

#### **44. PROMOTING INNOVATION IN REGIONAL SOLID WASTE MANAGEMENT**

The Chamber asserts that there is a growing disconnection between the goals of reducing waste, increasing diversion rates and the cost that independent businesses are being asked to bear. It is apparent in recent developments proposed by Metro Vancouver and Nanaimo that regional and local governments are shifting to policies that protect and favour public facilities over private ones. The impact of this shift is an increased cost burden being placed on waste haulers, waste service providers and local businesses, with little or no economic or environmental benefit. The Chamber believes that policies like those detailed below set barriers that restrict private enterprise from competing and ultimately limit investment and innovation which benefit the value provided to consumers.

Because regional governments are moving to impose increased regulatory burdens, we assert that this shift represents an unfair advantage held by these entities and is anti-competitive. As a result, publicly owned facilities profit at the expense of private sector facilities and ultimately consumers.

##### **The Current Situation**

In 2013, Metro Vancouver attempted to introduce proposed Bylaw 280—a bylaw that would institute flow control measures that would allow the region to increase tipping fees at will, maintain a feedstock for an incinerator and position the regional government to create a monopoly on solid waste services. Eight other regional districts<sup>1</sup> supported Metro Vancouver’s efforts to institute flow control after lobbying efforts by Metro Vancouver, making the issue provincial in nature.

However, the then B.C. Minister of Environment Mary Polak rejected proposed Bylaw 280 in 2014 citing concerns that the regulation would have:

- the potential to “stifle competition” in the waste management sector;
- the potential for increased illegal dumping;
- possible negative effects on MMBC; and
- a “destabilizing” effect on private-sector collecting and hauling.<sup>2</sup>

Revisiting this issue in 2017, the Greater Vancouver Sewerage and Drainage District recently approved measures proposed by the Zero Waste Committee on November 24 that have raised our concern. In particular, we are referring to:

1. the Hauler Licensing Bylaw;
2. the implementation of a Waste Generator Levy Bylaw; and
3. the amendments to Bylaw 181.

It is the Chamber’s view that, when taken together, the licensing bylaw, the waste generator fees, and the amendments to Bylaw 181 serve to reconstitute the same regime that was proposed by the committee under Proposed Bylaw 280 a few years ago. These changes will place an additional and unnecessary

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1 Capital Regional District, Regional District of Okanagan-Similkameen, Alberni-Clayoquot Regional District, Comox Valley Regional District, Regional District of Nanaimo, Regional District of Central Kootenay, Regional District of North Okanagan, and Cowichan Valley Regional District

2 Ibid.

regulatory burden on B.C. businesses operating in the Metro Vancouver region, will increase costs, stifle investments in innovation, and impact affordability for consumers.

### **Unsustainable Financial Model**

Metro Vancouver's waste reduction goals are contradicted by the methods in which Metro Vancouver collects revenue for its waste management programs. The first two goals of the Integrated Solid Waste and Resource Management Plan (ISWRMP)—minimize waste generation and maximize reuse, recycling and material recovery—both reduce the resource from which Metro Vancouver gains its main revenue stream, waste. The Chamber asserts that by discouraging regional districts from restricting open and competitive markets and allowing private enterprise greater access to the waste management market, private industry can add to the achievement of Metro Vancouver's goals, create a market of opportunity and as a consequence decrease government expenditures.

### **The Role of the Regional District**

The Chamber asserts that a regional district's main function is to provide regional services where, and only where, it is more cost effective than for municipalities to offer such services on their own, or if there is no other organization to provide services for a given region. In that regard, The Chamber believes that regional governments must be held accountable for seeking the most cost-effective and environmentally prudent means of waste disposal and diversion solutions that promote cooperation and competition. Additionally, in the spirit of competition, the Chamber believes that regional or municipal government authority should not extend to the selection of waste diversion or diversion methods other than to license facilities by setting up results-based operating standards to ensure that facilities are working to achieve the goals of the ISWRMP during their operation.

The ISWRMP states that the diversion of waste from disposal occurs through open and competitive private sector markets. Additionally, we understand that recycling, as defined under the Environmental Management Act, can occur at any point prior to disposal. In other words, there is no prescribed idea of only source separation, but that many methods of recycling can be used to achieve desired diversion goals.

Chamber members have indicated concern regarding the conflict inherent in the role that Metro Vancouver plays as both the licensing body for the waste management industry, but also as an operating player in the market, drawing revenue from the disposal of waste. Without increased separation of the operational and licensing roles that Metro currently performs in relation to the licensing of solid waste and recycling facilities or a third-party appeal process of Metro decisions, there is an inherent conflict that does not serve the residents and businesses of the region. Instead, there is a great incentive for Metro Vancouver to make licensing decisions based on what will best suit the region's capacity to generate revenue and expand its operations as the owner and/or operator of transfer stations or incinerators. Instead, Metro Vancouver can make more cost-effective decisions based on the best value for its member municipalities by promoting innovation in the private sector that allows for more cost-effective methods of waste diversion and waste disposal.

The Chamber understands that regional government has a role in setting waste diversion targets and operational regulations and following through with enforcement. But the Metro Vancouver region is also in direct competition with the private sector by providing services that can be provided by existing private waste businesses in a more efficient and cost-effective manner than government. Making it easier for private industry to invest in the waste management system will reduce cost to those businesses that generate waste.

## THE CHAMBER RECOMMENDS

That the Provincial Government work with Regional Districts to:

1. Structure or restructure waste management policies in a manner that; and
  - a. Reduces the expenditures of the regional government on publicly-owned facilities (if they are in direct competition with private industry);
  - b. promotes innovation and investment by private enterprise; and
2. Collaborate with all members of the Commercial Sector to set waste reduction & diversion goals allowing the achievement of those goals through open market processes; and
3. Create policies and regulations that recognize new and future recycling and waste diversion technologies as secondary processing facilities (i.e. MRFs, Recycling Depots, etc.) and not as final disposal facilities (i.e. landfills, incinerators, etc); and
4. Reduce, amend, or annul regulation and other systemic factors that support a government monopoly or monopsony of solid waste management; and
5. Directs regional governments to develop regulations in a manner that prevents the creation of government monopolies or monopsonies for solid waste management in the multi-family and industrial, commercial and institutional sector.

**Submitted by the Tri-Cities, Greater Langley and Nanaimo Chambers of Commerce**

**Supported by the Mission Regional Chamber of Commerce and Surrey Board of Trade**