

INTRODUCTION

This Fee Setting Methodology sets out the methodology the Resource Productivity and Recovery Authority (the Authority) uses in setting fees for those who are obligated to register with the Authority under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) or other Acts. It has been designed based on the objectives, principles and rules set out in the General Fee Setting Policy [link].

BACKGROUND

The Authority was continued from the former Waste Diversion Ontario on November 30, 2016 with the proclamation of the [Resource Recovery and Circular Economy Act, 2016 \(RRCEA\)](#) and the [Waste Diversion Transition Act, 2016 \(WDTA\)](#), both enacted by the [Waste-Free Ontario Act, 2016 \(WFOA\)](#).

The RRCEA sets out the new individual producer responsibility framework while the WDTA sets out requirements for the ongoing operation of existing waste diversion programs and outlines the process for their eventual wind up along with their associated industry funding organization¹ (IFO).

The Authority is a not-for profit, non-Crown organization with responsibilities related to the government's efforts to advance a circular economy and achieve a waste-free Ontario as outlined in the [Strategy for a Waste-Free Ontario: Building the Circular Economy](#). These responsibilities include developing and operating an electronic registry to effectively monitor producer performance, as well as oversight of programs under the WDTA and compliance of obligated parties under both the WDTA and the RRCEA.

As an administrative authority established by the Government of Ontario, the Authority does not receive government funding. Under the RRCEA's individual producer responsibility framework, the Authority will recover its costs through registration fees paid by responsible parties (e.g., brand holders) and other regulated parties (e.g., service providers). Under the WDTA, the Authority recovers its oversight costs from the IFOs and industry stewardship organizations² (ISOs) that, in turn, recover the costs as fees received from stewards.

Section 41 of the RRCEA gives the Authority the ability to set and collect fees, costs or other charges to recover costs related to the exercise of its mandate. Before the Authority can establish or amend fees and charges, it is required under the RRCEA to consult with stakeholders. The Authority must also post any fee or charge proposal on its website for

¹ Ontario regulates three IFOs: Stewardship Ontario, Ontario Tire Stewardship and Ontario Electronic Stewardship

² Product Care Association; Automotive Materials Stewardship; SodaStream

public comment for at least 45 days. Following public consultation, the fee or charge must be posted on the Authority's website, along with a description of how the Authority considered public comments in determining the final fee or charge. The fee or charge comes into effect 30 days after its publication or on a later date specified by the Authority.

REGISTRATION FEE SETTING METHODOLOGY

To set fees for those who are obligated to register with the Authority under the RRCEA or other Acts, the Authority will:

1. Allocate RRCEA expenses by
 - a. Type of material
 - b. Type of obligated party
2. Select a fee setting option (e.g. fixed vs. variable)

Step 1a recognizes that the government's Strategy for a Waste-Free Ontario anticipates the transition of all materials currently managed under the Waste Diversion Transition Act, 2016 and designation of additional materials under the RRCEA or other Acts. Step 1a also recognizes that costs may vary based on the material. Under Step 1 a, RRCEA costs will be allocated to each designated material.

Step 1b recognizes that costs may vary based on whether the material is designated under a producer-based regulation or a generator-based regulation. Step 1b also recognizes that the Authority's costs will vary based on the number of compliance elements associated with an obligated party (e.g. producers have more compliance elements than other obligated parties).

Step 2 recognizes that the basis for fees (fixed vs. variable) may vary by type of obligated party to reflect information available, size and efficient management of the Authority's associated costs.

Registration Fee Payment Timeline

During registration a party's fee will be automatically calculated by the Registry using the Fee Setting Methodology above. Fees will be due on or before the Registration date identified in regulation.

Producer fees will be paid directly by the producer during the initial registration process. During annual renewals, producer fees can be paid directly by the producer or by the producer's Producer Responsibility Organization (PRO) if the producer has delegated this responsibility to the PRO during the initial registration process. Fees due from obligated parties during the initial and subsequent registrations (i.e., collectors, haulers and processors) may be paid directly to RPPRA or by a PRO.

Registration Fee Review Timeline

For the foreseeable future, it is proposed that, consistent with the draft General Fee Setting Policy, fees will be reviewed on an annual basis. Once the number of obligated parties is considered to be relatively stable, RPRA will consider a different fee review timeline.

OTHER CHARGES AND FEES

Cost Recovery Charges

RPRA will also levy a number of other charges such as:

- Credit card charges to recover the costs charged by the credit card company
- Salesforce Community Plus user licence costs from PROs based on their requirements at \$15 per month per licence
- Ministry costs associated with Environmental Review Tribunal hearings resulting from the appeal of compliance orders and administrative penalty orders
- Prosecution costs

Late Payment Fee

RPRA will charge a monthly 1.5% late payment fee as a percentage of the fee value.