PLAYTIME OVER: Producers can fix broken system

Canadians for Clean Prosperity is dedicated to finding market solutions to pollution, and creating a strong and prosperous circular economy.

What does that mean? Well, it means that we take a pro-capitalist approach. We prefer markets over regulation, and tax-cuts over government programs. We take as our root belief that the economy and the environment are not and should not be mutually exclusive, and that the most powerful way to reduce polluting behaviour is to use market forces. Over the past year, we’ve been fighting a campaign to see Ontario adopt Individual Producer Responsibility (IPR) as a way to reduce landfill waste, create jobs and save money. That’s why we were thrilled to see the CD Howe Institute endorse Independent Producer Responsibility in their e-Brief and help make the case for this important policy.

Let’s start with a simple question: Why, in 2015, are we still throwing away so much garbage?

Here’s a look at the numbers:

In Ontario, the percentage of waste we divert from landfills has remained stagnant at 25% for the past 20 years. Compare that to Germany and the Netherlands, who recycled over 70% of their packaging waste in 2010. In the UK, the recycling rate for packaging has increased from 40% in 2000 to 61% in 2010.

Our failure to divert more waste from landfill has been expensive. While our diversion rate has stagnated, the cost of diversion programs have skyrocketed by 70% over the past 10 years.

The reason why our system is broken? Well, currently, a producer makes and sells a product. The consumer buys the product and does whatever they want with it. The municipality operates a recycling program, but consumers end up choosing whether to recycle or throw stuff away. The recycling program is 50% paid for using taxpayer property taxes and 50% fees to producers.

The result: a diffused system that spreads responsibility across many players, creates no incentive for IPR, and disconnects the start-of-life of a product with its end-of-life costs and disposal.

So what is the solution? Simply, the company that produces a product should be responsible for the costs and diversion targets of their product.

We’re often told that education and addressing the demand for goods is the most important issue — and it is certainly important, but we’ve been working on that for decades and the problem persists, says Chervinsky.

Costs associated with diversion and recycling can be included in the good sold, the producer competing to reduce costs and prices, using market forces to drive down waste.

So what are the outcomes of a better system? With higher diversion rates come important economic benefits.

- It liberates significant costs from cash-strapped municipalities and allow them to refocus taxpayer money on their own priorities.
- It incentivizes higher diversion rates, and better consumer decision making.
- Every 1,000 tonnes diverted from landfills creates 7 high-paying, good jobs here in Ontario.
- Increasing Ontario’s rate of waste diversion to 60% (and there’s no reason to believe we can’t) would create about 13,000 jobs and increase GDP by $1.5 billion, according to the Conference Board of Canada.
exercise: Imagine a kid who wants a toy for Christmas or their birthday. I mean, really wanted it. You know — the whole tantrum, hold their breath thing. How many parents would refuse to buy it just because it is wrapped in three layers of hard-to-recycle plastic? Now imagine, it was the toy company’s job to ensure a reduction of 60% of their waste from landfill, and to pay for the processes involved.

“Suddenly, they have the drive to make the doll’s packaging as minimal and affordable to recycle as possible, and to incentivize their consumers to do so.”

By doing this, any costs associated with diversion and recycling are included in the price of the good sold. That way, producers compete to reduce their costs and prices, using market forces to drive down waste and garbage. Moreover, we need to demand high diversion rates, and make sure producers meet their targets — and that system needs to embrace competition and have teeth.

Obviously — or maybe not obviously — this is a simplification, but the principles are all there.

Another question that needs to be looked at is “who isn’t being represented at the table?” There are a lot of great organizations who have joined this conversation: everyone from “stewards” (aka product manufacturers and retailers) to environmental NGOs to waste management companies, but the missing voice in this has been the voice of average Ontarians. Ultimately, Clean Prosperity’s mission is to build a strong economy and a strong environment for the people of Ontario and across Canada. Are our core, we are about representing the interests of the average citizen — who pays the taxes, buys the goods, and disposes of the waste. We need a system that puts them first, and ensures that both our economy and environment are strengthened in ways that benefit them and their families.

For the past year we’ve been working with municipal councillors to ensure that the voices of Ontarians are reflected in the debate. Through our work, we have recruited the support of over 100 councillors, including more than 10 mayors, and have passed 5 municipal resolutions in Barrie, Clarington, Ajax, Durham Region and Mississauga. We’re optimistic that the Ministry will be bringing forward strong, thoughtful legislation in the fall, so that we can stop wasting billions on a broken system and turn the corner to a more prosperous Ontario.

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