

Why Landfills Should Charge the Full Cost of Disposal

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CANADIAN INSTITUTE FOR
CLIMATE CHOICES

Agenda

- **The Origins of the Research: CICC & Canada's Ecofiscal Commission**
- **The Context: Canada faces numerous challenges when it comes to waste management**
- **The Solution Space: markets and prices**
- **The Caveats: Going beyond markets and pricing**

Research Origins



- Publicly funded, non-partisan, independent
- 34 experts from diverse disciplines, supported by a 12-person Board and a 15-person Advisory Council
- Bringing clarity to the climate challenges and transformative policy choices ahead for Canada



- Privately funded, non-partisan, independent
- 13 prominent economists, supported by 14 high profile Advisors
- Narrower focus on how market-based instruments can solve environmental problems

Waste management in Canada faces numerous challenges



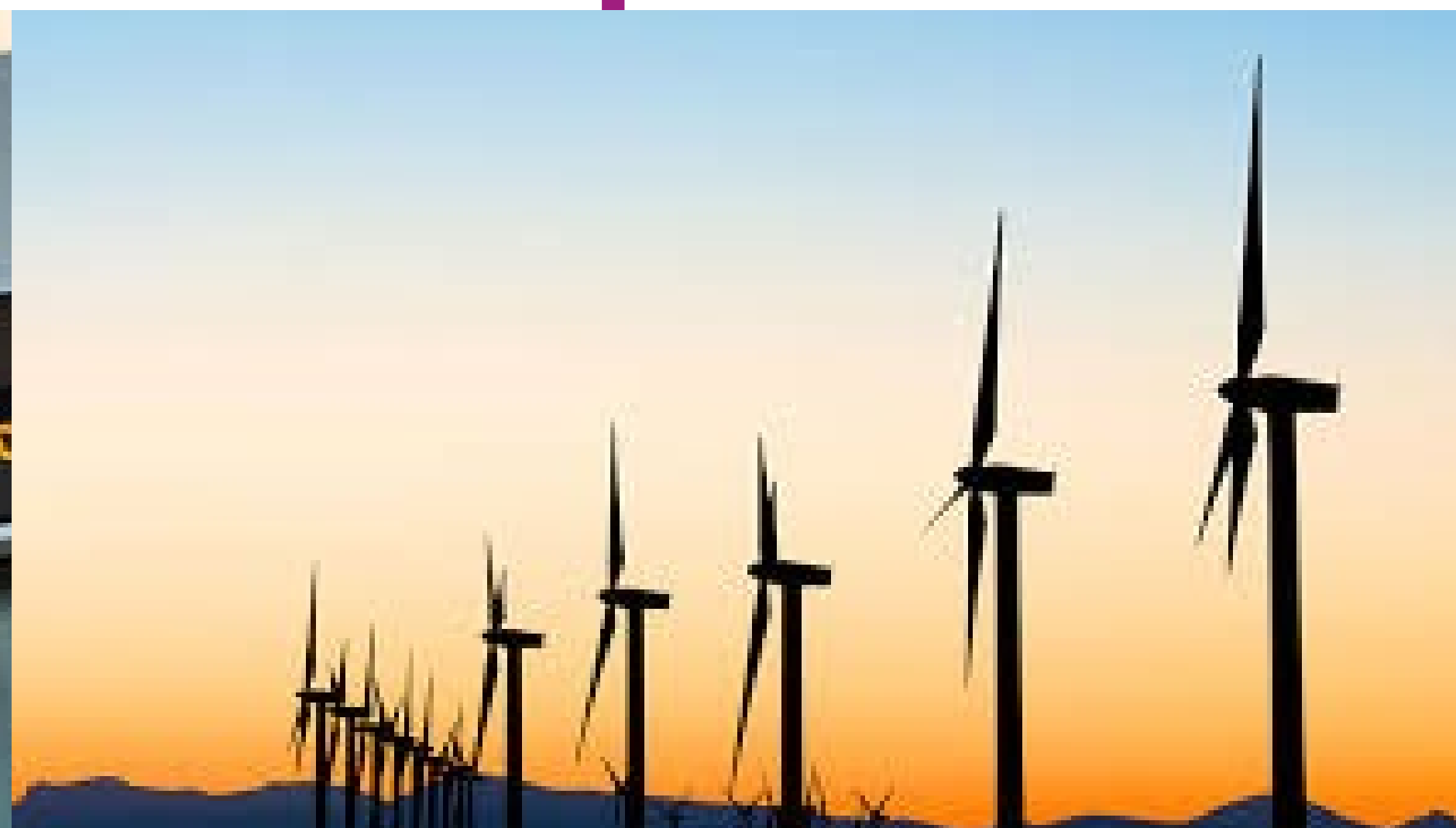
How can governments solve these problems?

What would an economist say?





Markets and prices are pretty important



We can apply these principles to solve Canada's solid waste problems



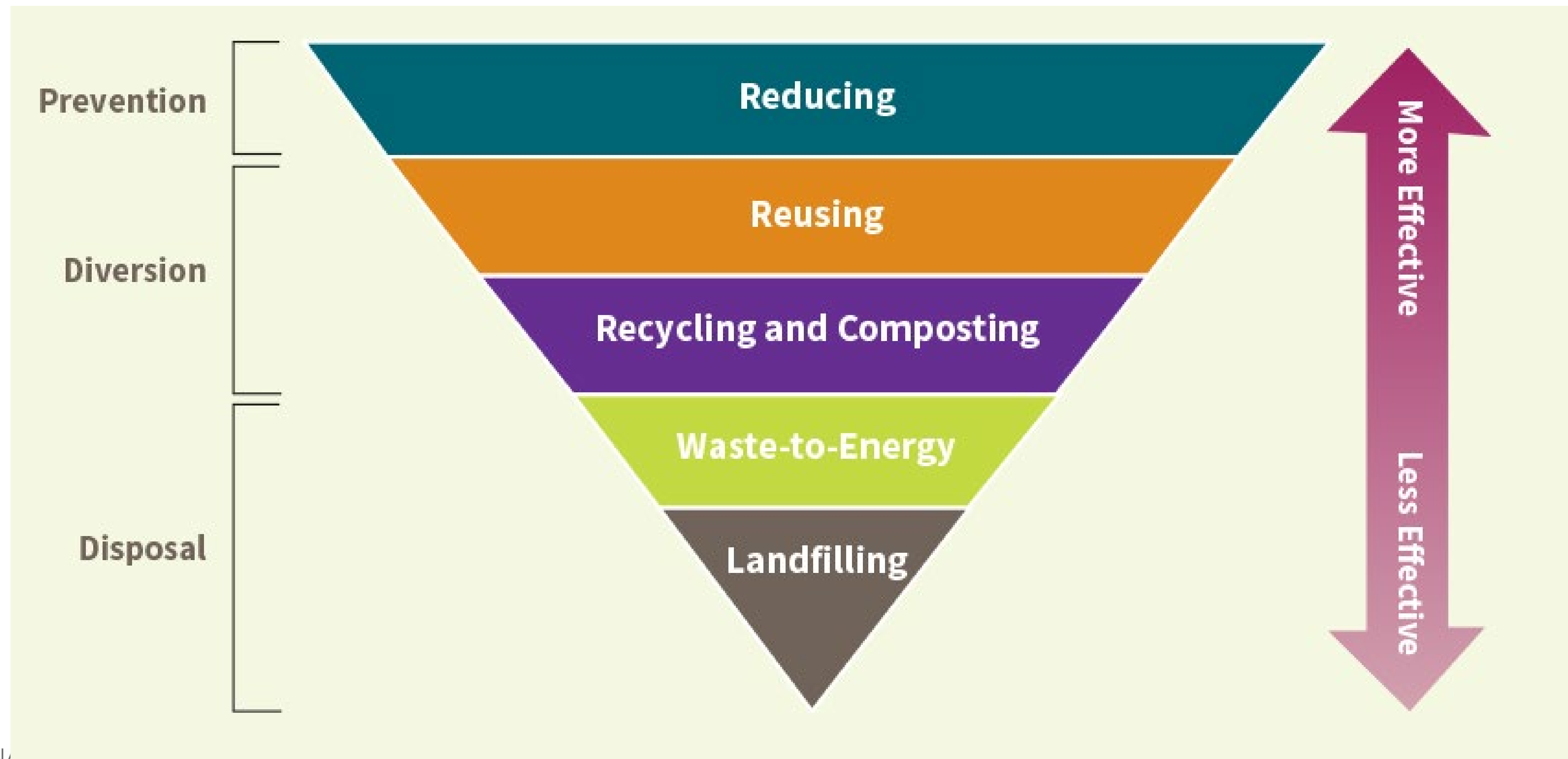
CANADA'S **ECOFISCAL** COMMISSION
Practical solutions for growing prosperity

CUTTING THE WASTE

How to save money while
improving our solid waste systems
October 2018



Going beyond the waste hierarchy



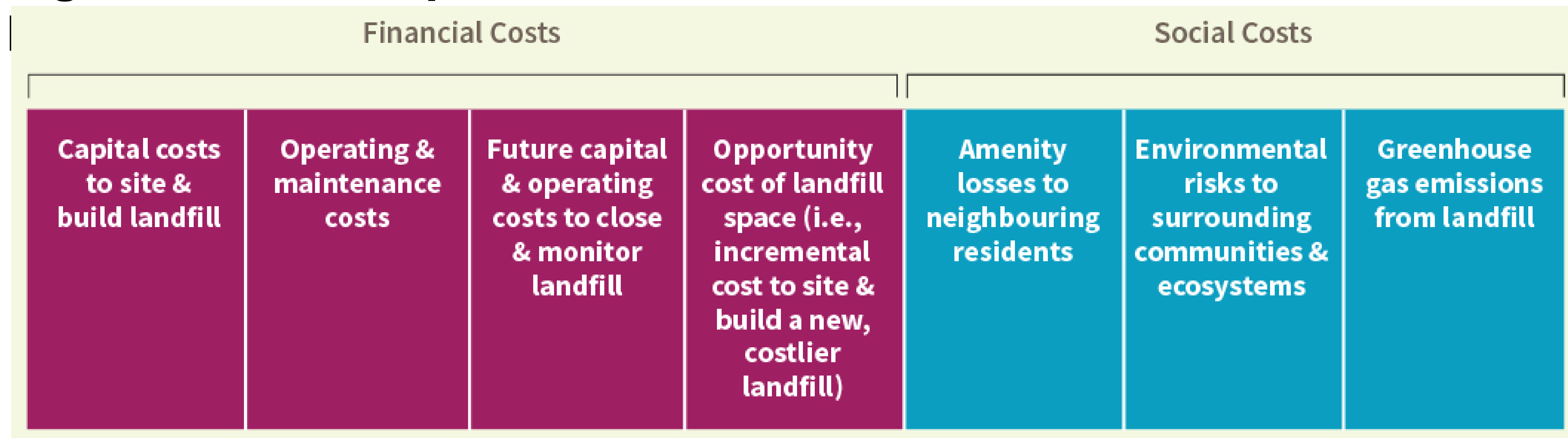
Waste management policies should seek to improve overall *system efficiency*

- Efficient waste management policies minimize financial *and* social costs
- They also maximize the benefits of waste diversion and prevention
- System efficiency is a broader and more comprehensive objective than increasing resource recovery

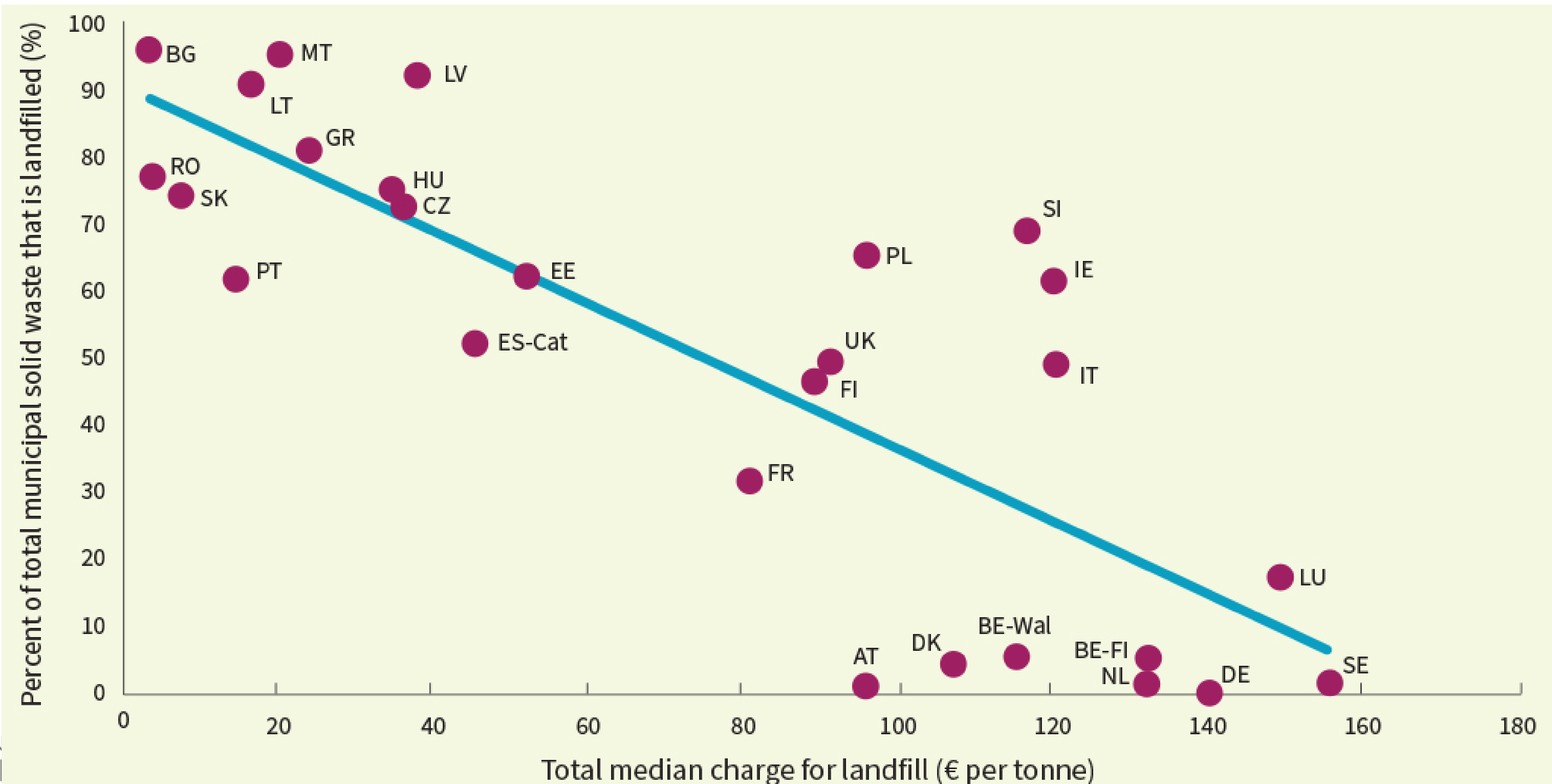
Markets and Prices can Help

It starts by charging tip fees that reflect the full cost of disposal

Figure: The Full Spectrum of Financial and Social Costs of

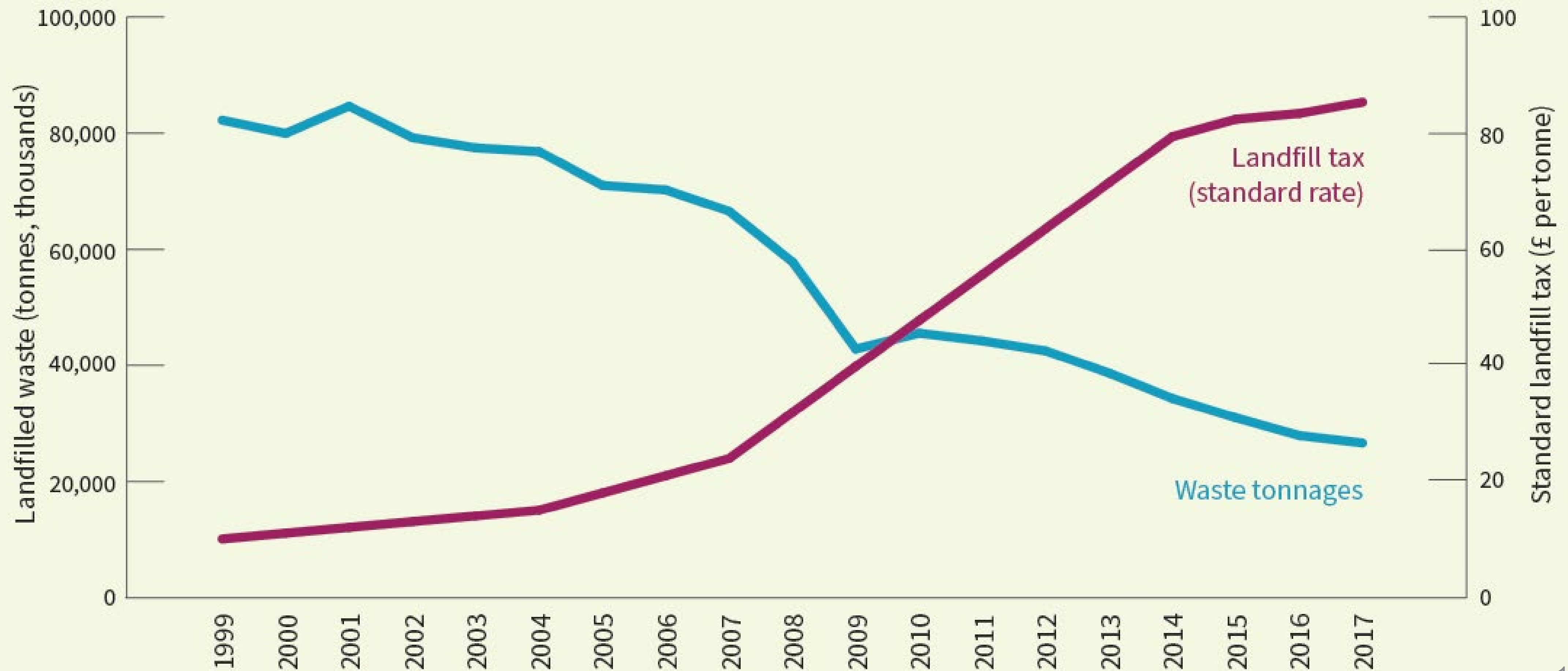


Tipping fees create incentives to reduce waste disposal and generate revenues



Differentiated landfill tipping fees drive more targeted reductions in waste

Figure 7: Quantity of Landfilled Waste in the U.K. and the Landfill Tax Rate, 1999 to 2017



Pay-as-you-throw programs use the same principle, but for households

- PAYT can reduce household waste disposal by 10–50% *and* reduce costs
- City of Beaconsfield:
 - PAYT program reduced landfilled waste by 51%
 - Saves over \$200,000 annually in collection costs
 - 78% of residents now pay less



But pricing alone can't solve our waste problems

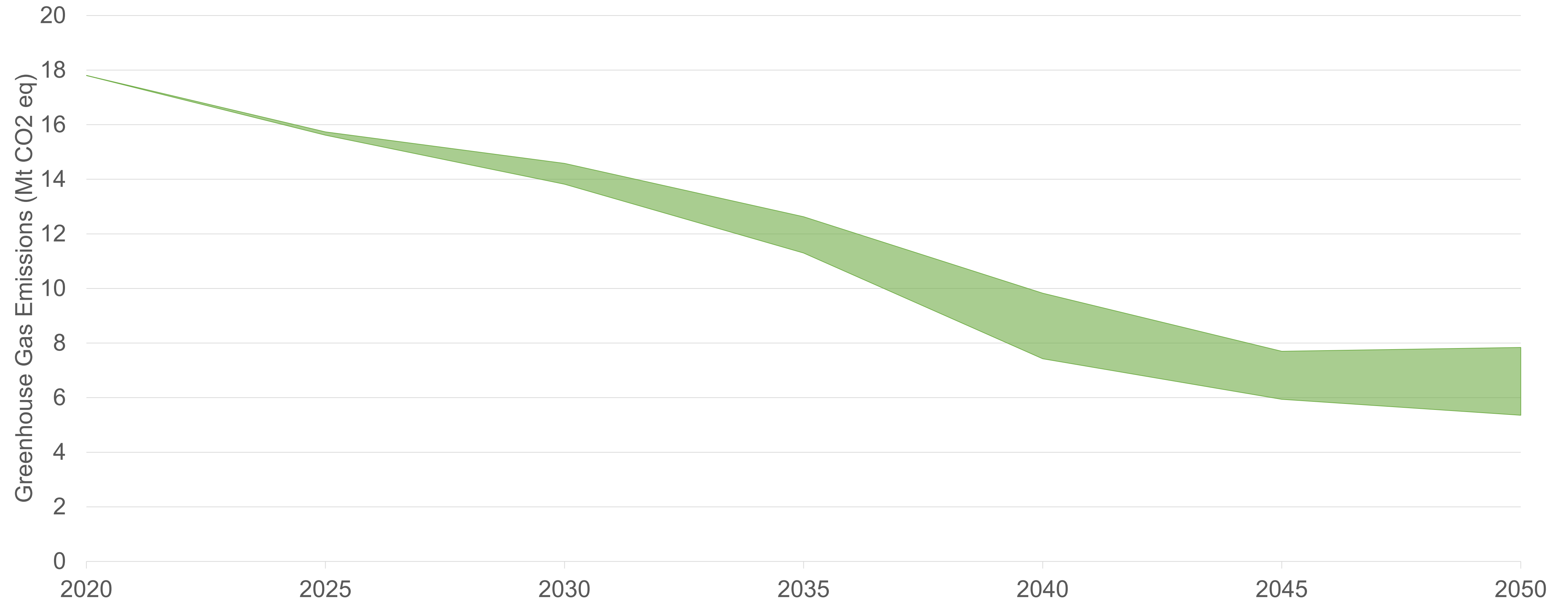
- Other policies can help complement disposal pricing. **But not every additional policy is a complement**
- **Well-designed** extended producer responsibility programs can provide stronger incentives for upstream manufacturers
- Organics collection programs can help complement disposal pricing by **providing alternatives** for households and businesses
- Researchers need **better data**

The future of solid waste management in Canada

- Disposal pricing policies offer a simple solution to *some* of Canada's waste management challenges
- Pricing gives people choice and flexibility. It also generates revenues.
- Lots of innovative approaches to pricing (e.g., differentiated fees)
- Pricing is fundamental to making solid waste systems more efficient

Canada has significant potential to reduce waste emissions

National GHGs from waste across pathways to net zero



Thank You!

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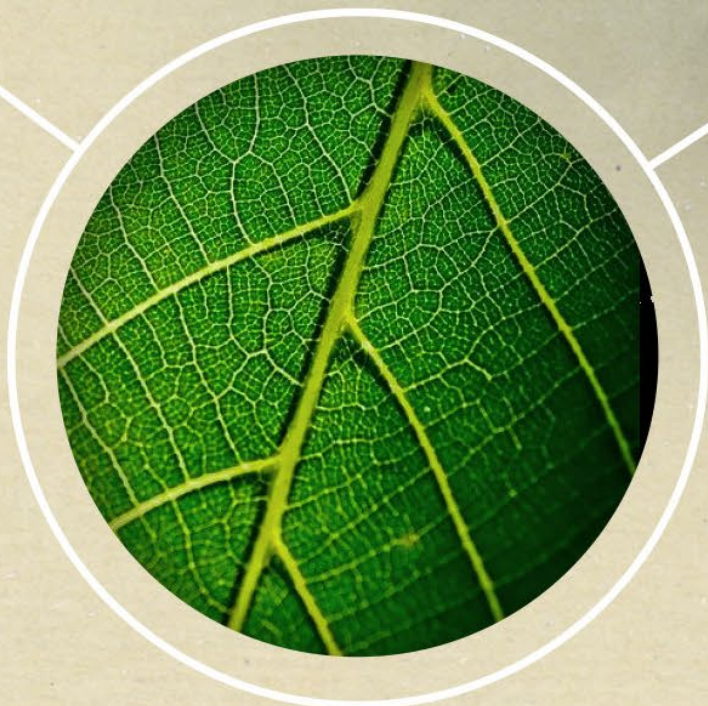
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Canadian Institute for Climate Choices

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Map and Profile
of the Champlain canal as made from Lake Champlain
TO THE HUDSON RIVER
and SURVEYED thence to the
Lake St. Lawrence
Jas. Bullen &
1820

