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Items No. 6.1.1

**Environment & Sustainability Standing Committee
September 5, 2013**

TO: Chair and Members of the Environment & Sustainability Standing Committee

SUBMITTED BY: _____
Quentin Hill, Legislative Assistant

DATE: August 12, 2013

SUBJECT: Presentation Requests

Information Report

ORIGIN

Section 32 (7) of Administrative Order #1, Respecting the Procedures of Council.

(7) The Clerk shall include in the information agenda for each regular Council meeting a report listing the delegations who requested to be heard during the previous week and the disposition of the requests.

| Date of Requests | Name of Delegations | Disposition of Requests | Attachment |
|-------------------------|--|--|-------------------|
| August 9, 2013 | Dan O’Sullivan Owner, Sweet Cheeks Diaper Service | To discuss the impact of disposable diapers in HRM’s landfill - both financial and environmental - and to highlight possible savings, as well as programs to reduce the volume of diapers entering the landfill. | A |

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Quentin Hill, Legislative Assistant, 490-6732

Attachment A

Dear Chair & Members of the Standing Committee,

During the HST change brought forward by our Provincial NDP June 1st 2010 they generated a tax relief program on children's clothing, cloth diapers that you purchase for home wash reusable and disposable one time use diapers that we landfill. They excluded diaper service's from this program which must charge the full 15%. Since then the purchase of clothing and diapers for children are only taxed the GST. 5% The 10% HST provincial portion is not collected.. these are the fall outs and short comings of this program.

Presently I peg this disposable diaper tax relief at 1.6 million to 2.5 million for disposables yearly. A cost that is not collected is a tax that is not controlled so our province has no real firm idea what we are losing and this expense will not be in the yearly budget. Unlike the heating and electrical tax relief program that is provided by a single provider for each item, diapers and clothing are combined with other sales or ordered in over the internet from outside the province making it harder for government to know the yearly cost of the program.

The unfairness of this program is it does not treat all Nova Scotia families equally. The family that gains the most from this tax saving on diapers is the family that keeps their child in disposables the longest and generates the most landfill waste. The family that uses a diaper service will see no tax savings. For a cloth home washer they may purchase up to \$500.00 in diapers and save up to \$50.00 from this program where as a disposable user will see tax savings range from 200 to 350 per child with expenditures of 2000 to 3500/child.

Clothing it's the family that least needs relief that purchases the most new , brand name children's clothing that gets the largest tax savings whereas the family that uses hand me downs, used clothing stores or consignment shops see less of this tax savings while extending usage of children's clothing and reducing this item in landfill.

Children generate up to one ton each for an average 3 yrs in diaper waste.(this tax relief applies to diapers that fit 125 lb child) This present subsidy generates a two for one down load to the municipal level where every dollar in tax savings is costing two dollars in waste collection.. HRM in this current budget year has priced the landfill ton which diapers all end up in to be \$193.13. That's a cost exceeding \$500.00 in waste collection per child in disposables. (3yrs in diapers)

Besides having respiratory concerns that are costing more health care (see web site) they take money out of our province because they are not made here. (approx \$1500 wholesale per child) Home washing and diaper services keep these funds here in our province while saving waste and greenhouse emissions.. (see web site for aerobic and anaerobic process of landfill, disposable diapers generate more greenhouse gas than ANY OTHER TON in landfill).

A suggestion is to tax all diapers and clothing the same. Generate a cash rebate that joins the Federal rebate given to offset child care. This rebate the family sees from our government.. they don't see the tax relief they just feel it. Give this rebate to all families equally and make it a taxable income to one or both of the parents. The Federal program allows parents to make the choice for their child care monthly rebate. This clothing and diaper support for young families could do the same. Add \$20.00/month for so many years of a new child to the Federal program.. tax it as an income and adjust it when budget times are tough. This would put the choice for New or Used clothing, cloth or disposable diapers back where it belongs. In the hands of the family without tilting their decision by discounting one selection over another. It would foster more cloth use and reduce this 2 for 1 waste cost over tax saving we currently have that municipalities have to pick up. We already have an HST rebate program based on income so I don't see the need for it in a province that has great difficulty balancing its budgets.

The NDP seem to favour making choices for young families that is encouraging a greater use of foreign import disposables over Nova Scotia business that reduce landfill and cost to municipalities. This has resulted in the failure of one diaper service.. Tiny Tushes and we here at Sweet Cheeks have had to sell our diaper van as we are not large enough to support it. Prior to this tax change we diverted over 60 ton from landfill saving HRM over \$12,000.00/yr in waste collection cost without any financial support. We just remitted our business tax. Today we are down to 10 ton from landfill. There is only one other province in Canada that has adopted this rebate program.. Ontario however their rebate is 8% not 10.

Throw away diapers are not go away diapers.. The demographics on who uses cloth.. one if not both parents are university trained, one if not both are around age 30 having their first child, a majority are paying down a mortgage not renting.. In short, they are the planed family who take time to see the benefits for their families.. the ones that are more likely to vote.

A cloth diaper child will save over \$500.00 in their municipality while keeping over \$1500.00 in our province during their diaper phase. Why are we encouraging disposables? Let families choose.. treat us all equally Don't put Nova Scotia business at the 10% disadvantage over foreign imports and expect us to be there to pay taxes next year and hire a work force.

I have sent this information to our new Finance Minister and she came out publicly on the CBC saying Nova Scotians want this program and they are not changing a thing.

Disposable diaper usage seems to up with this subsidy. One percent of HRM diapers @ 100% disposable is 150 ton /year. Almost \$30,000. In landfill. Diaper service's should be able to gain 5% of the market share if treated equally. We once had a little less than ½ of 1% and were happy with competition in our market place as it brought awareness and choice to our consumers.

Dan O'Sullivan

Original Signed