



## Council-In-Committee Meeting – October 15, 2025

Subject: Update on Non-Eligible Source Recycling Collection  
Report Number: PW-25-017  
Division: Public Works  
Department: Environmental Services  
Ward: All Wards  
Purpose: For Decision

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### Recommendation(s):

That report PW-25-017, Update on Non-Eligible Source Recycling Collection be received as information;

And that staff proceed with Council's direction regarding non-eligible source recycling.

### Executive Summary:

This report provides an update to Council regarding recent correspondence from the Ministry of the Environment, Conservation and Parks (MECP) and the Producer Responsibility Organizations (PROs) concerning the future of curbside recycling collection for non-eligible sources, specifically Industrial, Commercial, and Institutional (IC&I) properties.

In June 2025, the MECP proposed amendments to *Ontario Regulation 391/21 (the Blue Box Regulation)* under the *Resource Recovery and Circular Economy Act, 2016 (RRCEA)*. One key amendment directed PROs to collaborate with municipalities to continue the co-collection of non-eligible source recycling alongside residential curbside recycling beyond the originally scheduled end date of December 31, 2025.

Following this proposal, staff [Report EIS-25-022](#) was brought forward to inform Council of the potential changes. Council requested that staff return with an update once the amendments were finalized or further information became available.

On October 1, 2025, Norfolk County received formal notification from the MECP and PROs indicating that PROs will not be able to fulfill the MECP's direction. As a result, the co-collection of non-eligible source and residential recycling will cease after December 31, 2025.

In response, staff have outlined three potential options for the continued management of non-eligible source recyclables:

1. Non-eligible source properties secure their own private recycling collection contracts.
2. Norfolk County establishes an opt-in municipal curbside collection program for non-eligible source recycling.
3. Non-eligible source recycling is accepted at County transfer stations.

Each option presents varying operational impacts and cost implications, either for affected non-eligible source properties or for the municipality. After evaluating the options, staff recommend that non-eligible sources pursue private collection contracts for the continued management of their recyclable materials.

This report is therefore submitted to Council as a formal update on the direction from the MECP and PROs regarding the discontinuation of co-collection recycling, along with staff's recommendation for next steps related to non-eligible source recycling.

## Discussions:

### **Background Information**

Historically, under *O. Reg. 101/94*, municipalities were responsible for administering, collecting, and processing Blue Box materials. Initially, the Blue Box program was fully funded by municipalities but later transitioned to a 50/50 cost-sharing model between municipalities and producers for the residential portion. In addition, Norfolk County funded and collected Blue Box materials from the Industrial, Commercial, and Institutional (IC&I) sectors.

In 2016, the *Resource Recovery and Circular Economy Act, 2016 (RRCEA, 2016)* was legislated. Under the *RRCEA, 2016, O.Reg 391/21*—known as the new *Blue Box Regulation*—was introduced to make producers fully responsible for the operation and funding of Blue Box programs for paper, packaging, and single-use items at end-of-life. This regulation shifts 100% of the costs for administration, collection, and processing of Blue Box materials to producers.

The transition to the producer-led system is being phased in over three years, from July 1, 2023, to December 31, 2025. Norfolk County transitioned to the producer-led system on September 28, 2024. During the transition period, PROs agreed to collect Blue Box materials from the IC&I sectors, referred to as non-eligible sources. However, the associated costs were fully borne by municipalities. Post-transition, effective January 1, 2026, PROs indicated they would no longer collect non-eligible source Blue Box material. Furthermore, non-eligible source material must be separated from residential recycling streams. This change significantly increases costs for Blue Box collection within the IC&I sectors.

In 2023, Norfolk County Council approved [Report EIS-23-037](#), which authorized municipal funding for non-eligible source Blue Box collection only during the transition

period, ending December 31, 2025. From January 1, 2026, the IC&I sectors will be responsible for procuring their own recycling collection services.

### **Proposed Legislative Amendments**

In June 2025, staff presented [Report EIS-25-022](#), which outlined proposed amendments by the Ministry of the Environment, Conservation and Parks (MECP) to the *Blue Box Regulation* and the *Resource Recovery and Circular Economy Act, 2016 (RRCEA, 2016)*. Many of the proposed changes were intended to reduce costs for producers by lowering and delaying material recovery targets, delaying collection from multi-residential properties to 2031, and removing the requirement for public space collection of recyclables.

Among the proposed amendments to the *RRCEA, 2016* was the continuation of collection services for the IC&I sector, mainly small businesses and municipal buildings, classified as non-eligible sources. Municipalities had expressed hope that the Minister's direction would ensure curbside collection of recycling for non-eligible sources would continue beyond December 31, 2025, contrary to the discontinuation initially proposed by PROs in 2023.

At that time, Council directed staff to report back with an update on the potential implications for recycling collection services for small businesses. This report provides that update and outlines the potential service and operational impacts should the continuation of non-eligible source collection not be supported beyond the end of 2025.

### **Letters from the MECP and the Producers**

On October 1, 2025, the County received correspondence (Attachments 1 and 2) from the Honourable Todd McCarthy, Minister of the Environment, Conservation and Parks (MECP), as well as from Producer Responsibility Organizations (PROs) on behalf of producers, regarding the future of recycling collection from non-eligible sources.

The letters confirm that PROs will not continue collection from non-eligible sources beyond December 31, 2025, citing an inability to meet the Minister's previous recommendation to extend these services. As a result, collection of non-eligible source materials, those outside the residential Blue Box program, will be discontinued as of January 1, 2026.

In the MECP's correspondence, the Minister acknowledges the concerns raised and commits to "considering improvements to the system over the coming year" and "looking into how any changes to the *Blue Box Regulation* could leverage the producer-run system and support our communities, small businesses, and institutions to cost-effectively maintain Blue Box services."

The letter from the PROs provides the following rationale for discontinuing non-eligible source collection:

- Limited system capacity to accommodate non-eligible source recycling
- Risk to producers of non-compliance with regulatory obligations for eligible (residential) sources
- Requirement to exclude non-eligible materials from producer performance reporting
- Insufficient time to finalize service agreements with municipalities ahead of the MECP deadline of October 31, 2025
- Operational challenges in quantifying material set out by non-eligible sources, which impacts cost allocation and reporting
- Recommendation for municipalities to consider private sector solutions for collection of non-eligible source recycling

While PROs will not directly service non-eligible sources, they have agreed to permit co-collection of eligible and non-eligible Blue Box materials at approved and required depot locations. Under this arrangement, PROs will collect the residential (eligible) share, while municipalities will be responsible for managing the non-eligible portion.

### **Implications for non-eligible sources**

Non-eligible sources include industrial or commercial properties, BIAs, not-for-profit organizations, municipal buildings or facilities, daycares, places of worship, campgrounds and trailer parks (without permanent or seasonal households) and commercial farms. Norfolk County has an estimated 1,008 non-eligible sources.

The change in service delivery model will result in both operational and financial implications for Norfolk County, particularly in relation to non-eligible sources that have traditionally relied on municipal curbside recycling services.

With the discontinuation of Blue Box collection for these sources as of January 1, 2026, the recommended pathway for continued recycling is for non-eligible sources to secure private recycling collection services through a contracted provider. However, this option may present a financial burden, particularly for smaller businesses that generate limited volumes of recyclable material.

In the absence of a private service arrangement, there is a risk that recyclable materials from non-eligible sources will be disposed of through the regular garbage stream, resulting in increased landfill tonnage and lost diversion opportunities.

### **Options for Norfolk County to support non-eligible sources**

Staff have reviewed potential options to support continued recycling for non-eligible sources, both of which have financial implications for Norfolk County. The options include:

- Recycling Drop-off at Transfer Stations
- Dedicated Curbside Recycling Collection for Non-Eligible Sources

*Recycling Drop-off at Transfer Stations*

Using the existing bin system at Norfolk County’s two transfer stations could provide a recycling option for non-eligible sources. However, there are operational challenges. Space is limited, and since the County transfer stations are not designated as a required depot under the producer-run system, it would be difficult to keep eligible and non-eligible materials properly separated. Preliminary estimates suggest that managing non-eligible recyclables at each transfer station could cost between \$20,000 and \$30,000 annually, with actual costs depending on the volume of material and processing fees. To partially recover these costs, tipping fees would need to be applied to non-eligible recycling materials.

*Dedicated Curbside Recycling Collection*

Staff would initiate a formal procurement process to secure a qualified service provider to collect non-eligible recycling curbside. Participation in the program would be offered to non-eligible sources on an opt-in basis, allowing for the development of dedicated collection routes and schedules tailored to those participants. Collection of recycling may not align with current garbage collection schedules.

Cost estimates presented in [Report EIS-23-037](#) ranged from \$300,000 to \$400,000 annually for a dedicated curbside program. However, given inflationary pressures and changes in market conditions since that time, it is likely that current costs may exceed these earlier projections.

**Timing and Communication with Non-Eligible Sources**

Recent communication from the MECP and PROs has given Norfolk County limited time to notify non-eligible sources about upcoming changes to recycling collection services.

In alignment with Council’s previous direction under [Report EIS-23-037](#), staff recommend that non-eligible sources arrange for private recycling collection services starting January 1, 2026.

While initial plans were to issue notifications to non-eligible sources through Canada Post, ongoing labour disruptions may delay mail delivery. Therefore, staff will work with the County’s Corporate Communications team to explore alternative methods to ensure all affected stakeholders receive timely and effective communication.

**Finance Comments:**

As discussed in the body of the report, Norfolk County transitioned to the producer-led system in 2024, however, following Council direction, the County committed to continuing the collection of recycling from non-eligible sources until December 31<sup>st</sup>, 2025. As such, the Approved 2025 Levy Operating Budget includes an allocation of

\$163,900 for this service, which is set to be removed in the Draft 2026 Levy Operating Budget, creating savings of approximately 0.1%.

The remaining comments analyze the financial impacts of the options outlined above.

### **Establish an Opt-In Program for Non-Eligible Sources**

Under this option, the County would collect and process recycling from non-eligible sources as if the transition to producer-led responsibility never occurred for this sector.

This would cause an increase to costs in 2026. In 2023 when Council first considered this matter, collection and processing were estimated to be approximately \$405,700 on an annual basis, which is more than just the continued co-collection that has been occurring throughout the transition period. Given curbside collection and processing cost increases seen in other municipalities and Norfolk (for other waste streams) in 2025, staff also believe it is possible that the costs to provide this service may be more expensive than the last estimate, if this service were to be tendered today. Further considerations to implementing this service include getting opt-in responses from all 1,000+ non-eligible sources in the County within the next two months and tendering a collection contract prior to January 1<sup>st</sup>, 2026.

As this service is not a municipal responsibility, Council has previously directed that this service will not be provided following December 31<sup>st</sup>, 2025, and there is a cost to implement this service as of January 1<sup>st</sup>, 2026, this option is not staff's recommendation.

### **Accept Non-Eligible Recycling at Transfer Stations**

Under this option, Norfolk County could accept recycling from non-eligible sources at its transfer stations.

This would cause an increase to costs in 2026; while collection would be \$0, processing is estimated to be approximately \$30,000. Some of this cost could be offset by establishing tipping fees charged to non-eligible sources, if directed by Council. Other indirect costs may be incurred, such as renovating transfer station areas to accommodate the separation of eligible and non-eligible recycling, or further collaboration with PROs.

As this service is not a municipal responsibility, Council has previously directed that this service will not be provided following December 31<sup>st</sup>, 2025, and there is a cost to implement this service as of January 1<sup>st</sup>, 2026, this option is not staff's recommendation.

### **Discontinue Service as Planned**

While it is unfortunate PROs have decided not to follow the Province's direction, the Ministry has reiterated that this service has not been downloaded back to municipalities, so the County still does not have an obligation to offer this service as of January 1<sup>st</sup>,

2026. Non-eligible sources have other means of recycling, such as securing agreements with private businesses that offer waste removal services. As a result, the final option is to discontinue the service as of January 1<sup>st</sup>, 2026, as previously directed by Council.

Under this option, non-eligible sources will become responsible for their own recycling arrangements. This option is the cheapest for the County, as it has a collection cost of \$0 and a processing cost of \$0, although it is possible some recyclable material might be diverted into other streams collected by the County, which could indirectly increase costs. However, it is anticipated that the \$163,900 savings from discontinuing this service will be recognized in the Draft 2026 Levy Operating Budget, and tonnage estimates for those other streams would be adjusted in future years if required.

As this service is not a municipal responsibility, Council has previously directed this service will be discontinued January 1<sup>st</sup>, 2026, and there are cost savings from discontinuing this service, this option is staff’s recommendation.

**Table 1 – Summary of Options**

Option	Approved 2025 Budget	Draft 2026 Budget	Change (\$)	Change (%)
Collect Non-eligible Recycling*	\$163,900	\$405,700	\$241,800	0.18%
Accept Non-eligible Recycling at TS**	\$163,900	\$30,000	(\$133,900)	(0.09%)
Discontinue Service	\$163,900	-	(\$163,900)	(0.12%)

*\*Draft Budget estimate based on estimates from 2023, actual costs subject to tender and opt-in rate*

*\*\*Draft Budget estimated, subject to actual tonnage, potential user fees, and other costs*

**Interdepartmental Implications:**

None

**Consultation(s):**

Financial Services

**Strategic Plan Linkage:**

Serving Norfolk - ensuring a fiscally responsible organization with engaged employees who value excellent service

Norfolk County has provided recycling collection and processing services to residents and the Industrial, Commercial, and Institutional (IC&I) sector for over 30 years.

However, with recent changes to the Blue Box Program, the County is no longer responsible for residential recycling collection. In addition, PROs are unwilling to collect recycling from non-eligible sources within the IC&I sector.

As a result, continuing to offer recycling services solely to these non-eligible sources would be prohibitively expensive and not fiscally responsible. This shift highlights the need to realign services with the County's strategic priorities, ensuring responsible financial management.

#### **Attachment(s):**

- Attachment 1: Letter from the Honourable Todd McCarthy, Minister of the Environment, Conservation and Parks regarding non-eligible source recycling.
- Attachment 2: Letter from the Producer Responsibility Organizations regarding Collection from IC&I Locations

#### **Approval:**

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