

# Proposed 2025 fees for the Hazardous Waste Program registry

October 7, 2024



# About RPRA

The Resource Productivity and Recovery Authority (RPRA) is a regulator mandated by the Ontario government to:

1. Support the transition to a circular economy by winding up and transitioning legacy waste diversion programs under the *Waste Diversion Transition Act, 2016* (WDTA) and implementing a producer responsibility framework under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA)
2. Provide digital registration and reporting services for the province's Excess Soil and Hazardous Waste programs under the *Environmental Protection Act* (EPA), as directed by the Minister

As an administrative authority of the Government of Ontario, RPRA does not receive any government funding and funds its operations through fees charged to regulated parties to recover its costs to deliver its mandate.

# Proposal scope

- This proposal is provided for information, and to obtain feedback on proposed 2025 fees for users of RPRA's Hazardous Waste Program (HWP) registry.
- Fees are being proposed in advance of the calendar year in which they will apply.
- RPRA's 2025 budget, on which 2025 fees are based, has been finalized as part of the [2025 Business Plan](#).
- This presentation provides key financial information excerpted from the [2025 Business Plan](#) that will provide stakeholders with financial and contextual information to inform feedback.

# Mandate to implement the HWP registry

- In 2021, the Minister of the Environment, Conservation and Parks directed RPRA to:
  - Create a registry for reporting all information under Ontario's Hazardous Waste Program, including registering facilities and waste streams, on-site waste activities, and manifesting (no more paper manifests)
  - Set and collect fees to recover costs
  - Support registrants who report to the Hazardous Waste Program (HWP) Registry
- RPRA's HWP Registry replaced the legacy Hazardous Waste Information Network (HWIN) system, and includes an online reporting portal and electronic manifesting system, including a mobile app
- The Ministry of the Environment, Conservation and Parks (MECP) continues to oversee the Hazardous Waste Program and is responsible for compliance and enforcement activities. If you have questions about your requirements under the regulation, please contact the ministry at [HazardousWasteProgram@ontario.ca](mailto:HazardousWasteProgram@ontario.ca).
- The RPRA website has more information about the [HWP Registry](#), including FAQs, training materials and other information

# Consultation process

- RPRA's legislative framework requires RPRA to consult on proposed program fees for 45 days and post the final fees for 30 days before they come into effect.
- The consultation on proposed 2025 program fees began on **September 27** and ends on **November 12, 2024**.
- You can send feedback to [consultations@rpra.ca](mailto:consultations@rpra.ca) anytime until **November 12, 2024**.
- A recording of this webinar will be posted to the [consultation webpage](#) on RRPA's website following the webinar.
- The finalized 2025 program fees and a consultation report summarizing feedback received during the consultation and how RPRA considered that feedback will be posted to RPRA's website on or before **December 1st**, and stakeholders will be notified of the posting.
- For more information on the consultation process, visit RPRA's [consultation webpage](#).

# What do RPRA's HWP fees support?

RPRA's **HWP Registry fees** support the delivery of the HWP Registry, including the following:

- development and ongoing maintenance HWP registry
- operation of registry and the provision of support to registrants
- public reporting of registry data ([information about registered generators](#), and a [generator list](#) is now available on RPRA.ca, and full aggregated 2023 registry data will be posted in the coming weeks

**Fees to producers and registrants in all of RPRA's programs** (producer responsibility programs and the Excess Soil Registry program, as well as HWP) contribute collectively to fulfilling RPRA's full mandate, which consists of the following overarching deliverables:

- development and ongoing maintenance of registries
- operating registries and support to registrants
- compliance and enforcement of resource recovery requirements
- public reporting of registry data and RPRA's compliance activities
- oversight of the operation and wind up of legacy waste diversion programs and industry funding organizations under the Waste Diversion Transition Act (WDTA)

# RPRA's strategic goals

RPRA's overall budget is driven by its strategic goals:

- **Accessible registry services that provide value to registrants**
- **Effective enforcement that supports waste reduction and a healthy resource recovery sector**
- **Public information about resource recovery, waste and RPRA activities that is useful and trusted**
- **A connected culture where employees can grow and do meaningful work**
- **Robust internal systems and processes that remain innovative and adaptable to change**

# Select new 2025 planned activities supported by RPRA fees

The full list of RPRA's key new planned activities for 2025 is published in the 2025 business plan. A selection of activities is summarized below:

- Finalize and implement a registry service delivery model, including proposed service standards
- Improve the efficiency of RPRA's billing and payment processes
- Develop and launch new public-facing website about Ontario's circular economy

The noted new activities are in addition to ongoing improvements to day-to-day service delivery across all our departments, including registrant support, data analytics, finance, and IT.



# RPRA's approach to fee setting

RPRA's [General Fee Setting Policy](#) provides guidance for setting fees.

There are four main steps to determining program fees:

1. Annual budget setting
2. Allocation of costs to individual programs
3. Subtraction or addition of programs' prior year surplus or deficit
4. Application of each program's fee model

For more information about RPRA's approach to fee setting, visit the [fees webpage](#) on the RPRA website.

# RPRA's cost allocation methodology

The cost allocation methodology distributes RPRA's annual total cost recovery target between programs to fairly recover costs related to each program, and to avoid registrants from any one program subsidizing the costs of another program.

RPRA's cost allocation methodology divides the organization's overall costs into two categories:

- **Direct costs** are attributable to a specific program, including registry amortization and interest, registry foundational costs and interest, professional fees, and certain IT and registry-related expenses.
- **Common costs** cannot be directly attributed to a program as they are either indirect costs or shared service costs. Common costs are divided up among the programs using key cost drivers, such as number or registrants (for HWP and excess soil registries) or number of producers (producer responsibility programs)
  - **Indirect costs** include board remuneration, non-registry amortization, leadership and certain administrative salaries, and office supplies
  - **Shared service costs** include staff salaries and benefits, IT services and support, and software licenses.

Annual contribution to RPRA's contingency reserve is allocated to each program based on the program's share of total budgeted cost recoveries.

# Fee revenue sources

The RRCEA and WDTA allow RPRA to set and collect fees to recover its costs. Fee revenues come from three sources:

## 1. Producer responsibility program registrants

Fees to producers that are required to register and report to RPRA under the RRCEA regulations.

## 2. Excess Soil and Hazardous Waste program registrants

Fees to parties obligated to register and report through RPRA's Excess Soil and Hazardous Waste Program (HWP) registries. The Ministry of the Environment, Conservation and Parks is responsible for compliance activities related to these programs.

## 3. *Waste Diversion and Transition Act, 2016 (WDTA) programs*

Monthly cost recovery charges to industry funding organizations.

# 2025 budget, program cost recovery targets, and surplus/deficit applications



# 2025 budgeted revenue requirement excluding surplus or deficit adjustments

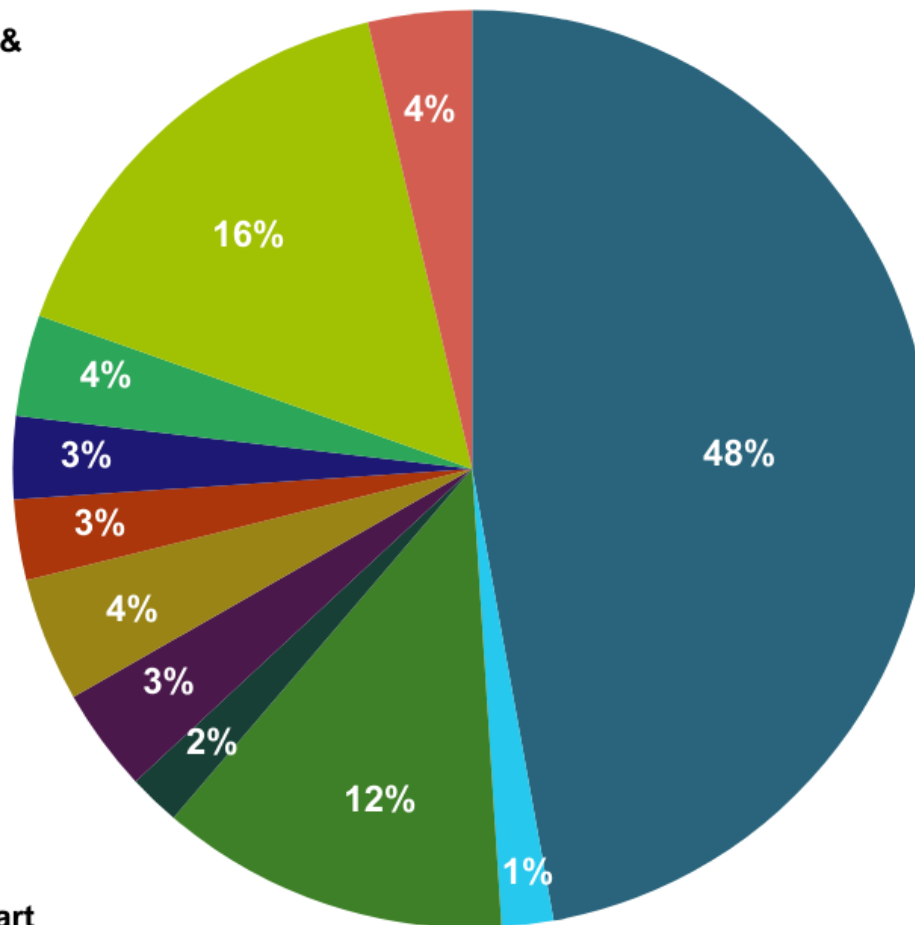
Program allocations	2024 budgeted revenue requirement	2025 budgeted revenue requirement	Notes
Producer responsibility programs (tires, batteries, electronics, hazardous and special waste (HSP), lighting, Blue Box materials)	\$15.2 M	\$16.8 M	The increase in cost recovery targets for registry programs reflects the increased resourcing costs for service and administration of the registry, increased resources to support compliance and enforcement activities, and required technology investments.  The Blue Box program needs have driven \$1.2M of \$1.4M increase in the producer responsibility program increase.
Excess soil and hazardous waste registry programs	\$8.9 M	\$9.1 M	
<b>Sub-total – registry programs</b>	<b>\$24.1 M</b>	<b>\$25.9 M</b>	
WDTA programs	\$1.7 M	\$1.3 M	Cost recovery target for WDTA programs will eventually reach zero in future years, once all programs are fully wound-up.
<b>Total RPRA Budget</b>	<b>\$25.8M</b>	<b>\$27.2M</b>	RPRA's budget increased by 5% compared to the 2024 budget – in line with the 2025 forecast published in <a href="#">RPRA's 2024 business plan</a> .

# RPRA's 2025 Budget – 2025 Business Plan

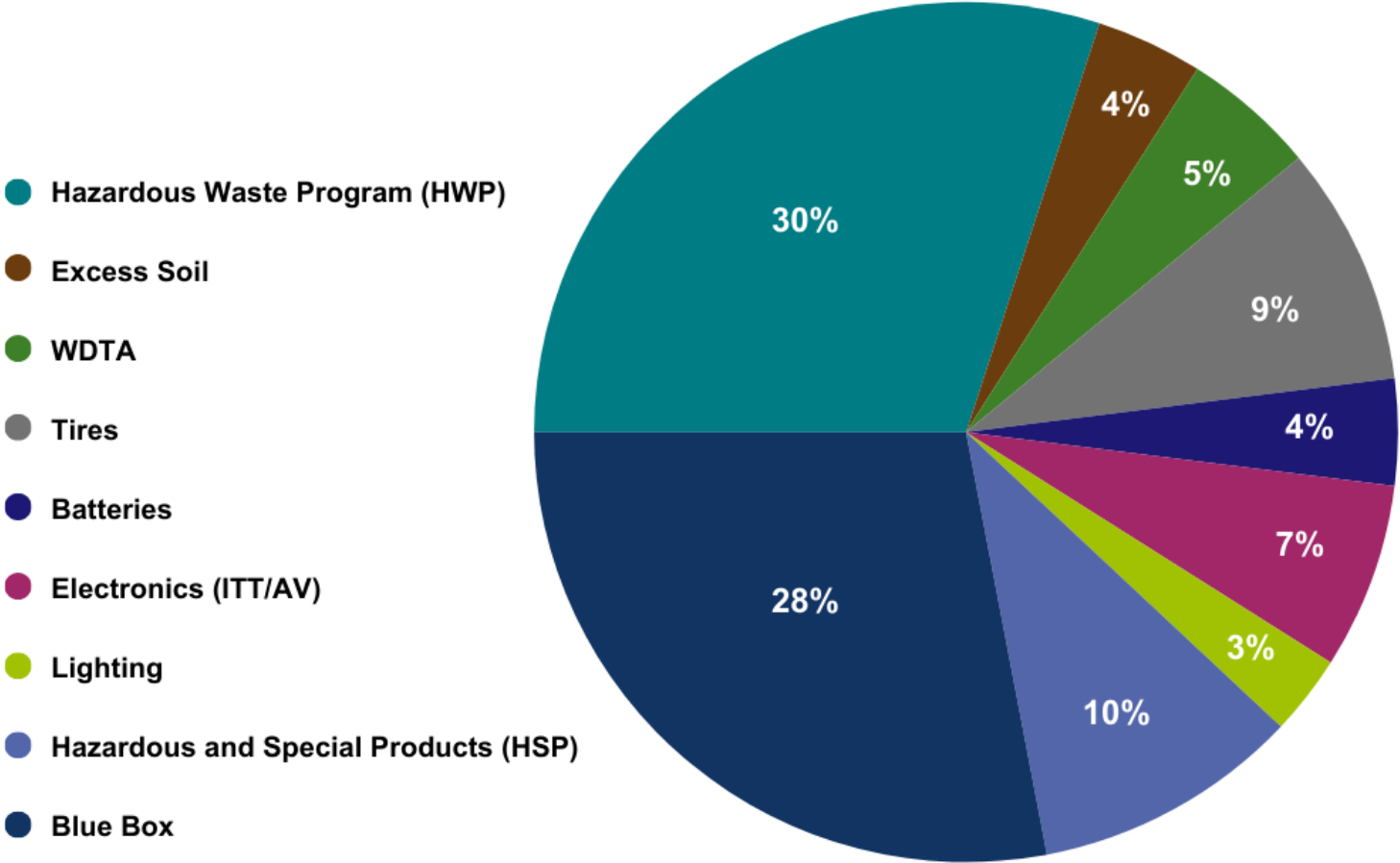
	2024 Business Plan	2025 Business Plan
In Millions \$	2024 Budget	2025 Budget
<b>Revenues</b>		
Cost recovery	24.6	26.1
Recovery of reserve contribution	1.2	1.0
Recovery of start-up costs	0.1	0.1
Interest income	-	0.2
Recovery of prior year's expenses	0.5	0.3
<b>Total Revenues</b>	<b>26.4</b>	<b>27.8</b>
<b>Expenses - Direct, Indirect and Shared</b>		
Salaries and benefits	11.5	12.9
Communications, data analytics & stakeholder engagement	0.4	0.3
Amortization	3.3	3.4
Board compensation and related expenses	0.5	0.5
Rent	0.9	0.9
Interest	1.4	1.2
Other operating	0.7	0.8
Professional fees	1.1	1.0
Compliance and registry support	0.8	0.8
Registry and IT	4.0	4.4
<b>Total Expenses</b>	<b>24.6</b>	<b>26.1</b>
<b>Excess of Revenues over Expenses</b>	<b>1.8</b>	<b>1.6</b>
<b>Total Expenses</b>	24.6	26.1
Reserve recovery and RRCEA start up recovery (add to total expenses)	1.3	1.1
<b>Total Revenue Requirement (including contribution to reserve and RRCEA start up deficit)</b>	<b>25.8</b>	<b>27.2</b>

# 2025 budget breakdown

- Salaries and benefits
- Communications, data analytics & stakeholder engagement
- Amortization
- Board compensation and related expenses
- Rent
- Interest
- Other operations
- Compliance and support
- Professional fees
- Registry and IT
- Reserve recovery and RRCEA start up recovery



# 2025 program cost allocations



62% - producer responsibility programs

33%- Excess soil and HWP registries

5% - WDTA



# Application of program surplus or deficit

- Program surpluses or deficits occur when annual revenue for a program (the amount of fees collected from registrants) exceeds or falls short of the program's cost recovery target.
- Surpluses and deficits for each program are applied to the cost recovery target two years after they occur and may be applied over the span of one or more years, with a goal of minimizing annual fee fluctuations for the program.

## 2025 revenue requirement by program including surplus-deficit

Program	2024 recovery target	2025 program allocation	2025 recovery of prior year deficit / (refund of prior year surplus)	2025 Recovery Target
Tires	\$2,327,721	\$2,490,919	\$(94,715)	\$2,396,204
Batteries & ITT/AV	\$2,558,286	\$3,080,626	\$(617,382)	\$2,463,244
Lighting	\$1,220,322	\$920,965	\$ - *	\$920,965
HSP	\$2,569,089	\$2,559,771	\$ - *	\$2,559,771
Blue Box	\$5,922,070	\$7,721,814	\$(917,523)	\$6,804,291
Excess Soil	\$1,752,915	\$1,138,659	\$793,756	\$1,932,415
<b>HWP</b>	<b>\$8,331,344</b>	<b>\$8,012,790</b>	<b>\$318,242</b>	<b>\$8,331,031</b>

\* No program surplus or deficit amount applied to the recovery target of these programs in 2025

## Breakdown of the HWP revenue requirement

HWP	
Direct costs	\$1.82M
Indirect and Shared costs	\$5.89M
Reserves and Start-up recovery	\$0.3M
Recovery of prior year costs	\$0.32M
<b>Total revenue requirement</b>	<b>\$8.33M</b>

# Proposed 2025 RPRA HWP fees



# 2025 HWP fees proposed for consultation

Description	Proposed 2025 fee	2024 Fee	Change
Hazardous waste *Excludes waste exempted from tonnage fees per the Subject Waste Regulation under the RRCEA	Variable - \$30/tonne	Variable - \$30/tonne	0%
Manifest *Excludes waste exempted from manifest fees as per the Subject Waste regulation under the RRCEA	Flat - \$6	Flat - \$6	0%

- Fee structure is unchanged from 2024
- Program allocation to HWP is increasing by 3% compared to 2024, but a reduction in the deficit recovery from prior years is resulting in no change to fee rates for 2025



# Breakdown of proposed year-over-year HWP fee change

HWP	
Factors affecting fee rate	% change in fee rate
Increase in 2025 program allocation	2.9%
Supply volume increase	0%
Change in deficit recovery from prior year	-2.9%
Manifest fee increase	0%
<b>Total increase in HWP 2025 Fee</b>	<b>0%</b>

# Feedback

- If you have questions about the proposal or would like to discuss it in more detail, email us at [consultations@rpra.ca](mailto:consultations@rpra.ca).
- All feedback received will be considered in our decision-making process for setting the fee rates.
- The finalized 2025 program fees and a consultation report summarizing feedback received during the consultation and how RPRA considered that feedback will be posted to RPRA's website on or before **December 1st**, and stakeholders will be notified of the posting.
- **Email your feedback to [consultations@rpra.ca](mailto:consultations@rpra.ca) on or before November 12, 2024**