



Non-Hazardous Waste Reduction and Diversion in the Industrial, Commercial and Institutional (IC&I) Sector 2020/21 Audit

Why We Did This Audit

- Ontario generates about 12 million tonnes of non-hazardous waste each year. In our 2010 audit we found that the Province was significantly behind in its goal (set in 2004) of diverting 60% of Ontario's waste by 2008. In 2018 (most recent data available), Ontario still only diverted 29% of waste.

Why It Matters

- The industrial, commercial and institutional (IC&I) sector—which includes manufacturers, retail stores, office buildings, restaurants, hotels, universities and hospitals—generates the majority (60%) of Ontario's waste, but only diverts 15% of its waste.
- If Ontario's waste generation and diversion rates do not change, the province's landfill capacity will be fully exhausted in the next 11 to 14 years.
- Waste has several environmental impacts. For example, disposing items in landfill squanders valuable resources (such as metals and minerals), releases greenhouse gases that contribute to global climate change, and can contaminate land and water through toxic leachate from landfills.

What we found

Data Gaps in IC&I Waste

- The Ministry does not have the data needed to inform and improve the design of policies and programs to address IC&I waste, or to reliably measure and report on progress toward achieving the Province's waste reduction and diversion goals.

RECOMMENDATIONS 1

Many Waste Management Companies Often Take Recyclables to Landfill

- With no requirement to divert the IC&I waste they handle, waste management companies (such as waste collectors and transfer station operators) often send collected IC&I waste intended for diversion to landfill instead. We found that waste collectors take roughly half of IC&I source-separated recyclables to transfer stations, but 66% of the transfer stations we examined take in the IC&I recycling as garbage, which they mostly send to landfill.
- The Ministry does not compile or publish information about waste management companies' operations, such as which materials, or how much, they divert. As a result, it is difficult for IC&I establishments to obtain reliable information about waste companies' operations to determine if their materials are, in fact, being diverted.

RECOMMENDATIONS 2, 3, 4

Economic Barriers to Waste Diversion—Costs Low to Landfill Waste

- Significant barriers, including heavy contamination of IC&I materials, high costs of recycling—up to six times higher than the cost of landfilling IC&I wastes— and a lack of end markets to buy many IC&I recyclables, deter waste companies from diverting IC&I waste.
- The Province has not implemented key tools, such as landfill bans or landfill levies, which have been used in other jurisdictions to help overcome the barriers to diversion and achieve higher IC&I (and overall) waste diversion rates.

RECOMMENDATIONS 5, 6

Waste Diversion Regulations are Weak and Apply to Only 2% of IC&I Establishments

- The Province has two regulations, from 1994, that regulate certain large IC&I establishments: the Waste Audit Regulation, which requires establishments to take an inventory of their waste; and the Source Separation Regulation, which requires establishments to operate a recycling program and make “reasonable efforts” to divert their recyclables.
- These regulations apply to less than 2% of all IC&I establishments. The remaining 98% of establishments, which together are roughly estimated to be responsible for anywhere between one-third to two-thirds of Ontario’s total IC&I waste, have no obligations to recycle any of their waste.
- Further, the regulations, have not been effective in driving widespread improvement in waste performance among the 2% of regulated IC&I establishments. Diversion rates of a sample of regulated establishments ranged from 6% to 90%. We found many regulated establishments operating poorly performing recycling programs with high levels of contamination (such as garbage and food waste) in the recycling.
- The list of materials that regulated establishments must collect in their recycling programs has not been updated in over 25 years, and excludes now common materials, such as coffee cups, compostable packaging and most plastics.
- The Ministry has committed since at least 2004 to review the IC&I waste regulations and develop a more effective approach, but has not yet begun to do so.

RECOMMENDATIONS 7, 8, 9, 10, 11, 12

Inspections Do Not Target Low Compliance Businesses

- Most (88%) of establishments inspected by the Ministry between 2014/15 and 2018/19 had implemented a recycling program as required by the regulation. However, some subsectors, notably manufacturers and restaurants, have low compliance rates yet receive few inspections from the Ministry.

RECOMMENDATIONS 13, 14

No Promotion of New Organic Waste Diversion Requirements

- In 2018, the Ministry introduced the *Food and Organic Waste Policy Statement*, which requires certain IC&I establishments to meet targets to reduce their organic waste by 2025. However, the Ministry has not yet conducted outreach to promote compliance with these new requirements.

RECOMMENDATION 15

No One Tasked to Collect IC&I Waste Data

- The Ministry has not yet assessed the potential for delegating responsibilities for IC&I waste data collection, analysis and reporting to the Resource Productivity and Recovery Authority, despite the Authority’s assets and expertise in this area.

RECOMMENDATION 16, 17

Conclusions

- The Ministry does not have effective policies or programs to drive improvement in IC&I waste reduction and diversion to enable Ontario to meet its waste targets (set in 2017), which are to divert 50% of total waste by 2030, and 80% by 2050.
- Similarly, the Ministry does not have effective policies or programs to reduce the amount of IC&I waste disposed to ensure that Ontario has sufficient landfill capacity beyond the next 11 to 14 years.