



2019 RRCEA Fees Consultation

November 20, 2018

Agenda

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2. Background
 - About the Authority
 - Authority's 2019 budget
 - Purpose of RRCEA fees
 - How the Authority sets fees
3. Proposed 2019 Fees
 - Rationale
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Asking Questions

01/29/2018 10:00 AM EST

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Questions and Answers

Question : test

Answer pending

Type a question and press 'Enter'.

To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press "Enter".



RPRA Resource Productivity
& Recovery Authority

About the Authority

- Regulatory body created by the Ontario government in November 2016
- Enforces the requirements of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WTDA)
 - RRCEA establishes a new regime where producers are accountable for their products and packaging, recovering resources, and reducing waste
 - WTDA allows for the continuation of waste diversion programs and sets out provisions to wind up those programs as directed by the Minister of the Environment
- The Authority is **not** replacing Ontario Tire Stewardship or other industry funding organizations. We will not:
 - contract with producers and service providers
 - collect money from producers to pay service providers
 - pay incentives

The Authority's Finances

- The Authority is a not-for-profit organization and does not receive any government funding
- WDTA and RRCEA allow the Authority to set and collect fees to recover its costs
- Revenues come from two sources:
 - **WDTA:** Charges to industry funding organizations and industry stewardship organizations for the Authority's oversight of programs
 - **RRCEA:** Charges to parties required to register or report to the Authority to cover the development and operation of the Registry, and compliance and enforcement costs

Authority's 2019 Budget

In Millions	Budget 2018	Forecast 2018	Draft Budget 2019
Revenues			
Cost recovery	\$ 8.31	\$ 6.61	\$ 8.39
Reserve contribution	\$ 0.60	\$ 0.60	\$ 0.60
Other	\$ -	\$ 0.55	\$ (0.55)
Total Revenues	\$ 8.91	\$ 7.75	\$ 8.45
Core Activities			
Payroll ¹	\$ 3.40	\$ 3.10	\$ 3.67
Communications and consultants	\$ 0.37	\$ 0.20	\$ 0.27
Office and other expenses ²	\$ 1.26	\$ 1.29	\$ 1.51
Professional Fees to support activities ³	\$ 0.88	\$ 0.65	\$ 0.92
Sub-Total Core Activities	\$ 5.92	\$ 5.25	\$ 6.36
Other Activities			
Registry expenses ⁴	\$ 2.39	\$ 1.36	\$ 2.03
Reserve contribution ⁵	\$ 0.60	\$ 1.15	\$ 0.05
Total All Activities ⁶	\$ 8.91	\$ 7.75	\$ 8.45
RRCEA	\$ 1.73	\$ 1.73	\$ 1.75
WDTA	\$ 7.18	\$ 6.03	\$ 6.70



Purpose of RRCEA Fees

- RRCEA fees are fees that registered parties pay each year to the Authority
 - 2019 RRCEA budget is \$1.75 million
 - Only the tires sector will pay RRCEA fees in 2019
- RRCEA fees cover the Authority's costs to:
 - Develop and operate the Registry
 - Carry out compliance and enforcement activities
- Costs, fees, charges, etc. related to tire recycling operations (e.g. paying haulers) are business-to-business decisions separate from the Authority's fees

Setting Fees

- During the development of the 2018 Fees, the Authority developed and consulted on the following documents to guide the annual fee setting process

General Fee Setting Policy

- Describes the objectives and rules for setting fees

Fee Setting Methodology

- Outlines the methodology the Authority uses to set fees
- Consultation and notice periods
 - The Authority must consult on proposed fees for at least 45 days
 - Fees must be posted to the Authority's website for at least 30 days before they take effect

Setting Fees

Objectives:

- Transparent fee setting process
- Fees, costs and other charges are reasonable and reflect costs incurred by the Authority
- Long-term financial sustainability of the Authority
- Fee predictability for regulated parties

Setting Fees

General Fee Setting Policy- Rules:

1. **No proration** – Fees charged are for the calendar year in which the fees are paid
2. **No in year adjustments** – Any adjustment required will be reflected in the calculation of fees for the next calendar year
3. **Fees apply to each material** (e.g. a producer of tires and WEEE will pay two fees)
4. **Producer responsibility** - Annual costs are borne primarily by the responsible parties – the producers and their PROs
5. **Flat and variable fees**
 - PROs will pay a flat fee
 - Producer fees will be variable above a minimum threshold and fixed below the threshold

Setting Fees

Methodology

- To set fees for those who are obligated to register or report to the Authority under the RRCEA, the Authority will:
 1. Allocate RRCEA expenses by:
 - a. Type of designated material
 - b. Type of regulated party
 2. Select a fee setting option (e.g. fixed vs. variable)

Questions about the Authority's mandate, RRCEA fees or how fees are set?

Proposed 2019 Fees

Registrant	2018 Fees	2019 Fees
Producer- 0-999 tires supplied	\$75 flat fee	\$75 flat fee
Producer- 1000+ tires supplied	\$0.14/tire supplied*	\$0.14/tire supplied*
Service providers (collectors, haulers, retreaders, processors)	No fee	No fee
Producer responsibility organization (PRO)	\$5000 flat fee plus Registry license fees	\$7500 flat fee (\$5000 registration fee + Registry license fee)

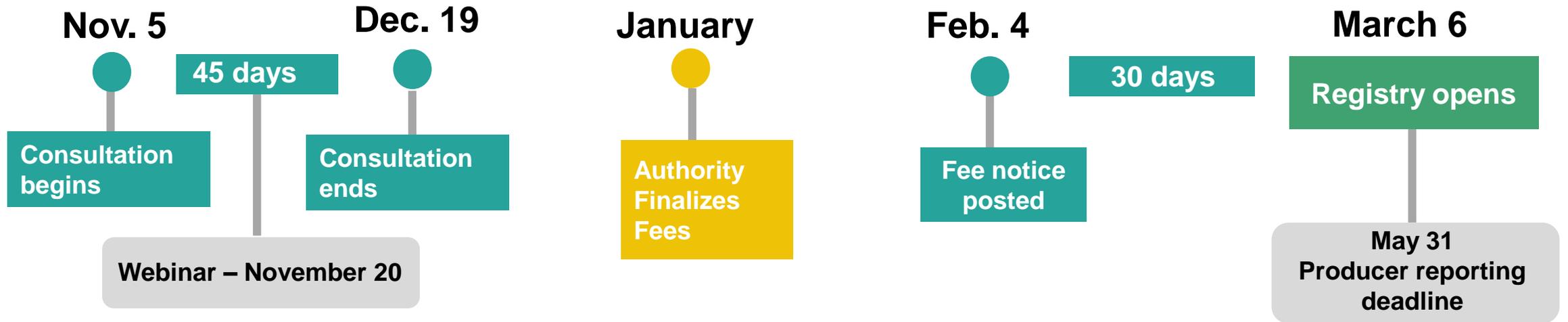
*The number of tires supplied is based on a rolling average of three years of data required to be submitted by producers under the Tires Regulation.

Fee Stability for 2019

- Registrants are still familiarizing themselves with the Authority's regulatory role
 - For 2019, the Authority is avoiding significant changes to fees or the methodology
- The Authority is projecting a surplus of 2018 RRCEA fees over expenses
 - 2018 surplus will be applied as a credit to 2019 fees
 - As a result, no increase in 2019
- Change to PRO fee is to reduce the administrative burden of paying two separate fees
 - Proposal is a consolidated flat fee that includes unlimited software licenses

**Comments on the proposed fees?
Questions about the Authority's rationale?**

Timeline



Next Steps

- You may provide your feedback on the proposed fees by:
 - Completing a [survey](#) that will be emailed to you after this webinar
 - Emailing your comments to consultations@rpra.ca. Use the subject line “2019 RRCEA Fees”
- Feedback is due by **December 19, 2018**
- Feedback from the consultation is recorded and will be summarized in a report that will be available on the Authority’s website



Thank you