



Comments on Proposed Changes to the Recycling System under the *Environment Act*

A summary of the Public Review held September to November 2014

**Comments on Proposed Changes to the
Recycling System under the *Environment Act***

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Table of Contents

Introduction.....	2
Objective	3
Public Input	3
Results	3
A. Survey	3
1. Expanding Beverage Container Categories	3
2. Increasing Surcharges by Five Cents	4
3. Adding Larger Vehicle Tires.....	5
4. Including Electronic Products	6
5. Including Electrical Products	6
B. Summary of Additional Comments.....	7
C. Recycling Regulations Open House	8
Next Steps.....	8





Introduction

The recycling system under the *Environment Act* is guided by two regulations: the *Beverage Container Regulations* (BCR) and the *Designated Materials Regulation* (DMR). The Yukon government is proposing revisions to these regulations by adding more materials subject to deposit/recycling fees and raising the surcharges to better reflect the cost of recycling the materials.

The BCR, enacted in 1992, establishes a system of deposits and refunds for particular categories of beverage containers. The DMR, enacted in 2003, sets a fee on the sale of certain “designated” products to cover the costs of recycling those products. The funds generated through the BCR and DMR surcharges enter the Yukon government’s Recycling Fund which supports recycling initiatives in the territory. It also provides funding to the territory’s processors and depots and helps pay for education and awareness about waste diversion and responsible waste management.

The Department of Environment is responsible for enforcement of the two regulations, while the Department of Community Services manages the recycling programs.



Objective

The Yukon government wants a sustainable recycling system in Yukon. In order to improve the existing recycling system which currently is not sustainable, the government proposed two amendments to the BCR and three amendments to the DMR.

Proposed amendments to the BCR:

- 1) Expand beverage container categories, and
- 2) Increase surcharges by five cents.

Proposed amendments to the DMR:

- 3) Add larger vehicle tires to the regulation;
- 4) Include electronic products as a designated material; and
- 5) Include electrical products as a designated material.

Public Input

Some 144 invitations to comment on the proposed changes were mailed out, including Yukon First Nations, municipalities, retailers and distributors, recycling depots and processors, and all BCR and DMR permit holders. The review period was advertised through newspapers, radio, Yukon government websites and social media. The departments of Environment and Community Services jointly hosted a public open house at the Kwanlin Dün Cultural Centre in Whitehorse on October 29, 2014. The public engagement period began September 18 and ended November 21, 2015.

The Yukon government received 261 survey responses from individuals, businesses and organizations, as well as letters from 15 stakeholders. Approximately 50 participants attended the Whitehorse open house. Respondents included (in alphabetical order):

- Association of Home Appliance Manufacturers (AHAM) Canada,
- Association of Yukon Communities (AYC),
- Blue Bin Recycling Society,
- Brewers Distributor Ltd.,
- Canadian Beverage Association,
- Canadian Electrical Stewardship Association,
- Canadian Vehicle Manufacturer's Association,
- Canadian Wireless Telecommunications Association,

- Carcross/Tagish First Nation,
- Carton Council of Canada,
- City of Dawson,
- City of Whitehorse,
- Dell Canada,
- Electronic Product Stewardship Corporation,
- Friends of McIntyre Creek,
- Hewlett-Packard (Canada) Company,
- Integra Tire,
- Retail Council of Canada,
- Tr'ondëk Hwëch'in,
- Village of Carmacks,
- Whitehorse Beverages,
- Yukon Springs,
- individual public members.

Meetings were held at their request with the City of Whitehorse, Raven Recycling and P&M Recycling during the public review period.

Results

A. Survey

1. Expanding Beverage Container Categories

The current surcharge system for beverage containers is complicated. It excludes beverage containers for dairy and dairy substitutes and treats some containers differently on the basis of contents. For example, the deposit for plastic liquor bottles is five cents higher than for plastic pop bottles of a similar size.

The government proposes to have all beverage containers sold in Yukon subject to a recycling surcharge. Additionally, to create a simpler system, just two categories of beverage containers are proposed, these are:

- 1) containers one litre or less including all dairy and dairy substitute containers (regardless of size), and
- 2) containers more than one litre in size.

The majority of respondents (73.8%) support having all beverage containers subject to a deposit.



Do you support the proposed amendment to the beverage container categories?

Answer Options	Response Per Cent	Response Count
Yes	73.8%	191
No	16.2%	42
Don't Know	10.0%	26
Comments:		78
answered question		259
skipped question		2

Summary of Comments

Of the 78 comments received on this proposal, 32 relate to adding dairy and dairy substitute containers to the deposit-refund system, including:

- concern about the potential impacts to low income families, women and children,
- suggest the surcharge apply to small milk containers only because families with children are more likely to purchase the large containers, and
- for sake of simplicity and fairness, support the inclusion of dairy and dairy substitute containers.

Other comments include:

- want to see additional types of packaging included in the system,
- concern with the funding and management of non-refundable packaging types,
- suggest biodegradable containers and refillable containers be exempted from the system,
- concern over the lack of curbside recycling collection in Yukon,
- limited accessibility of depots and processing facilities in some communities, and
- want to learn more about the potential revenue implications of the proposed changes.

2. Increasing Surcharges by Five Cents

The costs of managing, processing and transporting recyclable materials have increased in the 22 years since the BCR surcharge system was established. The Recycling Fund can no longer sustain these increased

costs. The Yukon government has topped up the fund from general revenues since 2008 so that community depots and recycling processors can continue to operate.

The government proposes to amend the BCR to increase the surcharge on all beverage containers by five cents to make more resources available for recycling programs, processors and community depots. The proposed categories and fees are:

- 1) beverage containers one litre or less and all dairy and dairy substitutes regardless of size – deposit 15 cents, refund 5 cents (net 10 cents to the Recycling Fund per container), and
- 2) beverage containers more than one litre – deposit 40 cents, refund 25 cents (net 15 cents to the Recycling Fund per container).

More than two thirds of respondents (68.3%) support increasing beverage container surcharges by five cents.

Do you support the proposed amendment to the beverage container surcharges?

Answer Options	Response Per Cent	Response Count
Yes	68.3%	166
No	26.3%	64
Don't Know	5.4%	13
Comments:		86
answered question		243
skipped question		18

Summary of Comments

The most common comment regarding the five cent increase was that the consumer refund be increased because it is not high enough to provide an incentive to recycle, especially for containers under a litre. Related comments include:

- concern that the proposed increase may not be enough to allow the processors to continue to operate,
- the disproportionate refund between containers under a litre versus those over a litre (refund for small container is 33% of the total surcharge whereas the refund for large containers is 62.5% of the total surcharge),



- suggest the surcharges reflect the material type of the container rather than solely the container size, as this aligns better with the commodity markets,
- suggest the deposit-refund system apply to more packaging types to create a true “user pay” system instead of increasing the current surcharges on beverage containers,
- concern that the proposed surcharges are too high or that consumers are being penalized for buying products in recyclable containers, when there is no other choice at the store, and
- preference to have an extended producer responsibility (EPR) program in Yukon where retailers hold responsibility for managing the recycling programs and covering the costs of recycling.

Other comments include:

- that retailers should be encouraged to reuse containers or provide products in biodegradable containers, and
- that the recycling system structure incorporate the nutritional value of products to provide an incentive to consumers to purchase healthy products.

3. Adding Larger Vehicle Tires

Passenger vehicle tires with a rim size of less than 24.5 inches are the only product currently designated in the DMR with a recycling fee of \$5.00 per tire. Tires take up considerable space in landfills and create human health and fire hazards. Due to their size, tires are expensive to transport and, because metal is often embedded within the rubber, tires are also difficult and costly to recycle.

The government proposes to charge a recycling fee on all tires sold in Yukon. The proposed tire categories (based on rim size) and fees are:

- 1) 19.5 inches or less - \$7.00,
- 2) greater than 19.5 inches and up to 24.5 inches - \$15.00, and
- 3) larger than 24.5 inches - \$60.00.

The fees collected would be used for handling, transporting and recycling the collected tires. Landfills would no longer charge a tipping fee for tires brought in for disposal.

Most respondents (85.1%) support adding larger vehicle tires to the DMR.

Do you support the proposed amendment to charge fees at the time of purchase on all tires?

Answer Options	Response Per Cent	Response Count
Yes	85.1%	200
No	8.1%	19
Don't Know	6.8%	16
Comments:		69
answered question		235
skipped question		26

Summary of Comments

Much of the feedback related to concern over how the government is going to pay for the recycling of the current backlog of tires, tires purchased prior to the fees being implemented or those purchased outside the territory.

Related comments include:

- concern that there might be a large influx of tires to landfills or transfer stations if tire tipping fees are removed once replaced with a DMR fee,
- support for tires to be processed locally by purchasing a tire cutting or shredding machine, and
- concern that the additional recycling fees will potentially impact local businesses.

Other comments include:

- the proposed small tire fee is too high,
- the proposed tire fees are too low and they should be increased further,
- the fee should also be applied to tires purchased outside of Yukon,
- that re-treadable tires be exempted from a recycling fee,
- concern with cross-subsidization of the recycling of different tire types with the tire program,
- suggest that the proposed fees reflect the actual costs of recycling,
- concern that the proposed funding structure is not flexible enough to consider long-term changes, such as rising transportation costs,
- suggest that recycling be funded through a tax



- applied to all GST-taxable products,
- suggest the program be structured around tire type (e.g., passenger vehicle tires) rather than tire rim size,
- recommend the program be structured to match other jurisdictions, and
- question whether tires for non-motorized equipment, such as bicycles, would be part of the system.

- concern that the proposed fees are not high enough to cover recycling costs,
- concern the fees will have a negative impact on low income families,
- suggest a refund be added to e-waste to provide a direct incentive for people to recycle electronic waste,
- suggest implementing a different system, such as imposing a tax on products or using public funds instead of a surcharge,
- suggest the proposed fee structure be responsive, allowing easy introduction of new products to the recycling program,
- suggest that the Yukon government harmonize its e-waste program with programs in neighboring jurisdictions, such as B.C. or Alberta,
- confusion over whether televisions would be included in the monitor category and why e-waste would be brought to a landfill to be recycled, and
- suggest that more effort be placed on education and that effective collection of e-waste is provided in all communities.

4. Including Electronic Products

Electronics now form a significant part of the waste stream. These products not only contain heavy metals and hazardous chemicals but also may contain valuable materials such as gold that can be reused if recaptured.

The government proposes that recycling fees be collected for select electronic products such as computers, printers, fax machines, displays (monitors) and phones.

The majority of respondents (80.4%) support adding electronic products to the DMR.

Do you support the proposed amendment to charge fees on selected electronic products?		
Answer Options	Response Per Cent	Response Count
Yes	80.4%	193
No	10.4%	25
Don't Know	9.2%	22
Comments:		86
answered question		240
skipped question		21

5. Including Electrical Products

Like electronic products, electrical products also make up a large part of the waste stream and can be just as hazardous. Currently, fees are not collected for handling or recycling of electrical products.

The government proposes that recycling fees be collected for select electrical products such as microwaves, kitchen countertop appliances and vacuums.

The majority of respondents (80.5%) support adding electrical products to the DMR.

Summary of Comments

Many respondents expressed concern that charging a recycling fee will encourage people to purchase electronic products out of territory, potentially harming local businesses. Other comments include:

- concern about how government will collect these fees especially when items are purchased online,
- only support recycling fees if recycling opportunities for these products are provided,
- suggest a feasibility study be completed prior to implementing an e-waste program,

Do you support the proposed amendment to charge fees on selected electrical products?		
Answer Options	Response Per Cent	Response Count
Yes	80.5%	186
No	12.6%	29
Don't Know	6.9%	16
Comments:		72
answered question		231
skipped question		30



Summary of Comments

Many of the comments regarding electrical products are similar to those regarding electronic products. In particular, there are concerns with online or out-of-territory purchasing and a potential influx of appliances to the landfills once tipping fees are removed. The most common comments were in relation to the potential impact that fees might have on local retailers of electrical products. Other comments include:

- concern over the government's ability to collect the fee from online or out of territory purchases,
- proposed fees are too high or too low,
- suggest more products be subject to a recycling fee,
- suggest using a percentage recycling tax on purchases rather than a fee system,
- suggest implementing a deposit-refund system for DMR items,
- suggest encouraging the reuse of products or product components,
- expect recycling fees not be applied until recycling opportunities are made available to Yukoners,
- feel the proposed scheme is too complicated,
- make the recycling program flexible so that it is easy to introduce new products,
- suggest the Yukon government harmonize its e-waste program with programs in neighboring jurisdictions, such as B.C. or Alberta,
- suggest government undertake an information campaign to educate the general public on recycling of electrical waste, and
- want to see a convenient collection system put in place so that electrical waste is not tossed in with household garbage.

B. Summary of Additional Comments

Fifty-five comments were submitted that are broader in nature regarding the recycling system in Yukon. Summary of the comments include:

- suggest alternative approaches to the source of funding for recycling and waste management, such as through:
 - a tax that is applied to all purchases,
 - an increase to property taxes, or
 - utility charges.
- express a preference for EPR programs, and request that the Yukon government investigate the feasibility of industry stewardship programs,
- suggest the government collaborate with neighboring jurisdictions to ensure Yukon recycling programs can be synchronized with programs in those jurisdictions,
- concern over the cross-subsidization within and between recycling programs and request that costs and revenues within the recycling programs be reported to show when cross-subsidization is occurring,
- note that recycling fees should be based on cost data,
- suggest recycling fees not be specified in legislation, but in some other policy in order to provide flexibility to the recycling system that allows surcharges to be adjusted to accommodate changing costs, commodity prices, or other factors,
- would like to see recycling surcharges visible at the point of purchase, which could act as an educational tool to consumers and may make accounting simpler for businesses,
- would like to see an increase in the number of items funded and collected for recycling, especially those which are difficult to deal with such as hazardous or special waste (e.g., petroleum product containers),
- urge the Yukon government to consider more comprehensive changes to the recycling system as a whole,
- express desire to see curbside collection of mixed recyclables,
- concern over where recyclables end up after being exported from Yukon,



- urge for increased in-territory reuse and recycling of products,
- recommend that the BCR and DMR contain clear standards for recycling program management, including a requirement to properly handle all materials specified in those regulations
- state that the regulations should also contain expectations for environmental performance, reporting requirements, participation, and compliance on the part of retailers, recycling depots, processors, and other operations involved in the proper management of products and materials,
- recommend that baseline information regarding education, waste diversion, and recycling rates be obtained to allow for program evaluation,
- concern over recycling in communities other than Whitehorse, such as limited recycling infrastructure in some communities and a desire to see recycling fees collected in the communities used to assist the community recycling depots,
- concern about a potential lack of capacity in communities to accept more recyclable items,
- express desire for collection and transportation infrastructure or programs to be in place prior to any changes being implemented,
- require advance notice in order to implement any changes and that new recycling programs should not be launched during a busy season for retailers, and
- urge the Yukon government to provide interim funding support to Raven Recycling until changes are made to the recycling system.

C. Recycling Regulations Open House

Participants at the open house held in Whitehorse included members of the public as well as representatives from the Yukon Conservation Society, Raven Recycling, P&M Recycling, Yukon distributors and the City of Whitehorse. In general, attendees expressed support for the proposed amendments but requested that more be done. Comments include:

- request that government consider more material types in the recycling system, including household hazardous waste,
- want to have extended producer responsibility (EPR) programs in Yukon or that a recycling tax be placed on purchases as is done in other jurisdictions,
- desire for a flexible funding model,
- express the need for curbside collection of recyclables,
- frustration that the Yukon government has taken so long to address the recycling situation and that Raven Recycling closed its non-refundables drop-off,
- concern with government being in charge of the Recycling Fund, and
- request policies on recycling programs be transparent.

Comments specifically related to the five proposed changes have been accounted for in the survey responses quantified above.

Next Steps

Follow-up discussions with municipalities, recycling processors, community depots and affected retailers and distributors are planned to further explore additional potential revisions. The departments of Environment and Community Services will consider all feedback received during the public review and subsequent conversations. Our goal is to modernize the recycling system in Yukon.

Municipalities, First Nations, retailers and distributors, recycling depots and processors, and all BCR and DMR permit holders will be notified prior to any changes being implemented and changes will be publically advertised as well as posted on the Environment and Community Services webpages.

