



**Ontario**  
Home Builders'  
Association

**Waste Reduction Strategy  
Waste Reduction Act  
OHBA Submission  
Ministry of the Environment**

EBR Registry Number: 011-9262

EBR Registry Number: 011-9260

**September 2013**

## EXECUTIVE SUMMARY

The Ontario Home Builders' Association (OHBA) appreciates the opportunity to provide comments on the proposed *Waste Reduction Act* (EBR 011-9260) and the *Waste Diversion Strategy* (EBR 011-9262). OHBA previously participated in consultations on Ontario's waste diversion framework and provided the Ministry of the Environment with a submission responding to *The Role of Waste Diversion in the Green Economy* (EBR 010-8164) in February 2010. The proposed strategy and legislation are generally guided by the Canadian Council of Ministers of the Environment (CCME) endorsement of an outcome based producer responsibility framework for waste diversion.

The membership of OHBA is innovative and embraces new green technologies that will reduce the environmental footprint of new homes, land development and residential renovations. In principle OHBA is supportive of government objectives to promote waste diversion and to adopt a framework based on extended producer responsibility.

However, developing new diversion systems for construction and demolition waste is a complex process, and considerable work is needed to identify effective and cost-efficient options. As an aggregator and assembler of materials on construction sites, rather than actually producing materials, OHBA recommends that the ministry engage with industry stakeholders representing the new home construction and home renovation sectors, to identify and analyze waste diversion options. Furthermore, we suggest that similar consultation to identify and analyze waste diversion options for building demolition waste take place in parallel with this effort.

OHBA believes reforms should be broad in nature, and focus on long-term goals and outcomes. Any amendments should not preclude viable options to meet provincial goals and objectives, which may emerge from industry consultation and research. We look forward to working with the government to advance public policies that will promote reduction, reuse and recycling of waste derived from products utilized on construction and demolition sites across Ontario.

## INTRODUCTION

On June 6, 2013 Bill 91, the proposed *Waste Reduction Act, 2013* was introduced in the Legislature. The government is proposing to replace the existing *Waste Diversion Act, 2002* with the proposed *Waste Reduction Act, 2013*.

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 member companies, organized through 30 local associations across the province. Our membership is made up of all disciplines involved in residential construction including builders, land developers, renovators, manufacturers, suppliers, mortgage lenders, apartment owners, economists, planners, architects, engineers and lawyers. The residential construction industry

employed over 322,000 people and contributed over \$43 billion to the province's economy in 2012. From furniture and appliance manufacturers to moving companies and paint stores, the new home construction and renovation industries indirectly contribute to the economic well-being of numerous related businesses and professions.

One of OHBA's primary goals is to positively affect provincial legislation, regulatory policy and tax policies that concern the industry. OHBA is a strong supporter of policies that will ensure affordability and choice in housing for the citizens of Ontario. Our comprehensive examination of issues and recommendations are guided by the recognition that choice and affordability must be balanced with broader social, economic and environmental issues.

## **OHBA AND THE GREEN ECONOMY**

OHBA has been at the forefront of the green economy and jointly owns the EnerQuality Corporation along with the Canadian Energy Efficiency Alliance. The EnerQuality Corporation has a mission to transform Ontario's new housing into the most sustainable and energy efficient in the world. EnerQuality has an objective to label 25% of Ontario's new low-rise housing every year as ENERGY STAR® and is well on its way to achieving that mission through the continued participation and leadership of innovative and energy-mindful home building and industry partner companies across the province. The EnerQuality Corporation has expanded upon the ENERGY STAR® program and has recently launched a Green Renovator Project and is developing new green building programs for mid-rise and high-rise development.

Ontario home builders have a reputation for leading the way and providing their customers with the best built housing in the world. OHBA and our membership have been at the forefront of large scale economic, social and environmental transformations over the past several decades as Canadians have improved upon our quality of life through our built environment. Home builders from across the province are embracing the ENERGY STAR® for New Homes initiative and are starting to take up the new GreenHouse™ Certified Construction program. Furthermore, the LEED program has been embraced by high-rise builders and is also making gains in low-rise construction. Lastly, the R-2000 program pioneered over 30 years ago by OHBA members has played a central role in the development of more energy-efficient and environmentally responsible home building practices and building code development.

## **VOLUNTARY WASTE REDUCTION OPPORTUNITIES WITHIN EXISTING GREEN BUILDING PROGRAMS**

The residential sector has demonstrated tremendous leadership in areas of energy efficiency and greenhouse gas emission reduction. There are a number of industry driven volunteer green labeling programs available to new home builders that address building efficiency and reducing on-site construction waste. As an association, OHBA promotes

green building practices and educates member companies on both green building programs and green building science. Three of the more significant programs with waste reduction components include:

- GreenHouse<sup>TM</sup>: involves having a waste management plan that details the recycle and reuse facilities, municipal solid waste landfills, etc.; the materials that cannot be recycled/reused; and the quantity of waste generated (in weight), waste diverted, and waste disposed by landfill/incineration.
- LEED: Under Materials and Resources (MR 3.2), the LEED program awards credits for reducing construction waste (based on weight/volume per square metre) OR diverting 25% or more of the total materials taken off the site from landfills/incinerators. Builders can receive a maximum of 3 points in this credit (points are awarded for a variety of initiatives to receive a LEED Silver, Gold or Platinum designation).
- Building Canada: teaches builders and designers how to use less material and to design spaces to dimensions that will maximize standard sized construction materials and therefore reduce the creation of waste.

These kinds of voluntary, industry-driven programs demonstrate leadership in the residential construction sector. This leadership has contributed to significant reductions in greenhouse gas emissions in Ontario and across Canada. By the end of 2010, Canadian homes were releasing 6% *less* greenhouse gas emissions as compared with 1990, despite a 35% increase in the number of homes across the country. Since the mid-1970s, the average new home in Ontario has become some 66% more energy efficient. The residential sector is one of the very few industries in Canada that has met and surpassed emissions targets set out in the Kyoto Protocol.

## CURRENT PROVINCIAL WASTE REGULATIONS

For construction and demolition, current provincial regulations (102/94 and 103/94) apply based on a site threshold greater than 2,000 square metres identified in the *Environmental Protection Act*. Under regulation 102, companies are required to conduct a waste audit addressing:

- the amount, nature and composition of the waste;
- the manner by which the waste gets produced, including management decisions and policies that relate to the production of waste;
- the way in which waste is managed (recycled and disposed); and
- the extent to which materials or products used in this project consist of recycled or reused materials or products.

Companies are also required to prepare a waste reduction work plan that must:

- identify the steps that will reduce the amount of material to be disposed of as waste and increase the amount of material destined for recycling;

- set out who (i.e: individuals, employees, and/or sub-contractors) will implement each part of the plan, when each part of the plan will be implemented and what the expected results are;
- include measures for communicating the plan to the workers on the site;
- be posted in a place where most employees can view it; and
- be implemented.

Furthermore, Regulation 103 mandates that companies have a source separation program. The construction and demolition sector must source separate the following materials: brick & portland cement concrete, unpainted drywall, steel, wood (not including painted, treated or laminated wood), and corrugated cardboard. Many companies voluntarily go beyond these regulations through their commitment to green building. The green building movement has taken off in the past few years as both consumers and the industry have become more educated on various green building programs and the value of becoming involved in these programs.

## OHBA COMMENTARY

The construction, renovation and demolition sectors account for a significant amount of solid waste going to landfills across Ontario (Ontario's proposed *Waste Reduction Strategy* suggests 10%). OHBA recognizes that there is always room for sectors to improve their performance. It is OHBA's understanding that the CCME has been tasked with developing a national Extended Producer Responsibility (EPR) protocol for construction and demolition wastes. OHBA suggests that for the purposes of a discussion on extended producer responsibility, construction and demolition waste should be addressed separately to provide more clarity on the implications of the two waste streams being aggregated from both a policy and regulation standpoint. Furthermore, residential construction may require its own regime based on collaboration between builders and their supply chain partners, reflecting key differences between our sector and commercial construction. Cost efficient and environmentally-effective private-sector waste diversion options should be encouraged, as such approaches are likely to deliver results with less regulatory cost and complexity.

In practical terms, construction waste can be reduced through design and engineering, while demolition waste cannot. Builders are continually adopting new construction management practices to reduce waste production, and ensure remaining wastes are recycled and reused wherever possible. Value engineering and the reduction of inputs resulting in downstream waste simply makes good business sense. OHBA anticipates that the amount of new home and renovation-generated construction waste going to landfill sites will shrink dramatically over the next decade.

OHBA is, in principle, supportive of the provincial objective to aggressively divert more waste from landfills. The residential construction industry certainly has a role to play in partnership with the province to achieve long-term waste reduction objectives.

Residential construction is an extremely complex and heavily regulated industry that utilizes a variety of products and materials assembled on-site in an outdoor environment to ultimately deliver a final product to consumers. OHBA urges the province to be cautious in its approach to additional regulations and to work with the industry to seek out solutions that balance market realities and logistical challenges with the objective to reduce and ultimately eliminate waste by-products.

The first rule of the three 'R's is to reduce waste. Waste reduction is a priority for home builders as it isn't just the right thing to do in terms of environmental sustainability, but it reduces construction material, labour and disposal costs. Builders are becoming more efficient in the materials they utilize and many have on-site programs to reduce the amount of waste they produce. Many builders have significantly reduced the waste they produce, yet of that remaining waste, some is still diverted to landfills. Those builders are concerned that they will be penalized for perhaps not making gains on the ratio of waste being recycled versus going to landfills, yet the overall amount of on-site construction waste is being reduced through efforts to find greater efficiencies in the materials and products being utilized for construction. While the percentage of total waste being diverted from landfills must increase over time, OHBA is concerned that efforts to reduce waste through improved design and engineering may not be adequately reflected in the waste diversion framework.

OHBA in general supports an outcome-based producer responsibility framework as endorsed in a Canada wide action plan by the Canadian Council of Ministers of the Environment. However, the industry is quite concerned about potential provisions for legally binding waste reduction outcomes. Increasing fees or fines with no corresponding service or benefit could be perceived as being another mechanism for governments to obtain a new revenue stream from the industry. Furthermore, potential additional reporting requirements to the new Waste Reduction Authority and financial penalties for non-compliance are of concern for an industry that while aggregating products, does not actually produce the products our members utilize on construction sites.

OHBA is concerned with respect to potential bans of specific materials for disposal. Banning materials could encourage illegal dumping and discourage businesses from appropriately dealing with some waste materials. The proposals are currently vague in terms of the role for the construction, renovation and land development industry, therefore OHBA seeks additional consultation and discussion with the province prior to making additional commentary on outcome-based individual producer responsibility.

With respect to the construction sector, OHBA is unclear as to the impacts of the adoption of an individual producer responsibility (IPR) framework. As builders are both producers of a product (homes and renovations) and aggregators of products and materials, the application of IPR principles in our industry is not straightforward. OHBA is generally supportive of a framework in which those putting products and packaging into the marketplace accept the responsibility for managing the waste associated with them.

Dealing with construction waste is a complex issue as there are many materials involved and there will be key decisions required with respect to who is defined as the producer and therefore carries the disposal obligation (up-stream manufacturers or new home builders/renovators or a prescribed shared responsibility). OHBA cautions that some problematic materials (i.e. OSB, carpet cut-offs, ceramic tile cut-offs etc) as well as contaminated materials will likely continue to pose challenges in terms of landfill diversion. These materials are a challenge to deal with as there currently isn't a market for recovered supplies and/or the economies of scale are too small in terms of total materials recoverable on most construction sites. In this early stage of discussion, an IPR framework, the proposed Waste Reduction Authority and the proposed Waste Reduction Registry raises more questions than answers within the context of the land development and residential construction sector.

Home builders and renovators purchase materials and supplies as products from a variety of sources and essentially assemble those products on the building site. If products are to be managed from a life cycle perspective, is the producer of those products responsible for disposal or does the builder who installs and assembles those products on a building site assume responsibility? With respect to tracking materials from collection to final destination and registering those materials on the proposed Waste Reduction Registry would this be considered an individual product producer responsibility or the responsibility of the home builder / renovator? Furthermore, OHBA is unclear with respect to the role of the proposed Waste Reduction Authority and its ability to set and collect fees/charges to recover its costs related to the administration of the Act, specifically within the construction sector.

With a diverse range of products as components on a residential construction site there is a wide variety of logistical issues to be resolved for each type of product in terms of effective and cost-efficient diversion options and the appropriate division of responsibility for implementing such systems. OHBA suggests that the most significant challenge to achieving higher diversion rates is the transportation supply chain to handle diverted materials and the ultimate outlet for those responsible to dispose of the materials. Opportunities and constraints exist for each type of material depending in part on the volumes of material collected. Furthermore markets may evolve if given the opportunity to establish themselves for specific materials. Despite the industry's best efforts, some diversion schemes may not be economically viable in the short-term. OHBA looks forward to engaging the province to better define how an extended producer responsibility framework would function within the residential construction industry.

OHBA recommends that the Ministry of the Environment considers a different approach for Northern Ontario. There will be significant challenges in dealing with waste on construction sites in remote communities. There simply are not the economies of scale and transportation networks for various materials to adequately be diverted and disposed of. It makes little practical or environmental sense for small quantities of waste materials to be separated and transported vast distances to be handled by appropriate disposal

stations. OHBA strongly recommends a different approach to waste diversion on construction and demolition sites in Northern Ontario.

In terms of the proposed *Waste Reduction Act* (to replace *Waste Diversion Act*), the OHBA encourages the Ministry of the Environment and the proposed Waste Reduction Authority to be flexible in its approach to residential construction. Within the industry there is a wide variety of construction sites and practices that must be considered ranging from small independent businesses conducting small renovations or building just a few homes a year, to the custom builders, to large scale tract builders and to developers constructing skyscrapers in a densely populated urban environment. It is critical to recognize diversity within the industry and to consider minimum thresholds for compliance to limit impacts of small business. Furthermore, in generating any construction waste diversion plan, there may be logistical complications for any systems involving small operations in rural communities.

Within the industry there are also a variety of practices undertaken for dealing with waste and a number of voluntary industry-driven green programs through which many private businesses have demonstrated strong leadership in reducing construction waste. OHBA cautions the province from limiting innovation and flexibility within the residential construction industry. Furthermore, it is critical that achievable diversion targets are set to allow for stakeholders to adequately plan ahead.

## CONCLUSION

At this stage in the discussion and consultation process between the Ministry of the Environment and the residential construction industry, OHBA is limited in providing specific recommendations or direction to the provincial government. OHBA's objective at this time is to assist the province in the development of the simplest, most cost-efficient policies for waste diversion and disposal for new home builders and renovators that would achieve an outcome acceptable to the Ministry of the Environment. The land development, new home construction and renovation industries aggregate and assemble products rather than produce products, therefore the industry remains unclear as to our direct relationship and responsibility to the proposed Waste Reduction Authority.

OHBA encourages the province to continue to engage in discussions with a wide range of stakeholders including manufacturers and suppliers involved in residential construction. Our industry is extremely complex with many materials and different stakeholders involved; however OHBA seeks to work with the province to ultimately reduce, reuse and recycle waste generated from residential construction sites.