function unless they are an integral part of the product
- Does not include
 - approved containers as defined in *The Litter Control Act*
 - durable packaging intended to be used for storage or transport
 - wood, ceramic, crystal, rubber and leather packaging

The Regulations Define Paper

- Clause 2(1)(f) defines **paper** as
 - paper of any description including flyers, brochures, booklets, catalogues, telephone directories, newspapers, magazines, paper fibre and paper used for copying, writing or any other general use
- Qualified by Clause 2(2) which excludes
 - paper products that, by virtue of their anticipated use, could become unsafe or unsanitary to recycle or any type of bound book not mentioned in clause 2 (1)(f)

For Purposes of Steward Reporting

- MMSW is proposing a definition of paper
 - consistent with *The Household Packaging and Paper Stewardship Program Regulations*
 - reflects best practices and lessons learned from other provincial packaging and paper programs

Draft Definition of Paper

- Includes
 - any type of cellulosic fibre source including but not limited to wood, wheat, rice, cotton, bananas, eucalyptus, bamboo, hemp, and sugar cane (bagasse) fibre sources
 - items listed in clause 2(1)(f) - flyers, brochures, booklets, catalogues, telephone directories, newspapers, magazines, paper fibre and paper used for copying, writing or any other general use

Sources of Packaging and Paper

- Clause 2(1)(g) defines a product management program as
 - program for collection and recycling of residentially generated waste packaging and paper
- Residential sources of waste packaging and paper
 - single-family dwellings inhabited year round or seasonally
 - multi-family dwellings including rental, co-operative, fractional ownership, time-share, condominium and seniors residences

Sources of Packaging and Paper

- Residential sources of waste packaging and paper do not include
 - industrial, commercial or institutional (ICI) generators
 - vacation facilities which are considered commercial operations, such as
 - hotels, motels, cottages and cabins, rental, co-operative, fractional ownership, time-share or condominium accommodation associated with sports and leisure facilities
 - residential institutions which are considered commercial or institutional operations, such as
 - residences at which medical care is provided, such as nursing homes, long-term care facilities and hospices, are considered institutions
 - residences associated with universities and colleges
 - federal, provincial, municipal parks

If You are a Steward of Packaging or Paper

- *The Household Packaging and Paper Stewardship Program Regulations* provide stewards with the option of
 - submitting your own product management program by August 6, 2013
 - or
 - appointing an agency to submit plan on your behalf by August 6, 2013
- If you choose to appoint MMSW as your agent to fulfil your obligations under the Regulations
 - you will be asked to report the quantity of packaging and paper supplied to Saskatchewan residents
 - MMSW will use total quantity supplied to calculate steward fees

Questions

Steward harmonization activities
Definitions of steward, packaging and paper



Break

Welcome Back

Draft Product Management Program



Product Management Program

- Objectives
- Advisory Committee
- Collector and Processor Policies and Procedures
- Determining Municipal Costs and Revenues
- Funding Formula
- Measurement
- Communications



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Objectives

- Fund up to 75% of municipal net costs if program for waste packaging and paper is operated efficiently and effectively
- Using funding formula appropriate for range of collection and recycling options offered across Saskatchewan
- Provide convenient, effective and efficient recycling taking into consideration Saskatchewan's demography and geography
- Maximize diversion of residentially generated waste packaging and paper from municipal landfills
- Maximize social benefits, including encouraging municipalities to contract with persons, bodies or other entities that provide employment and training to persons with disabilities and operate efficient and effective programs
- Encourage entrepreneurial opportunities within Saskatchewan



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Advisory Committee

- Will be established following approval of product management program
- Intended to be a forum through which stakeholders
 - are kept informed of stewardship program activities
 - can provide advice and feedback on core program activities
- Comprised of qualified representatives
 - committed to
 - reflecting their constituency's perspectives
 - participating on the Committee for its stated purposes
 - reflecting interests of urban and rural municipalities, regional waste management authorities and stewards of packaging and paper



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Advisory Committee

- Committee members
 - MMSW will work with local government associations to identify qualifications and expertise required by members
 - nominations reflecting qualifications and expertise will be solicited from SUMA, SARM, ARWMAS, SWRC
 - MMSW Board will appoint these nominees as well as stewards
- Co-chaired by steward and non-steward representatives
 - who will, in collaboration with MMSW Board and Committee members, develop terms of reference and protocol to guide Committee
 - MMSW staff person will be available to assist co-chairs



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Advisory Committee

- Meet minimum of twice and no more than four times per year
- Report to MMSW Board at least annually
 - providing feedback on operation of stewardship program
 - presenting findings and/or recommendations on improvements
 - recommendations are based upon a majority vote of Advisory Committee members and are non-binding



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Collector/Processor Policies and Procedures

- Annual reporting of service levels
 - households receiving collection service and those without collection service but with access to depots
 - population of each collection service area
 - number of streams collected and types of waste packaging and paper (WPP) in each stream
 - for household collection
 - frequency of collection
 - type of set-out containers used by residents
 - for depots
 - locations of depots accepting residential WPP



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Collector/Processor Policies and Procedures

- Monthly or quarterly reporting (as agreed) on system performance
 - tonnes collected by stream for each collection service area
 - tonnes shipped to recycling end-markets by type of WPP and by end-market
 - tonnes rejected by recycling end-markets including reason
 - amount of revenue received for residential WPP shipped to recycling end-markets by type of WPP



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Collector/Processor Policies and Procedures

- Highlights
 - collect WPP as defined in Regulations from residents
 - residents are regularly informed about how to participate
 - services are delivered in a manner that contributes to a positive view of WPP recycling and encourages continued participation by residents
 - WPP is managed to maximize material quality and revenue
 - non-WPP items in collected WPP represent no more than 3% of collected WPP
 - total MRF residue represents no more than 10% of collected WPP



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Collector/Processor Policies and Procedures

- Collection and recycling services are
 - licensed and permitted as required by local, provincial or federal governments or any other regulatory body required in order to manage WPP
 - operated in compliance with all environmental standards and regulations including local government noise bylaws
 - operated in compliance with the Workers Compensation Act and all worker health and safety requirements



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Collector/Processor Policies and Procedures

- Depot collection services are to be delivered in the most efficient and effective manner which can include
 - utilizing persons, bodies or other entities that provide employment and training to persons with disability and operate efficient and effective programs
 - where this is deemed practical, effective, efficient and without risk to the persons involved, other depot staff or residents utilizing the depot



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Determining Municipal Costs and Revenues

- *Saskatchewan Datacall Analysis Report*
 - sets out quantity of residential WPP recycled and associated costs
 - single snapshot of municipal program tonnes and costs compiled between March and July 2012
- Experience suggests that early compilations of province-wide WPP program data include inaccuracies as a result of
 - difficulty extracting WPP data from local government data management systems
 - inconsistent interpretation of terminology among local governments resulting in inconsistent data reporting
 - lack of experience among municipalities allocating shared or blended costs to WPP services



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Determining Municipal Costs and Revenues

- Since July 2012 when Datacall Report was completed
 - some Saskatchewan municipalities have implemented, or are in the process of implementing, new curbside collection programs
 - notably Regina and Saskatoon but also many others
 - with construction of new processing facilities in Saskatoon and Regina, surrounding communities have modified their WPP collection systems
 - from depot to curbside collection
 - from only paper products to include packaging containers
 - estimated that curbside collection of WPP will be introduced to approximately 35% of Saskatchewan households between Quarter 1 and Quarter 3 of 2013

Determining Municipal Costs and Revenues

- MMSW reluctant to use data in Datacall Report as basis for funding formula due to
 - concerns with data reliability
 - municipal program changes since the Report was completed

Determining Municipal Costs and Revenues

- Instead, MMSW is proposing to utilize municipal program cost data from Multi-Material Stewardship Manitoba (MMSM) where
 - municipal costs have been compiled for more than a decade providing the time necessary for reporting accuracy to improve
 - WPP collection programs have been operating for a similar period of time providing the time necessary to implement best practices

Determining Municipal Costs and Revenues

- For the first two years of program implementation, MMSW proposes to utilize costs identified by MMSM
 - for Winnipeg to estimate program costs for Saskatoon and Regina
 - for Brandon to estimate program costs for municipalities with a population between 15,000 and 100,000
 - for Manitoba municipalities with a population less than 15,000 to estimate costs for Saskatchewan municipalities in three population categories
 - 0 to 999
 - 1,000 to 4,999
 - 5,000 to 14,999

Proposed Funding Formula for Years 1 and 2

Population	Estimated Program Costs	Municipal Funding
> 100,000	\$123 per tonne	\$92 per tonne
15,000 to 100,000	\$408 per tonne	\$306 per tonne
5,000 to 14,999	\$227 per tonne	\$170 per tonne
1,000 to 4,999	\$307 per tonne	\$230 per tonne
1 to 999	\$380 per tonne	\$285 per tonne

Correction to Data for Manitoba's Programs

- Since posting the draft product management program on June 4
 - Feedback from MMSM on the presentation of their data indicates that we interpreted their data incorrectly for three population categories
 - 15,000 to 100,000
 - 1,000 to 4,999
 - 1 to 999
 - Corrections to these costs results in revisions to proposed funding amounts for these three population categories

Revised Funding Formula for Years 1 and 2

Population	Estimated Program Costs	Municipal Funding
> 100,000	\$123 per tonne	\$92 per tonne
15,000 to 100,000	\$190 per tonne	\$143 per tonne
5,000 to 14,999	\$227 per tonne	\$170 per tonne
1,000 to 4,999	\$266 per tonne	\$200 per tonne
1 to 999	\$365 per tonne	\$274 per tonne

Funding Eligibility

- Funding is available to a municipality or a municipality's designate who is another person that operates a residential waste diversion program for waste packaging and paper on behalf of a municipality
 - MMSW will provide funding to a municipality's designate, rather than the municipality, only with appropriate authorization from the municipality on whose behalf the designate is operating residential WPP services

Funding Eligibility

- Municipality or municipality's designate receiving funding must
 - provide WPP collection services to residents and recycle collected WPP
 - be in compliance with the collector and processor policies and procedures set out in Appendix B. of the product management program

Determining Municipal Costs and Revenues

- During first two years of program implementation, MMSW will implement a process to compile Saskatchewan program cost data that
 - avoids imposing administrative burden of an annual Datacall on all Saskatchewan municipalities
 - yields comprehensive and consistent data

Determining Municipal Costs and Revenues

- MMSW will use services of accredited accountants to
 - confirm quantity of residential WPP collected and marketed by the municipality
 - compile costs incurred by municipality to deliver WPP collection services and to process and market collected WPP
 - compile revenue from commodity markets and any other revenue associated with WPP program

Determining Municipal Costs and Revenues

- Data will be compiled from
 - municipalities and regional waste authorities to provide reasonable sample of municipalities in funding formula categories
 - taking into consideration proportion of tonnes collected and costs incurred by municipalities in the category

Population Categories	Number of RWA in Population Category	Estimated Number of RWA in Study Group	Number of Municipalities (Non-RWA) in Population Category	Estimated Number of Municipalities (Non-RWA) in Study Group
>100,000	0	0	2	2
5,000-100,000	9	3	11	2 to 4
1,000-4,999	8	2	72	5 to 10
0-999	0	0	604	15 to 20

Determining Municipal Costs and Revenues

- Data compiled by accountants will be used to
 - assess efficiency and effectiveness of programs
 - adjust funding formula to offer funding to municipalities operating efficient and effective programs up to 75% of net costs to operate programs

Determining Municipal Costs and Revenues

- In adjusting the funding formula, MMSW may
 - modify the structure of the funding formula to
 - reflect cost differences for various types of WPP collection services
 - reflect municipal characteristics that affect costs
 - encourage program efficiency and effectiveness
 - modify funding rates to
 - fund, on a go-forward basis, up to 75% of municipalities' net costs to operate efficient and effective WPP programs
 - encourage increased diversion of WPP from landfill
 - recover any over payment of funding to municipalities in the first two program years if funding formula was based on incorrect data e.g. population, tonnes

Objectives of Funding Formula

- Encourage delivery of convenient, effective and efficient WPP collection and recycling services taking into consideration Saskatchewan's demography and geography
- Encourage delivery of WPP collection in all areas of Saskatchewan using the collection system most appropriate to each area's demography and geography
- Encourage diversion of residentially generated waste packaging and paper from municipal landfills
- Provide entrepreneurial opportunities for municipalities and those that operate residential WPP programs on behalf of municipalities
- Reimburse municipalities for up to 75% of the net costs of operating the program in relation to the efficiency and effectiveness of their WPP collection and recycling system

Measurement – Recovery Rate

- During implementation, MMSW will compile data from municipalities in order to report
 - tonnes and kilograms per capita of WPP collected and recycled by each participating municipality or its designate
 - total tonnes of WPP recycled and therefore diverted from municipal landfills
 - recovery rate for each WPP category as % of WPP generated
 - recovery rate of total WPP diverted as % of total generated
 - value of commodity revenue received by municipalities from the sale of WPP for recycling

Measurement – GHG Emissions

- MMSW will undertake necessary research and develop data tracking and modelling system for GHG emissions associated with residential WPP activities
- Municipalities will be required to report data necessary to populate model not later than three years after product management program commencement
- Data modelling system will be fully functional after two years of data reporting

Measurement – Other Metrics

- Program convenience, effectiveness and participation
 - assessed using quantity of WPP collected as % of WPP generated
- Accessibility and fairness assessed using proportion of
 - municipalities that participate in product management program
 - residents serviced by these municipalities
- Program efficiency and sustainability
 - assessed through periodic audits of municipal costs
- Resident feedback assessed using
 - visitors to MMSW website
 - communications from residents via MMSW website

Communications Strategy

- Objective: to make residents aware of
 - introduction of product management program
 - any substantive changes to the program
- Communications strategy will be developed following approval of product management program

Communications Strategy

- Principles guiding development of strategy
 - **understand resident audiences** – assess needs
 - **engage residents** – employing both traditional and contemporary methods
 - **collaboration** – explore opportunities to collaborate with other stewardship agencies, local governments, environmental organizations, community-based organizations and others
 - **design and deploy effective communications** – containing call to action and motivating appropriate behaviour

Questions

Draft Product Management Program



Next Steps



Seeking Your Input on Launch Date

- Considerations for MMSW
 - sufficient time between plan approval and launch date
 - to build data management systems to accommodate steward reporting
 - to implement first steward reporting process including data verification
 - to compile data to support cost allocation and fee setting
 - to build data management systems to accommodate local government reporting
 - Annual and monthly/quarterly reporting described earlier

Seeking Your Input on Launch Date

- Considerations for stewards
 - aligning with first day of a business quarter facilitates data gathering for steward reporting
 - sufficient time to compile data on quantity of packaging and paper supplied to Saskatchewan residents
 - sufficient lead time to allow stewards to include cost of fees in their next annual budget

Seeking Your Input on Launch Date

- Considerations for municipalities
 - known date when revenue will flow for budgeting
 - sooner rather than later
- Are there additional points that should be considered by MMSW in planning for product management program launch date?
- Include suggestions in your written submissions



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Key Dates and Milestones

- **June 28** – deadline for written submissions from stakeholders
 - emailed to consultation@mmsk.ca
 - submitted via 'Contact Us' on MMSW website
- **Mid to late July** – MMSW will review internal draft of revised plan with local government working group
- **August 6** – MMSW will submit product management plan to Minister



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Thank you!



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