

## 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 organization<sup>1</sup> (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 organizations<sup>2</sup> (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

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<sup>1</sup> Ontario regulates three IFOs: Stewardship Ontario, Ontario Tire Stewardship and Ontario Electronic Stewardship

<sup>2</sup> 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 FEES FOR PARTIES OBLIGATED BY TIRE REGULATION

The following fees have been calculated using the Fee Setting Methodolgy [link] to recover the Authority’s 2018 expenses of \$1.7M associated with the RRCEA.

1. a) Allocate RRCEA expenses by type of material
  - As tires is the only obligated material under the RRCEA in 2018 it is responsible for 100% of the Authority’s 2018 RRCEA expenses
- b) Allocate RRCEA expenses by obligated party
  - Based on rule # 3 in the General Fee Setting Policy<sup>3</sup>, costs are split 75:25 between producers and other obligated parties
    - i. Tire producers are responsible for \$1.275M
    - ii. Other obligated parties are responsible for \$0.425M
2. Select a fee setting option
  - Tire producers
    - i. who supply 999 tires or less will be charged a flat rate
    - ii. who supply 1,000 tires or more will be charged a variable fee based on \$/unit supplied
  - Other obligated parties will be charged a flat fee that will differ by service grouping

The proposed fees resulting from the application of the Fee Setting Methodolgy are:

Producers		Obligated Parties	
Tires Supplied	Fee	Service Group	Fee
0-999	\$75	PRO	\$5,000
1000+	\$0.11/unit supplied	Collector	\$50
		Hauler	\$1,000
		Processor	\$2,000
<b>Total Revenue Required</b>	<b>\$1.275M</b>	<b>Total Revenue Required</b>	<b>\$0.425M</b>

<sup>3</sup> Rule # 3: Under producer responsibility, annual costs are split 75:25 between producers and other obligated parties on the basis that producers drive more compliance effort than other parties (see table below)

Producers	Other Obligated Parties
Reporting	Reporting
Collection	
Management	
Promotion and education	
Performance	

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## 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 RPRA or by a PRO.

## OTHER CHARGES AND FEES

### Cost Recovery Charges

Separate from fees charged upon registration, RPRA will also levy a number of other fees and charges including user fees and compliance 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.