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Recycling Regulation Amendments  
Ministry of Environment and Climate Change Strategy  
Province of British Columbia  
c/o [Plastics@gov.bc.ca](mailto:Plastics@gov.bc.ca)

September 30, 2019

Re: Plastics Action Plan Policy Consultation Paper

Smart Prosperity Institute (“SPI”) is pleased to provide comments on the Plastics Action Plan Policy Consultation Paper (“Consultation Paper”) released by the B.C. Ministry of Environment and Climate Change Strategy (“the Ministry”).

SPI is a national research network and policy think tank. We deliver world-class research, policy analysis, and engagement with public and private partners in order to advance innovative policies and market-based approaches for a stronger, cleaner Canadian economy. In February 2019 we released a paper entitled [\*“A Vision for a Circular Economy for Plastics in Canada: The Benefits of Plastics Without the Waste and How We Get it Right”\*](#).<sup>1</sup> We are a founding member of the Circular Economy Leadership Coalition (CELC), which has endorsed the G7 Oceans Plastics Charter” and the Ellen MacArthur Foundation’s New Plastics Economy Global Commitment.

The following submission first offers background on the concept of circular economy and our vision for a circular plastics economy, then responds to the key questions raised in the Consultation Paper and makes recommendations for some additional measures.

## Background

### What is a circular economy?

We describe a circular economy as a sustainable, productive economic model that is financially, environmentally and socially sustainable. It operates in a continually evolving cycle. Waste is designed out of the system and is returned to production through reuse and recycling of materials. It is characterized by this closed loop flow of materials, where its systems recirculate materials using renewable energy. It does this without depleting resources and can be perpetuated indefinitely without any accumulation of waste in the environment. This is being embraced by businesses and governments globally, because of the opportunity it holds for capturing economic value while fostering environmental sustainability.

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<sup>1</sup> Smart Prosperity Institute, February 2019. A Vision for a Circular Economy for Plastics in Canada: The Benefits of Plastics Without the Waste and How We Get It Right. Ottawa, Canada

### Why strive for a circular economy?

The world is increasingly constrained in its capacity to secure resources, absorb pollution and manage waste. Those businesses that generate less waste and pollution and are more effective users of increasingly scarce resources will have a competitive advantage and will secure the support and loyalty of consumers and other stakeholders. We believe that the circular economy holds great promise for economic, moral and social reasons. That, and the real demands of consumers who want to see that the businesses they support are taking effective action to reduce greenhouse gas emissions and deal with the proliferation of plastic waste that is ending up in our lakes, rivers and oceans.

### What is the vision for a circular economy for plastics in Canada?

Our vision for a circular economy for plastics in Canada is one that:

- reduces plastic use;
- makes use of products for as long as possible, including by choosing high-quality, long-lasting, useful and necessary products;
- produces plastics from renewable sources without harming biodiversity;
- is powered by renewable energy;
- reuses and recycles plastics within the economy without leakage to the environment;
- generates no waste or harmful emissions;
- develops markets for secondhand products; and
- restores to health the ecosystems that have been damaged by the manufacturing, use and end-of-life of plastics, such as oceans and waterways.

Global initiatives such as the Ellen MacArthur Foundation's (EMF) New Plastics Economy Global Commitment and subsidiary Plastics Pacts in the UK, France, and Chile have identified four streams of action for shifting to a circular economy for plastic. All four were strongly supported in consultations about a potential Canada Plastics Pact conducted with over 100 representatives of Canadian business in early 2019 by the Circular Economy Leadership Coalition:

- eliminate problematic and unnecessary single-use packaging;
- design for products to be reusable, recyclable, compostable;
- increase level of effective reuse, recycling, composting; and
- increase average recycled content in packaging.

### What are the barriers to achieving this vision of a circular economy for plastics?

Governments at all levels have a vital role to play in catalyzing a circular economy for plastics. The federal government and the provinces and territories must establish a collaborative approach to national harmonization of definitions, standards, targets and protocols while recognizing and respecting the division of powers between them. We have identified five practical policies and market instruments need to be explored and embraced in order to catalyze the evolution towards a circular economy for plastics in Canada:

1. Assign property rights for end-of-life plastic waste to producers and set end-of-life performance-based regulatory requirements such as recycling targets.
2. Set recycled content performance standards.
3. Create common definitions, performance standards, measurement and assessment protocols.

4. Economic instruments and/ or prohibitions (“bans”).
5. Price greenhouse gas emissions associated with various stages in the life-cycle of plastics.

With this background, we support the measures proposed in the Consultation Paper. In the remainder of this submission we provide our views regarding the key questions raised in the Paper and provide recommendations for some additional measures.

## Comments on Consultation Paper

### Introduction:

We commend the B.C. government’s active involvement in the development of the Canada-wide Strategy and Action Plan on Zero Plastic Waste, and commitment to support and align with the longer-term proposed federal initiatives to ban harmful single-use plastics. SPI supports the multi-pronged strategy advanced in this Strategy and Action Plan. Addressing plastic waste will require a coordinated effort between provincial and territorial governments that have jurisdiction for waste, and the federal government that can facilitate the harmonization of key policies to drive a zero-waste circular plastics economy.

Alignment among the federal, provincial and territorial governments is also critical to ensuring that the transition to a zero-waste plastics economy is not only good for business and for the environment, but also set the foundation for a more comprehensive multi-sector transition to a prosperous circular economy for Canada.

### 1. Bans on Single-Use Packaging

We support the Ministry’s emphasis on waste prevention as the highest priority in the waste management hierarchy, and early focus on single-use packaging. We draw attention to several streams of work already underway to define and identify what constitutes “problematic” and “unnecessary” single-use packaging: globally, through initiatives such as the New Plastics Economy’s Global Commitment and subsidiary Plastics Pacts in the UK, France, and Chile; and federally under the Canadian Environmental Protection Act, as announced by the federal government in June 2019.

**Recommendation:** We encourage a transparent, science and criteria-based approach to the identification of plastic packaging products for bans, building on existing global work around definitions of “problematic” and “unnecessary” single-use packaging.

### 2. More Recycling Options

We strongly support the proposal to broaden the Recycling Regulation to require producers to collect for recycling packaging-like products (e.g., sandwich bags, moving boxes, re-usable plastics containers) and single-use plastic items (e.g. straws, stir sticks, and disposable cutlery, plates, etc.) Fundamentally, we fully endorse Extended Producer Responsibility (EPR) as a “polluter pays” policy mechanisms which requires producers to account for, collect and manage the discarded materials and wastes from their products. We see this as a powerful tool to induce producers to build and resource reverse supply chains for recovering products and materials. In addition, when end-of-life management costs become yet another cost of business, this provides producers with an incentive to reduce those costs. This is evidenced in the performance of B.C.’s existing EPR system.

From this perspective, there is no logical rationale to assign different end-of-life property rights (and responsibilities) for discarded packaging-like products and single-use plastic items than are currently assigned to packaging and paper products.

**Recommendation:** We support expanding the B.C. Recycling Regulation to include packaging-like products and single-use plastic items.

### 3. Expanding Plastic Bottle and Beverage Container returns

On the evidence presented from Oregon and Alberta about the impact of raising the lower deposit-refund rates, expanding to more products, and modernizing refund systems to allow for more convenient drop-off and payment models, we support further investigation of the three proposals for expanding plastic bottle and beverage container returns. We have not conducted independent research into these proposals, so limit our comments to the following questions:

- How will the expansion of the deposit-refund system to beverage containers such as milk and milk substitutes affect the economics of curb-side residential blue box pick up?
- Is there data from other jurisdictions (Oregon, Alberta) that total recovery of this specific container stream increases under a deposit-refund system, or is it that the recovery of all beverage containers increases when consumers are also returning beverage containers such as milk and milk substitutes?
- The current Recycling Regulation has a range of deposit-refund amounts from 5 to 20 cents. Will the proposal to shift to a uniform 10 cent deposit-refund result in reduced recovery of containers with current deposit-refund rates of 20 cents? And, what do we know about the price elasticity for deposit-refund rates: would a schedule of gradual price increases above 10 cents, over time, send a signal driving greater innovation and investment towards more circular plastics (as with the B.C. carbon price)?

### 4. Reducing Plastics Overall

As noted in the Consultation Paper, minimum recycled content performance standards are critical to creating the markets for the secondary materials collected under EPR programs; and a national standard supports economies of scale and security of supply in secondary markets. Another powerful tool to drive waste reduction and support the growth of secondary materials markets and alternatives to plastic is through procurement standards for recycled content in plastic products, which can precede regulatory standards.

**Recommendation:** In addition to collaborating with the federal government on the development of national recycled content performance requirements for plastics, we recommend that the Government of B.C. adopt procurement standards for recycled content in plastic products.

**Recommendation:** We recommend that the adoption of such standards also be incentivized across the B.C. public sector, similar to the approach to public sector carbon neutral corporate commitments under the B.C. Climate Action Charter.

While regulating recycled content performance standards is essential, the level of ambition risks being bound by product and packaging that are not, or not well, designed for recyclability. Designing of

products to be reusable, recyclable, and compostable from the outset is critical to fully closing plastics material loops.

**Recommendation:** We recommend working with the federal government to also develop minimum standards of 100% reusable, recyclable, and compostable materials in all new products so that products themselves are designed for appropriate deconstruction and circularity at the end of their useful life. Signatories to the New Plastics Economy’s Global Commitment have a 2025 date for this target for packaging.

A recent review conducted for the CELC of the recycled content elements of nine global plastics charters, pacts and industry commitments noted that some focus on recycled content in packaging only, and others (including the G7 Ocean Charter to which Canada is a signatory) focus on recycled content in all plastics<sup>2</sup>. Based on EU data, a greater proportion of plastics production is currently being used for long-life plastics than single- or short-term use plastics, thus risking locking in decades of future plastics disposal.

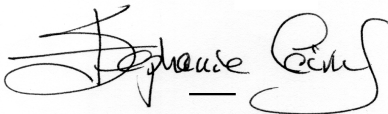
**Recommendation:** Plastic standards for reusability, recyclability and compostability should be also be explored across long-life plastic products, as well as single- or short-life products.

## In closing

In reviewing the Plan, we observe affirmatively that the Plan, together with the BC carbon tax, would address all five practical policies and market instruments which we identified as needed to catalyze the evolution towards a circular economy for plastics in Canada (p.2). It also addresses three of the four streams of action identified in the EMF’s New Plastics Economy Global Commitment (also p.2). Only one of stream of action is not addressed: designing for products to be reusable, recyclable, or compostable. We acknowledge that this is beyond the influence of one provincial government, and recommend working on this with the federal government, as with the proposed national recycled content standards.

We are pleased to have been able to provide comment as the Ministry seeks to find a pathway to take leadership action on plastic waste.

Sincerely,



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<sup>2</sup> Cora Hallsworth Consulting, February 2019. Brief on Key Plastic Commitments. Prepared for the Circular Economy Leadership Coalition.