



Executive summary

Extended Producer Responsibility in the Yukon: exploration and implementation considerations

2021



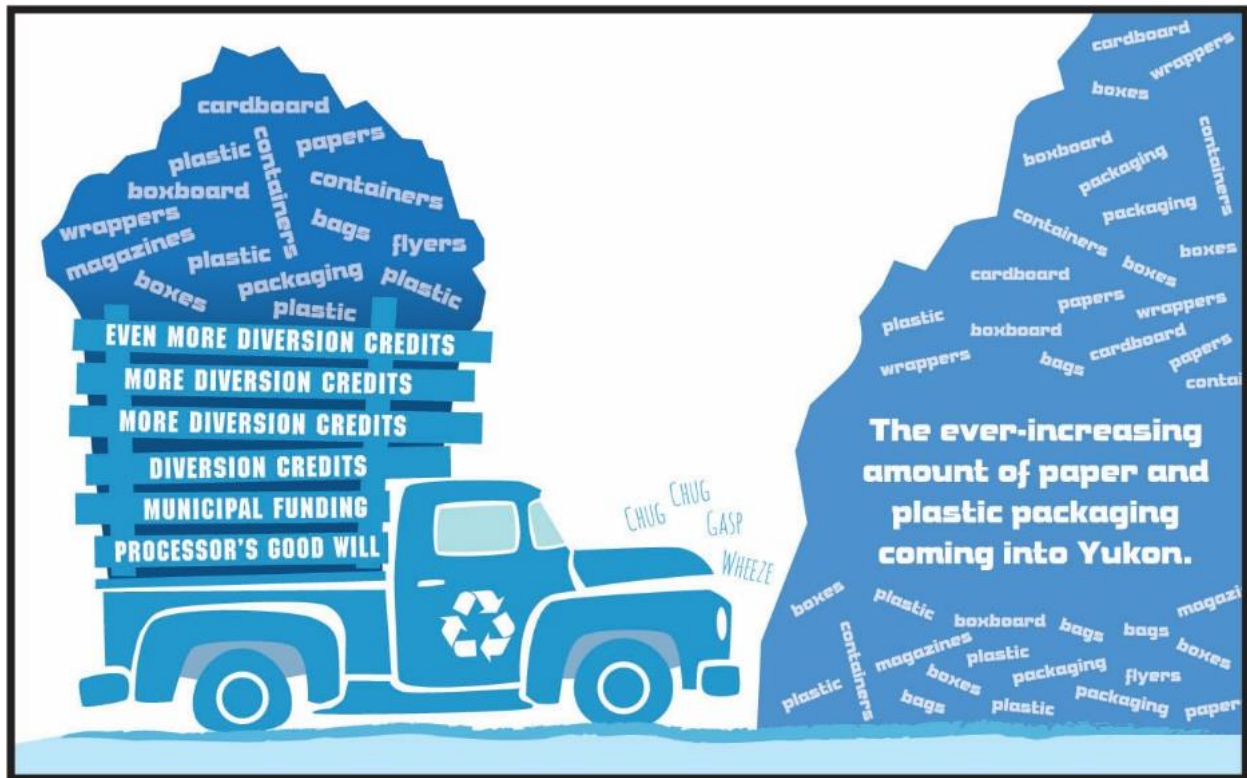
This is an executive summary of the “Extended Producer Responsibility in the Yukon: exploration and implementation considerations” prepared by the Government of Yukon to fulfill the 2018 recommendation by the Ministerial Committee on Solid Waste to explore Extended Producer Responsibility. The report that comes in four public and one restricted sections discusses current recycling programs and infrastructure in the Yukon, outlines current concerns with recycling, explains the basics of Extended Producer Responsibility, summarizes what we heard in the conversation with the stakeholders, and presents a regulatory vision for Extended Producer Responsibility.

Issue: Financial sustainability for Yukon recycling

The Yukon requires a solution to the current and anticipated challenges of waste management and recycling. The central challenge includes the rising costs of recycling in the short term, and an expected loss of recycling processing capacity in 2023, when Raven Recycling and P&M Recycling plan to cease processing non-refundable recycling. Some of the impacts of reduced recycling capacity are:

- increased landfill waste and corresponding increases to environmental liabilities for both municipal and territorial governments;
- decreased ability for the Yukon to meet waste diversion targets set out in *Our Clean Future*;
- disrupted or decreased recycling behaviour in the public (30 years of recycling education); and
- loss of jobs and a network of recycling depots that support recycling and waste management efforts.

A full assessment of recycling concerns for the Yukon can be found in the “Recycling Discussion Paper” prepared for the Ministerial Committee on Solid Waste 2019. Further economic, social and environmental benefits of recycling are laid out in the Morrison Hershfield Report “Assessment of the Impacts of Yukon’s Recycling” (2021).

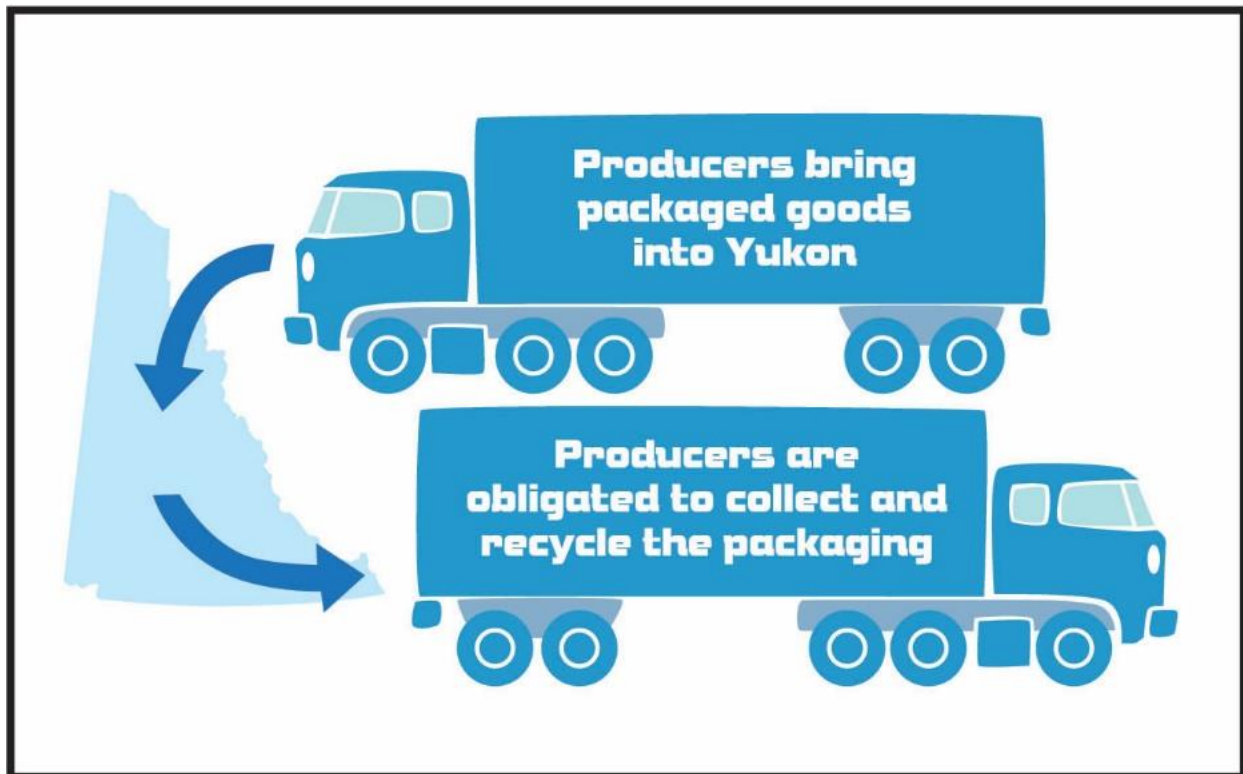


Extended Producer Responsibility

Maintaining a financially sustainable recycling industry in the Yukon requires Extended Producer Responsibility (EPR). EPR is an environmental/economic policy approach in which producers of products and packaging bear responsibility for ensuring those products and packages are properly managed at the end of their life cycle. EPR obligates producers to take direct responsibility for funding, collecting, processing, transporting and recycling products that they place on the market. This shifts financial and operational responsibilities for the end-of-life product management from municipal and territorial governments to the producers (e.g., manufacturers, distributors, retailers). To ensure this can be practically implemented, producers for each material category typically join a Producer Responsibility Organization (PRO) that fulfills regulated obligations on the behalf of a producer.

The primary EPR policy objectives for the Yukon are:

1. To reduce waste management costs for the territorial government, municipalities, and taxpayers and provide fiscal stability for recycling.
2. To increase amount of waste diverted from landfills (thus helping to achieve waste diversion and GHG reduction targets under *Our Clean Future*).
3. To encourage a circular economy.



The objective of this report is to provide guidance and considerations to the Government of Yukon for EPR implementation. This report was developed in response to the following recommendations and commitments made by various levels of government:

- 2020 – the Yukon commits to implement EPR by 2025 under the climate change strategy *Our Clean Future*. The strategy also sets out a waste diversion target of 40 per cent by 2030.

- 2018 - Canadian Council for Ministers of the Environment (CCME) endorses aspirational Canada-wide waste reduction goal of decreasing waste generation from 706 kg/person in 2014 to 350 kg/person in 2040.
- 2018 – CCME approves Canada-wide Strategy on Zero Plastic Waste, which recognized EPR as an essential tool to achieve this goal.
- 2018 - Ministerial Committee on Solid Waste (MCoSW) recommends the Yukon explore EPR as a key policy to develop sustainable solid waste management system in the territory.
- 2015 – City of Whitehorse sets out waste diversion target of 50 per cent by 2020, 65 per cent by 2030 and 90 per cent by 2050 in its Sustainability Plan.
- 2009 – All Canadian jurisdictions including the Yukon make a commitment to work towards EPR framework legislation under the Canada-wide Action Plan for EPR (CAP-EPR) developed by the CCME.

Various stakeholders were consulted, including regulators in BC and Alberta, Yukon municipalities, Raven Recycling, PROs, and industry organizations. The main lessons from this exploration of EPR implementation consultation process are as follows:

1. The Yukon should develop EPR rather than expand product stewardship (*Designated Materials Regulation*).
2. EPR programs are established only in response to a regulation; therefore, a **commitment to an EPR Regulation is necessary** to engage with PROs and discuss implementation details. In general, most **PROs were enthusiastic** about potentially expanding their operations to the Yukon and understood that servicing remote communities may require innovative and collaborative solutions.
3. EPR Regulation should be an **outcomes-based regulation** focused on performance and not be prescriptive. A **strong guidance document** is needed to go with regulation in order to provide clarity of expected outcomes.
4. The Yukon should **harmonize its legislation with a southern province** to take advantage of existing EPR systems. British Columbia’s EPR programs are considered the “gold standard” in North America, and Alberta is currently considering introducing EPR and may model its EPR policies after BC. PROs

provided advice on specific points of regulation that would aid the harmonization.

5. **Oversight and compliance promotion** responsibilities can stay with the government or can be delegated to an industry-funded arms-length organization.
6. **Extensive engagement and consultations** with all stakeholders are required as different material categories are added to the EPR Regulation. As key stakeholders and primary conduits for public education, municipalities need to be fully engaged in the process, including information on potential system details and desired outcomes.
7. **Priority materials have been set based on the Yukon context**
 - Based on the volumes, costs, state of the existing recycling programs, and environmental risk considerations, the following are the priority materials for EPR programs in the Yukon:
 1. **Printed Paper and Packaging (PPP)**
 2. **Household Hazardous Wastes (HHW)**
 3. **Automotive Products (waste oil, waste antifreeze, etc.)**
 - The list is supported by previous prioritization exercises, feedback from the stakeholders consulted, and CCME material priority listings for EPR. Other materials, including those currently managed under stewardship programs, will be added later.
 - Introducing EPR Regulations for the three priority material categories is expected to stabilize recycling systems in the Yukon, especially for PPP, and to reduce the overall government spending on recycling subsidies.
8. PROs suggest a **lead-in time between 6 months and 2 years from regulation to implementation of a program**, depending on the material category.
9. **EPR service levels influence cost**
 - Accessibility requirements (eg., level of recycling service offered in what community) for Yukon EPR programs are expected to be different from southern jurisdictions.
 - After an EPR Regulation is developed, the Yukon will likely need to negotiate with each PRO by adapting service levels and/or augmenting the plan with continued tax dollars, if fees are considered to high.

- Municipalities identified a goal of maintaining current public drop-off services for PPP and enhancing service levels for other materials.

10. **Some costs are already included in EPR**

- EPR programs for PPP materials are not expected to increase costs of groceries and other consumer goods in the Yukon that generate such waste materials. *Producers have already incorporated them into product costs because many southern jurisdictions already have EPR programs.*
- For other materials, costs may be passed down to consumers via fees charged at point of sale or as part of the product cost. This supports user-pay and user-responsibility principles of waste management.

11. **Exempting small businesses reduces impact on local retailers**

- Similar to other jurisdictions, small businesses can be exempted from the EPR obligations for PPP in order to limit the burden on small producers. Specific exemption thresholds need to be established to reflect the Yukon business landscape. BC's exemption threshold is less than \$1 million in yearly sales.
- Obligations of the Institutional, Commercial, and Industrial (ICI) sector for PPP in the Yukon will require further consultation with stakeholders.