

Moving Towards Extended Producer Responsibility (EPR)

This toolkit addresses emerging regulations affecting how construction and demolition wastes will be managed. Specifically, it examines the concept of “extended producer responsibility”, or EPR, and how this may impact new home building and renovation firms. It also recommends actions for provincial Home Builders’ Associations to take to ensure that our industry is well represented as future waste management decisions are made in their jurisdictions.

Background

Today, the waste management regulations that apply to new home builders and renovators vary considerably from province to province, and many municipalities have also adopted their own rules and procedures.

In general, current practices may set waste diversion targets, but leave it to the builder to make necessary arrangements for waste disposal or diversion to recycling facilities, and to pay the costs involved. Builders are free to select the waste management company they want to work with, within a competitive environment.

Nationally, sanitary landfill is still the ultimate destination for the majority of construction and demolition wastes, although diversion programs to move these wastes to recycling and reuse are in place in some jurisdictions.

Governments at all levels want to reduce and eventually end sanitary landfill disposal of construction and demolition wastes. At both the national and provincial levels, a new approach to waste management termed *Extended Producer Responsibility* is evolving. **In the coming years this could have significant impacts on both builders’ costs and their on-site waste management responsibilities.**

What is EPR?

Unlike current practices where the person or company that has possession of construction or demolition waste is responsible for its management, EPR shifts this responsibility to the original producer or importer of a product or material.

Under EPR, the physical and/or financial responsibilities of the producers of goods are **extended** to the post-consumer stage of their product’s lifecycle. For instance, manufacturers and importers of white goods like refrigerators will be responsible for collecting and recycling of old fridges, and will bear the costs involved. These costs will, in turn, be added to new product prices. Everyone who purchases a new refrigerator will be paying a waste management “fee” to fund collection and recycling of old fridges.

Most often, EPR will require that manufacturers and importers of products set up their own collection and recycling systems for old products and associated wastes. They may do this at the company level, or join together at the industry level to establish a dedicated entity to do this for all product producers. In either event, the costs involved will be added to new product prices. The operator of the EPR-compliant waste management regime can also require government to enact regulations to support the proper operation of their system by regulating product users.

EPR and Home Building and Renovation

New home builders and renovators are aggregators of products and materials – they draw on a wide array of goods to construct or renovate homes. In the process, waste is generated, both as residue from new materials and products and, in the case of renovation, from demolition and deconstruction.

The impact of an EPR-based waste management regime on new home builders and renovators will depend on how products and materials are designated.

- It appears unlikely that homes will be designated as a “product” under EPR regulations, but this cannot be ruled out. If this were to occur, new home builders could become financially responsible for the ultimate disposal of homes through a dedicated fee or levy to pay for management of demolition wastes.
- It is far more likely that an increasing number of building products and materials will receive EPR designations. Likely near-term candidates include concrete, wood and wood composites, metal, asphalt shingles, drywall and corrugated cardboard used for packaging. These materials generally make up over half the waste (by mass) on most construction and renovation projects.
- It is also likely that manufacturers and first importers of these materials will be the focus of EPR policies. This will require them to develop and fund systems to collect and divert from landfill the residues and waste related to the use of their products. Under an EPR system, these producers will be encouraged to incorporate the costs of this in their product price, and to advise government concerning any regulations that should apply to product users in order to support their system.

The introduction of ERP systems for construction materials and demolition wastes will involve costs for new home builders and renovators. This may also involve regulatory requirements for how wastes are managed and stored at construction sites.

What Governments are Doing

The CHBA report, *Waste management and ‘Extended Producer Responsibility’ Regulations in the Residential Construction Industry* (included in this toolkit), provides an overview of key issues as well as current and pending regulation across Canada.

While waste management is a provincial matter, all of the provinces and territories have agreed to work together towards national solutions. This work will be carried out by the Canadian Council of Ministers of the Environment (CCME), an intergovernmental forum made up of the ministers from each jurisdiction and the federal government. **The CCME wants to see a national framework for EPR-based management of construction and demolition wastes by 2015 to 2017.**

While all the provinces support the CCME process, a number appear to be moving ahead in advance of this schedule. Some municipal governments are also drawing up “new rules” in this area. As a result, EPR will likely arrive sooner than called for by the CCME in some provinces. This creates a real risk of a “patchwork” approach that is both less effective and less cost-efficient.

What Provincial Home Builders' Association Are Asked to Do

Without effective HBA intervention, there is a real risk that EPR systems for construction and demolition wastes will focus solely on product and material manufacturers and importers. In this event, builders could be forced to accept the embedded costs involved, and comply with whatever site waste handling procedures are regulated. **There is no assurance that such systems would consider the financial or practical realities involved from our industry's perspective.**

This could have significant negative impacts on new home builders and renovators.

The recently adopted *CHBA Policy Position on Construction and Demolition Waste Management and Extended Producer Responsibility* (included in the toolkit) lays out the CHBA's position in this area. Simply put, builder interests must be represented when governments enact regulations, such as EPR systems, that impact our industry.

To this end, it is recommended that all provincial Home Builders' Associations:

- 1) Put the issue of waste management and EPR on your Board agenda. The toolkit materials provide necessary background information for your Board members.
- 2) Contact your Provincial government authority in this area. Provide them with CHBA's Policy Position Paper and ask to be kept fully informed of any current or future provincial initiatives in this area. If waste policy development is already underway, make sure builder interests are well represented.
- 3) Discuss this issue with local Home Builders' Associations in your province. In many areas of the country, municipalities are directly involved in waste management, including the operation of waste disposal facilities. Some municipalities are moving ahead with their own versions of EPR for construction and demolition wastes. Local HBAs need to be involved in these developments, and will need provincial support.
- 4) Please keep the CHBA advised of relevant developments. In addition to this toolkit, the national office has expertise in this area and can assist you. In order to do this effectively, the CHBA needs to be advised of waste management developments, as these occur. This will also assist the CHBA in its representations to the CCME concerning the National Framework for EPR. Please communicate directly with David Foster on this issue (foster@chba.ca).