

Date: 2022-May-30	Time: 9:30am – 11:00am
IAC Co-Chairs: Carol Hochu, Tom Wright	IAC Secretary: Cameron Parrack
<p>Attendees:</p> <p><u>Industry Council Members:</u> Carol Hochu, Tire and Rubber Association of Canada Cherith Sinasac, ElectroFederation Canada Andrew Mackinnon, Global Automakers of Canada Julie Kwiecinski, Canadian Federation of Independent Business Anne McConnell, Canadian Consumer Specialty Products Association Simon Kinsman, Canadian Consumer Specialty Products Association Ronda Parkes, Ontario Community Newspapers Association Shane Buckingham, Canadian Beverage Association (for part of the meeting)</p> <p><u>RPRRA Staff:</u> Frank Denton, Chief Executive Officer Noah Gitterman, Registrar and General Counsel Wilson Lee, Chief of Programs and Public Affairs Lorella Hayes, Chief Financial and Administrative Officer Mary Cummins, Registrar Cameron Parrack, Manager of Programs and Stakeholder Relations</p> <p><u>RPRRA Board:</u> Robert Poirier, RPRRA Board Chair Tom Wright, RPRRA Board Vice-Chair</p> <p><u>MECP Representative:</u> Charles O’Hara – Director, Resource Recovery Policy Branch Jon Fox, Resource Recovery Policy Branch</p>	
<p>Regrets: Michelle Saunders, Food, Health & Consumer Products of Canada Shelagh Kerr, Electronics Product Stewardship Canada Sebastian Prins, Retail Council of Canada Paul Deegan, News Media Canada Philip Sqair, National Electrical Manufacturers Association</p>	
<p>Recording Secretary: Stacey Bowman, Senior Resource Recovery Program Analyst</p>	

1. Introductions and Co-Chair’s Remarks

- Welcome and opening remarks by the IAC Co-Chairs

2. CEO's Remarks

- RPRA's CEO provided opening remarks, noting that RPRA's strategic priorities are being reframed for the upcoming business planning period to reflect the organization's evolution as we are now half-way through a 10-year reform, from passage of the Waste Free Ontario Act in 2016 to the last municipality transitioning to the RRCEA in 2026.
- The proposed strategic priorities assume no new regulations or Minister's directions
- RPRA's CEO noted that the proposed strategic priorities emphasize cost-effectiveness and public reporting, two priorities identified by IAC members.

3. Outcomes of IAC Engagement with RPRA Board

- RPRA's CEO provided a summary of feedback from the IAC delegation during May 19, 2022 engagement with the RPRA Board and confirmed accuracy with Council members
- RPRA staff provided responses to IAC concerns raised during the Board engagement, including:
 - Documenting and sharing how feedback provided by IAC is considered and incorporated into business plan, and rationale where feedback is not incorporated
 - Opportunities to reduce year to year fee variability and increase fee predictability as the programs and organization mature
 - Review of the operating reserve policy during the business planning period
 - Review of RPRA's use of discretion in compliance and enforcement decision-making
- A discussion was had about the cohesiveness of the Council
 - Council members clarified that although each Council member has different interests and perspectives based on material/program and point in transition, the Council members seek consensus when providing input and feedback on issues and present a cohesive voice for industry
- IAC member requested clarification on how RPRA manages program surpluses/deficits
 - RPRA staff explained that RPRA allocates a budget to each program before setting fees – fee rates are set to recover those budgets.
 - At the end of the year, there will inevitably be a gap between the revenues collected and what RPRA spent that year.
 - Surplus/deficit reconciliation occurs at the level of the program, not the individual producer
 - Program surplus/deficit amount is reconciled in following years, which has an immediate impact on the fee rate for each producer.
 - Flat fee-paying registrants are not impacted by this process
 - IAC member requested that this process be communicated more clearly and RPRA committed to including detail on this aspect of fee setting when communicating the 2022 Fee Rates this summer
- Staff explained RPRA's reserve policy which sets a maximum of up to 50% of operating budget, and noted that RPRA will be providing an update at the next Council meeting on an ongoing review of this policy
 - IAC member requested the current operating reserve level
 - RPRA staff provided that net assets currently consist of reserve balance less planned deficits, which totals 3.7 M, or 32% of operating expenses.
 - Staff highlighted that the reserve balance does not represent cash balances

- RPRA’s operating reserve is essential for day-to-day cash flow management because RPRA collects RRCEA registrant fees only once per year
- Information related to the operating reserve will be communicated within the financial statements of the 2021 Annual Report
- The role of the Registrar in interpreting regulations and use of discretion was discussed
 - RPRA staff clarified that:
 - The government makes the law, and RPRA, through the Registrar and other compliance team members with statutory powers, interprets the law as written. Issues with what was written in the legislation and regulations need to be addressed with the government
 - The Registrar and other compliance team members with statutory powers (Deputy Registrar and inspectors) are independent decision makers, independent of the ministry, RPRA Board and CEO
 - The compliance team interprets the law based on legal advice, government intent, history, along with other factors depending on the situation
 - The compliance team’s ability to apply discretion (or not) is based on the specifics of the case including impact on the market (risk-based compliance approach)
 - IAC member requested that the roles of the Registrar and the ministry be more clearly communicated to help stakeholders better understand which party to engage with depending on the issue

4. 2023-25 Business Plan

- RPRA staff reviewed the business planning process including assumptions that inform the development of the proposed strategic priorities
- SPAC member requested to review the draft business plan and provide feedback prior to Board approval
 - RPRA staff noted that this is not currently envisioned as part of the business planning process. Advisory Council members will have an opportunity to provide feedback on the proposed strategic priorities in May and then provide feedback on RPRA’s resourcing strategy when the Council meets again in July
- RPRA Staff presented proposed strategic priorities
 - IAC member requested clarity on strategic priority #3 (*Creating a level playing field for business and successful resource recovery outcomes for the province*), and whether this strategic priority is related to compliance or fee setting, or both RPRA staff clarified that a ‘level playing field’ does not mean that all businesses are treated the same – for example, small businesses pay different fees than large businesses, and the size of a business may be a factor in applying risk-based compliance plans. However, the goal of creating a level-playing field is that no business has an undue advantage in the market as a result of noncompliance.
 - Council member asked that this nuance be more clearly communicated in the final language of the strategic priority
- An IAC member requested that the term “value-for-money” be included in Strategic Priority #4 (*Building an accountable, transparent and sustainable organization*) in addition to Strategic Priority #2 (*Providing registrants with cost-effective registry services*)

5. Public Reporting

- RPRA staff reviewed the organization’s public reporting mandate, the types of information submitted to the authority as required by each regulation and the timing of receipt of the information
- RPRA staff reviewed the Authority’s proposal for public reporting on resource recovery data and compliance activities
- RPRA staff clarified that registrant data informing public reporting is required to be collected under the RRCEA and that no additional reporting will be required – it would not add any additional work for any registrant
- IAC member requested clarification on whether identifying information of registrants would be included in public reporting related to compliance activity and/or administrative penalty orders
 - RPRA staff explained that, under the RRCEA, RPRA must publish on its website all compliance orders and administrative penalty orders when they occur
 - RPRA proposes to publish additional information on annual basis showing the number of compliance cases it opened and closed during the year and other compliance activities

6. Closing and Next Steps

- RPRA staff outlined next steps in the Business Planning process and noted the IAC would be engaged again in July on the Authority’s 2023 budget and 2024 and 2025 forecasts before the Business Plan is finalized in September
- Feedback received from Council members on the proposed strategic priorities will be reviewed during next Council meeting including sharing how feedback provided was considered and incorporated into final strategic priorities
- The CEO and IAC Co-Chairs thanked the members for their participation and feedback and to give additional thought to the questions that were presented