

**ONTARIO CENTRE FOR MUNICIPAL BEST PRACTICES**  
393 University Ave., Suite 1701, Toronto, Ontario M5G 1E6

**BEST PRACTICE SUMMARY REPORT**  
**March 2003**

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**Waste Management – Waste Diversion**  
**Tags-on-bags / Pay-as-you-throw Systems (BP 7-03)**

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**Practice identification:** Waste Management – Waste Diversion –  
Tags-on-bags and Pay-as-you-throw Systems

**Case study municipality:** City of Orillia

**Keywords:** Management  
Operating Procedures

**Benefits derived from the adoption of this practice:**

- **Direct communication of waste reduction to the public**
- **Low cost of program**
- **High diversion rates with relatively low complaint levels**
- **Additional revenues attained from sale of tags**

**Description of Practice in the Case-Study Municipality**

The City of Orillia instituted a Garbage Tag Collection system in 1997. The program limited garbage disposal, but allowed residents to dispose of unlimited amounts of blue box and organic materials, either at the curbside or at the City depot (located at the landfill). Only garbage bags with tags on them are picked up by the garbage collection operators. Both garbage and recycling collection is weekly. At that time, 52 tags for garbage disposal were given out free and any extra tags could be purchased at \$1.50 per tag. In the first full year of operation (1998), the City sold an additional 46,000 tags, which is equivalent to approximately four tags per year per household (total of 56 tags per year). The result of the tag system was immediate, with a 23% drop in garbage collection and a 35% increase in recyclable collection. In 2002, residents were sent 40 tags (constituting 40 bags of garbage) with the ability to obtain five additional tags if required. With 80,000 tags being sold in 2002, the average number of tags used per household is currently approximately 52 tags per year.

The City has not experienced any noticeable difference in the incidents of illegal dumping in comparison to the pre-1996 period.

The City of Orillia (population 27,388) is a single-tier community located in Simcoe County, north of Toronto. For the 12,083 households serviced by the Waste Management Division, 15,926 tonnes of material are collected either through a bin service, at the landfill, or at the curbside in 2001. Of these 15,926 tonnes, 49% (or 7,892 tonnes) of materials are diverted from the local landfill, either through a recycling or an organics program.

## **Evaluation of the Practice**

### Efficiency

Based on the 2000 MPMP results, the City of Orillia has a lower than average cost per tonne of waste material processed for a medium-sized municipality. The City has established a relatively small staff (two persons) to undertake all planning, promotion and education activities, and waste coordination.

### Effectiveness

The use of a tag or PAYT (pay-as-you-throw) system has proved to be a strong diversion motivator in many small and medium-sized communities. Commonly, each household is given a base number of tags per week, with the ability to purchase more if needed. In some municipalities, every tag has to be purchased, typically in the \$1.00 to \$2.00 range per tag.

The tag/PAYT system forces each household to think about its use of the waste disposal system every week. This focus on the disposal activity appears to engender a behaviour change toward better diversion. This is opposite to the old concept whereby any amount of waste left at the curb disappeared before the end of the day.

Some opponents of the tag/PAYT system argue that the system encourages illegal dumping, thereby creating a littering problem. This has not been the experience of Orillia, nor of other municipalities using a bag-tag system.

### Legislative Initiatives

With the implementation of the provincial Waste Diversion Act and the creation of WDO (Waste Diversion Ontario), municipalities will be fiscally rewarded for attaining higher diversion rates at lower costs. The program, expected to start in 2003, provides up to 45% diversion funding for municipalities based on efficiency and effectiveness measures compared to other similar municipalities in Ontario. The tag/PAYT program contributes to attaining these goals.

## **Replication of the Practice**

Many small to medium-sized municipalities are using the tag system for waste disposal. In some cases, waste disposal budgets are offset by the revenues generated through these programs. Because tag fees are modest; the diversion motivator for the public does not appear to be economic. Rather, householders are forced to think about their activities.

There have been numerous studies in both Canada and the US which have shown that PAYT/tag programs motivate greater diversion activity. One such study published in 1998 titled “User Pay Program Implementation Guide” is available for a small fee from AMRC (Association of Municipal Recycling Coordinators). Further information on this report can be obtained by contacting Vivian De Giovanni at [amrc@albedo.net](mailto:amrc@albedo.net).

These studies have also shown that PAYT or tag programs do not increase illegal or roadside dumping of garbage.

Forms of the PAYT/tag system are being used in a few larger municipalities. Due to the greater number of multi-unit dwellings and the larger transient populations generally found in larger municipalities, the process of waste payment or tagging has typically been modified (e.g. payment through utility bills, free tags).

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