Staff Memorandum

To	Mayor A. Nuttall and Members of Council
Subject	Proposed Amendments to the Provincial Blue Box Regulation and Resource Recovery and Circular Economy Act
Date	August 13, 2025
Ward	All
From	Stephanie Mack, P.Eng., Associate Director, Waste Management and Environmental Sustainability
Executive Member Approval	B. Araniyasundaran, P. Eng., General Manager of Infrastructure and Growth Management
CAO Approval	M. Prowse, Chief Administrative Officer

The purpose of this memorandum is to provide members of Council with an update on proposed amendments to both the provincial Blue Box Regulation (Ontario Regulation 391/21) and the Resource Recovery and Circular Economy Act, 2016 (RRCEA), both recently posted on the Environmental Registry of Ontario (ERO). The amendments are significant and include delays and/or reductions to recycling recovery targets and removal of an anticipated program expansion for multi-residential properties, public spaces and other facilities.

In the response to the proposed amendments, staff sent a letter to the Ministry of the Environment, Conservation and Parks (MECP) outlining support for municipal comments consolidated and summarized by the Regional Public Works Commissioners of Ontario (RPWCO) and the Municipal Waste Association (MWA).

Background

As background, the Blue Box Regulation makes Producers of paper and packaging accountable and financially responsible for recycling materials they are putting into the market. This regulation was intended to promote resource recovery and reduce waste, support the circular economy, and standardize recycling across the province. Since 2023, municipalities throughout the province have transitioned their programs in a phased-in approach to a not-for-profit organization called Circular Materials. Circular Materials, a Producer Responsibility Organization (PRO), is currently responsible for managing the province's residential recycling collection system on behalf of Producers. All municipalities will be transitioned by the end of the year, with the new provincial program set to begin on January 1, 2026. The City of Barrie (City) transitioned on May 1, 2024.

With the end of the transition period fast approaching, the MECP is stating that "unanticipated cost increases for blue box collection and recycling services are creating real affordability concerns that could negatively impact businesses and consumers in Ontario". As such, on June 4, 2025, the MECP posted two proposed

amendments on the ERO that impact the provincial Blue Box program, intended to help manage and stabilize the cost of the new provincial system:

- ERO 025-0009 is a proposal to amend the Blue Box Regulation. The comment period ended July 4, 2025.
- ERO number 025-0536 is a proposal to amend the RRCEA. The comment period ended on July 21, 2025.

Proposed Amendments Highlights

The proposed amendments have significant implications on the future of the Blue Box program and potential to impact future municipal budgets. These include:

- **Delaying recovery targets by 5 years.** The current Blue Box Regulation sets targets for various materials that Producers must meet. The tonnage-based recovery targets were to be enforceable starting in 2026 to ensure that Blue Box materials were being recycled and diverted from landfill. Targets are known to drive innovation, investment, and higher diversion. The MECP is proposing that "best efforts" be made to achieve these targets and delay any enforcement until 2031 to allow Producers more time to plan and make appropriate investments needed for collection and recycling.

  There is concern that without targets or accountability, recyclable materials will end up in the garbage, reduce diversion and take up valued landfill space at a time when Ontario's disposal capacity is at risk. Further, there is risk that delaying targets will reduce incentive for Producers to consider alternative packaging material and/or prolong development of technologies to recover materials and promote a circular economy.

- **Removing planned expansion for multi-residential buildings, schools, not-for-profit long-term care homes and retirement homes.** The current Blue Box Regulation requires all multi-residential buildings, schools and specified long-term care facilities to receive recycling service as of January 1, 2026. The MECP is proposing to remove requirements to expand the collection system to multi-residential buildings, schools and long-term care facilities. Locations that currently receive municipal/Circular Materials' service would continue to receive service under the provincial program in 2026. Under the proposed amendment, no new locations would be added. It does not indicate if expanded multi-residential servicing would even be a future consideration.

  Removing program expansion for new multi-residential developments is significant given housing intensification goals and that much of new housing stock is multi-residential (6+ residential units). New multi-residential residents will represent a significant portion of the population expecting to receive Blue Box services. As context, the City's Growth Report 2024 indicates only 14% of the units approved for development in 2024 were low density residential.

  Multi-residential property owners are unlikely to accept having to pay for private servicing – potentially shifting the burden back to municipalities to resume multi-residential recycling services (noting that the City stopped provision of multi-

residential recycling service on May 1, 2024). Municipalities are strongly advocating for a standardized, province-wide program across all housing types whether existing or future development – noting this supports provincial intensification goals and waste-reduction objectives in our growing communities.

- **Removing expansion of public space collection.** Public space recycling is currently included in the regulation with a calculation to determine the number of public space bins that would be required in each municipality (seen along streetscapes, at transit stops, etc.). Under the proposed amendment, collection of recycling in public spaces historically serviced as part of a municipal recycling program would continue to receive collection. However, public space recycling would not be expanded and, should a municipality add receptacles in new developments/streets or relocate/adjust receptacles, the associated costs (including purchase, installation, maintenance, collection and material processing) would be borne by the municipality.

  Municipalities could opt to not provide recycling in public spaces – noting that for the City, Budget 2026 already includes $115K to collect public space recycling in City parks that does not qualify for Producer collection services. The outcome would be more recycling/divertible material going to municipal landfills. The RPWCO/MWA correspondence references a study recently undertaken by the Continuous Improvement Fund (CIF) that estimates Blue Box materials make up over one quarter of the litter managed by municipal governments on an annual basis (32,000 tonnes of material).

- **Inclusion of recycling from small businesses on the same trucks collecting from residential properties.** This amendment would allow municipalities to make arrangements with PROs (such as Circular Materials) to collect from Industrial, Commercial, and Institutional (IC&I) properties on a fee-for-service basis. This would eliminate the need for dedicated municipal routes for IC&I recycling and provide cost savings given the economies of scale of co-collection. Currently, the City contracts Emterra to provide recycling collection for a small number of businesses. Pending negotiations with Circular Materials and our service provider, this amendment could reduce the City's collection cost for IC&I recycling collection (noting that Budget 2026 includes $200K to provide this service for approximately 700 properties).

Staff will continue to monitor impacts of the Blue Box Regulation and any approved amendments on the City's Waste Management System. Through participation in municipal organizations, roundtable discussions, and meetings with the MECP, staff will advocate for a provincial system that makes Producers accountable and fully responsible for materials they produce, improves environmental outcomes throughout the province, reduces waste, and lessens the burden on municipal taxpayers and our waste systems. Any future updates and/or impacts to the City's waste program and budget will be communicated to Council.

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Not Applicable