

<b>Date:</b> Nov 7, 2022	<b>Time:</b> 3:00pm – 4:30pm
<b>IAC Co-Chairs:</b> Carol Hochu, Tom Wright	<b>IAC Secretary:</b> Cameron Parrack
<p><b>Attendees:</b></p> <p><u>Industry Council Members:</u>          Andrew Mackinnon, Global Automakers of Canada          Carol Hochu, Tire and Rubber Association of Canada          Cherith Sinasac, Electro Federation Canada          Julie Kwiecinski, Canadian Federation of Independent Business          Gordon Cameron, Ontario Community Newspaper Association          Shane Buckingham, Canadian Beverage Association          Simon Kinsman, Canadian Consumer Specialty Products Association          Michelle Saunders, Food, Health &amp; Consumer Products of Canada          Shelagh Kerr, Electronics Product Stewardship Canada          Stephen Gordon, National Electrical Manufacturers Association</p> <p><u>RPRA Staff:</u>          Frank Denton, Chief Executive Officer          Noah Gitterman, Chief of Strategic Initiatives 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          Stacey Bowman, Senior Resource Recovery Program Analyst</p> <p><u>RPRA Board:</u>          Tom Wright, RPRA Board Vice-Chair          Robert Poirier, RPRA Board Chair</p> <p><u>MECP Representative:</u>          Charles O’Hara, Resource Recovery Policy Branch          Jon Fox, Resource Recovery Policy Branch          Krista Friesen, Resource Recovery Policy Branch</p>	
<p><b>Regrets:</b>          Sebastian Prins, Retail Council of Canada          Paul Deegan, News Media Canada</p>	
<p><b>Recording Secretary:</b> Stacey Bowman, Senior Resource Recovery Program Analyst</p>	

**1. Introductions and Co-Chair’s Remarks**

- Welcome and opening remarks by the IAC Co-Chairs.

- Co-Chairs welcomed the new representatives from OCNA (Gordon Cameron) and NEMA (Stephen Gordon).

## 2. CEO's Remarks

- RPRA's CEO provided opening remarks, including proposing an approach for the IAC to engage with the Minister and RPRA Board, as described in the IAC ToR, which was supported by the Council members.
  - IAC Co-Chairs to write to the Minister requesting a meeting.
- RPRA's CEO updated the Council as to why the posting of RPRA's 2023 Business Plan was delayed
  - RPRA acknowledged that the delay in posting caused RPRA's 2023 program fees consultation to begin before the release of the final 2023 budget, contained in the Business Plan, and explained why this was unavoidable.

## 3. Review of Business Planning Process

- RPRA's CEO reviewed the business planning process, including highlighting the changes to the final Business Plan, budget and in response to feedback from MECP, RPRA's Advisory Councils, and the RPRA Board.

## 4. Review of 2023-2025 Business Plan

- RPRA staff led IAC members through final business plan including status of programs, strategic priorities, performance measures and final budget and forecasts.
- RPRA staff and various Council members engaged in a discussion about RPRA's performance measures, including areas for improvement.
- RPRA staff explained that it has been unable to find a single performance measure to indicate overall efficiency, but the Business Plan does include several measures that focus on the efficacy of RPRA operations. Staff indicated that it would continue to seek improvements to performance measures for next year.
- IAC member asked if RPRA plans to measure and report on program performance in terms of environmental outcomes of EPR, and if not, will this be the role of the ministry?
  - RPRA staff indicated that publicly reporting on regulatory outcomes is part of its mandate and is included in our 2023 strategic priorities and objectives.
  - Earlier in 2022, RPRA consulted with stakeholders on enhancing public reporting of resource recovery data and RPRA compliance activities and the resulting consultation report and a public report action plan will be published soon.
  - RPRA has begun to implement some of our plans for reporting already – including a dedicated public reporting webpage.
- IAC member expressed concern that RPRA's Business Plan does not include a performance measure specific to Value for Money (V4M), making it difficult to measure value provided to producers relative to the oversight fees they pay to RPRA.
  - RPRA staff clarified that RPRA was created to provide a public good to all Ontario residents, not specifically producers, by achieving compliance to meet the government's environmental objectives.
  - RPRA strives for as much transparency as possible in terms of how money is spent and the value those dollars are generating in terms of outcomes for the public good.
  - Earlier in 2022, RPRA conducted a review of the organization's performance measures, supported by an outside consultant, including comparing RPRA's

performance measures to other DAAs and comparable organizations. This review also included an attempt to find a VFM metric that makes sense for our organization. A number of new performance measures were developed as part of this review and included in the 2023 Business Plan. However, given our mandate, the review did not identify a stand-alone efficiency indicator that would directly measure VFM.

- The performance measures included in RPRA's 2023 Business Plan are similar to the kinds of measures the Auditor General might use to determine whether RPRA delivers VFM.
- RPRA remains receptive to suggestions from Council members on how to measure performance.
- An IAC member commented that RPRA's reporting process seems to be more complicated than it needs to be. A performance measure which tracks registry support response time broken down by pre-registration and post registration would be a helpful metric. Producers are concerned that RPRA focuses compliance resources on registering producers initially, but less resources are allocated to producers that are already registered but continue to require support.
- An IAC member suggested that the complex reporting process which causes an administrative burden on producers could be alleviated if RPRA collaborated with the PROs to streamline the process by working with PROs and enabling them to reduce RPRA's burden.
- IAC member noted the outcomes and impact anticipated with the shift to EPR, including lower costs to consumers due to the competitive marketplace, have yet to be realized.
- IAC member suggested that RPRA compare cost of delivery and environmental outcomes of RRCEA programs against other provincial stewardship programs
  - RPRA staff clarified that RPRA's KPIs measure the organization's performance, not the overall outcomes of the governments EPR policy
  - RPRA's public reporting seeks to measure outcomes of the government's policy. An assessment against other provinces would need to be initiated by the government
- IAC member noted that RPRA should seek opportunities to utilize the expertise of industry (producers, PROs and industry associations) when developing reporting guides and registry procedures.
- IAC member requested an explanation for the increase in RPRA's contingency reserve contribution compared to the 2022 budget.
  - RPRA staff clarified that the contingency reserve increased by \$300,000 to maintain the annual contribution at 5% of the total budget.
  - The Business Plan provides a projection of the contingency reserve. While the actual contribution will go up in 2023, the reserve balance at December 31, 2023 is forecasted to be 32% of the 2023 budgeted expenses, which is below the maximum threshold of 50% of RPRA's annual operating budget, as per RPRA's reserve policy.
- IAC member requested a program-by-program breakdown of the budget and financing.
  - RPRA committed to providing this information to the Council members
- IAC member asked for more detail on the 10-year amortization schedule for each registry, specifically if equal amounts are contributed to the overall registry cost in each year?

- RPRA staff clarified that the Business Plan does provide an overview of the forecasted debt-financing by registry and the Annual Report provides an overview of the historical cost of the registry builds.
- RPRA welcomes feedback on how to improve how the organization communicates this information in next years' Business Plan.
- IAC member requested information about the total cost of each registry
  - RPRA staff indicated that the notes to the financial statements of RPRA's Annual Report provide each registry's cost.

#### **5. IAC Feedback on Proposed 2023 RRCEA Program Fees**

- IAC members provided feedback on RPRA's fee methodology
- IAC member expressed concerned that weight is not a fair measure on which to base fees, noting that per registrant service delivery is similar, yet some producers pay a lot, and some pay a little. Suggested the adoption of tiered flat fees based on sales revenue.
- IAC member expressed support for a simplified fee-setting methodology (i.e., tiered flat fee by small, medium, and large producer categories)
- IAC member suggested that a metric to track fee predictability be considered as a future performance measure.
- IAC member suggested that RPRA communicate registration and fee schedule more effectively.
- IAC member expressed support for the \$2M revenue de minimis related to the Blue Box program to protect small businesses and for increasing the de minimis annually based on the rate of inflation.
  - RPRA staff clarified that adjusting the de minimis would require a regulatory amendment.

#### **6. Registrar's Update**

- IAC member made several suggestions to improve the accessibility of information on the RPRA website related to the new Lighting Program.
  - RPRA staff committed to following up with the Council member to receive further direct feedback on how to improve the Lighting Program webpage.
- IAC members requested clarity on verification process/requirements
  - RPRA staff clarified the process of establishing the verification requirements, which are statutory decisions made by the Registrar
  - RPRA staff clarified that a statutory decision is required when a section or sections of a regulation require interpretation. If a stakeholder disagrees with the statutory decision, there is an appeal process for those complaints.
  - RPRA encourages input from producers and stakeholders to better understand the impacts that decisions may have on industry.
  - RPRA seeks input from PROs, especially during reporting periods, to find ways to make the reporting process easy and efficient, but decisions on what is obligated is an independent statutory decision.
  - RPRA currently uses IFO/ISO/PRO guidance documents as a starting point when developing registry procedures and reporting guides. RPRA also considers the government's policy objectives and other jurisdictions' approaches when developing these support materials.
- IAC member asked if there is anything Blue Box producers can do now to prepare for July 2023.
  - RPRA provides resources that can help producers find and retain a PRO.

- Blue Box producers will need to prove that they are participating in a compliant collection system by July 2023 by, for example, signing up with a PRO.
- IAC member expressed the need for more communication from RPRA to the producers to reinforce compliance requirements, especially for the Blue Box Program.
- IAC member noted that the requirements of the verification procedures do not provide enough time between end of performance period and submission deadline and suggested that the verification submission deadline be moved from March to September.
- IAC member suggested the development of an audit schedule, requiring producers to submit data verification every four years instead of every year.
  - RPRA staff clarified that the regulations require verification for each calendar year for which supply is reported. RPRA's verification procedures are consulted on, and burden on producers is considered in their development.
- IAC member also noted that the onerous process of submitting verified data to apply reductions to a producer's management target is not reasonable, often costing more to verify than the benefit gained.
- IAC member expressed support for the adoption of a performance measure which tracks reporting errors identified as a result of data verification activities and the impact on program performance results.
  - RPRA staff thanked the IAC member for the suggestion and will consider exploring this potential performance measure.

#### **7. Co-Chair's Closing Remarks**

- IAC Co-Chairs thanked the Council members for their participation and feedback.