

RPRA Sets 2017 Blue Box Steward Funding Obligation at \$123.6 Million

Annual funding obligation increase limited to 1.74%

May 31, 2017, Toronto: For immediate release

The Resource Productivity & Recovery Authority (the Authority) has set the 2017 Blue Box Steward Funding Obligation at \$123.6 million, a 1.74% increase from the \$121.5 million obligation set in 2016.

The Blue Box Steward Funding Obligation is the total amount that stewards must pay to municipalities for the Blue Box Program.

In addition to information on costs and amount of materials collected through the Blue Box program obtained through the annual municipal Datacall survey conducted and verified by the Authority, the Authority considered a number of factors in determining the 2017 funding obligation, including:

- Cost Containment to reflect best practices in operating municipal waste diversion programs
- Evolving Tonne to reflect the lightweighting trend in packaging from paper to plastic
- Steward Cost Containment to reflect the adoption of materials by stewards that can be cost-effectively managed through the Blue Box program
- InKind Eligibility to reflect municipal advertisements for diversion programs taken out in newspapers
- Non-Obligated Materials to reflect the collection of materials through the Blue Box program that are not mandated
- Three-Year Rolling Average Revenue to reflect volatile commodity prices
- Prior Year Adjustments to reflect any errors identified by the Authority in verifying and auditing Datacall information

The Authority also considered presentations made by Stewardship Ontario (SO), the Association of Municipalities of Ontario (AMO) and the City of Toronto.

In setting the 2017 steward funding obligation, the Authority used the 2016 methodology with updated inputs on the following basis:

2017 Steward Obligation (2015 Data Year)	
Reported Gross Cost	\$343,490,141
Plus 54% of InKind Linage 2014 - 2016 Average Spent	\$2,270,723
Less Non-Obligated (Net)	(\$128,917)
Less Cost Containment	(\$16,249,580)
Total RPRA Gross Costs	\$329,382,367
Less 3 Year Average Revenue	(\$85,833,862)
Less 100% of Prior Year Adjustments	(\$478,323)
Total RPRA Net Costs	\$243,070,182
50% of Net Costs	\$121,535,091
Plus Steward Cost Containment	\$2,134,654
2017 Steward Obligation	\$123,669,745

The Continuous Improvement Fund (CIF) allocation for 2017 has been set at \$0 by the Authority as the CIF is currently sufficiently funded to continue with its current grant obligations and to provide grants next year.

The Authority has directed SO to commence paying the 2017 obligation to municipalities on schedule (on or about June 30). Details on these payments to municipalities are currently being finalized and will be available on the Authority website in the coming weeks.

About the Authority

The Resource Productivity and Recovery Authority was established November 30, 2016 as the successor organization to the former Waste Diversion Ontario. The Authority will support the government in maximizing resource recovery and waste reduction to advance a circular economy in Ontario.

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