

**REPORT TO PARKS & ENVIRONMENT COMMITTEE
MEETING OF WEDNESDAY, JULY 24, 2019**

SUBJECT Recycling Markets Update

ISSUE

To provide the committee with an update of the global market conditions for recyclable materials, as well as their impact on local recycling programs and Hartland Landfill.

BACKGROUND

At its February 7 and June 6, 2018 meetings, the Environmental Services Committee received information reports outlining the negative impacts on recycling markets, as a result of a decision made by China to severely restrict the importation of recyclable materials beginning January 1, 2018.

Recycle BC, which is responsible for and owns all residential curbside blue box recyclables collected by the Capital Regional District (CRD), has indicated that it continues to be able to market the materials collected through this program. However, over the past year and a half, the loss of China as a market has had a profoundly negative impact on recycling programs and has left many other recycling programs without markets for their recyclable materials.

Although the global recycling industry has been making efforts to adjust to the closure of Chinese markets, its ability to secure other markets has proven challenging, as the supply of recyclables typically exceeds the demand, quality standards are significantly higher and the price paid for recyclable materials, if there is any value at all, is now much lower. In the case of some recyclable materials, end markets are actually now charging a fee to accept them, rather than pay for the material.

As a result, costs to collect and process most recyclable materials have increased, while the revenues obtained for them, if any, have dropped significantly. Many recycling programs are consequently struggling to adjust and these challenges have been particularly acute for many commercial and multi-family recycling programs where the quality of recyclable materials is typically much lower due to the communal and anonymous way in which the materials are typically collected. The quantity of contaminated and unmarketable materials from many of these programs has therefore increased significantly. These conditions are being observed within the capital region for many commercial and multi-family recycling programs and their residuals are being disposed of at Hartland Landfill.

Although CRD Bylaw No. 3881 prohibits the disposal of some of these recyclable materials, staff have been exercising the discretion allowed under the bylaw with respect to enforcing these bans, in light of current market conditions. Landfill disposal bans have historically only been enacted when viable recycling alternatives exist. If these conditions for commercial and multi-family recyclable materials persist, it may become appropriate to revise CRD Bylaw No. 3881 to reflect that many recyclable materials from these programs have very limited or no markets.

ALTERNATIVES

That the Parks & Environment Committee recommend to the CRD Board:

Alternative 1

That staff consult with local waste haulers, through the CRD's Solid Waste Industry and Local Government Liaison groups, to get feedback on potential changes to Bylaw No. 3881 that better reflect the new reality of recycling markets, prior to bringing any bylaw changes forward to the Parks & Environment Committee for consideration.

Alternative 2

That staff continue to exercise discretion in the enforcement of Bylaw No. 3881 and monitor recycling market conditions and adjust enforcement protocols accordingly.

SOCIAL IMPLICATIONS

There is a risk of negative public perception when accepting the commercial disposal of contaminated and unmarketable recyclable materials as a result of diminished recycling markets. Informing the public of the recycling market situation, including the fact that all curbside blue box materials continue to be recycled, will help mitigate this issue.

ENVIRONMENTAL IMPLICATIONS

Until global recycling markets adjust to the closure of Chinese markets, some commercial and multi-family recyclables that were previously exported to China will continue to need to be disposed of due to high levels of contamination and an absence of markets. However, the quantities are small and should not have a measurable effect on the region's per capita disposal rate.

CONCLUSION

Continuing challenges with global markets for recyclable materials have affected most recycling programs other than the residential curbside blue box program. These issues have become particularly severe for many commercial and multi-family recycling programs, resulting in a significant increase in contaminated and unmarketable materials that require disposal at the landfill. While CRD Hartland Tipping Fee Bylaw No. 3881 prohibits the disposal of some of these recyclable materials, staff have been exercising the discretion allowed under the bylaw with respect to enforcing these bans and continue to monitor the state of the local and global recycling industry.

RECOMMENDATION

That the Parks & Environment Committee recommend to the Capital Regional District Board:

That staff consult with local waste haulers, through the CRD's Solid Waste Industry and Local Government Liaison groups, to get feedback on potential changes to Bylaw No. 3881 that better reflect the new reality of recycling markets, prior to bringing any bylaw changes forward to the Parks & Environment Committee for consideration.

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