

## **Municipal Hazardous or Special Waste Program Plan Amendment**

On April 18, 2019, the Resource Productivity and Recovery Authority approved an amendment to the MHSW Program Plan that changes how common costs are allocated to MHSW material categories to determine steward costs.

MHSW common costs are administrative costs that are common to all materials and include steward registration and compliance management costs, material and supplier management costs, general program management costs and shared promotion and education costs. Prior to the amendment, common costs were allocated based on an 85/15 percentage cost sharing formula, with 85% of costs allocated in proportion to the direct costs of managing each material and 15% shared equally across MHSW material categories.

As a result of the amendment, 15% of the common costs are to be allocated in proportion to the number of stewards in each material category. 85% of the common costs will continue to be allocated in proportion to the direct cost of managing each material. The amendment applies retroactively to July 1, 2015.

The amendment allows for an allocation that recognizes the migration of stewards out of the Stewardship Ontario MHSW Program to become members of industry stewardship plans related to pesticides, fertilizers, solvents, paints and coatings, oil filters, oil containers and antifreeze, beginning in 2015. The amendment helps to ensure that common costs are not allocated to program materials with no remaining stewards and that program materials with shrinking numbers of stewards do not bear a disproportionate share of the cost. The *Waste Diversion Transition Act, 2016* requires that fees paid by a steward shall only be used for specified purposes, should fairly reflect the proportion of the cost that is attributable to the steward, and that stewards that become members of an approved industry stewardship plan are exempt from the requirement to pay stewardship fees to an industry funding organization.

It is expected that Stewardship Ontario will implement the amendment by adjusting existing MHSW category reserves.