



# 2019 RRCEA Fees Consultation

November 20, 2018

# Agenda

1. Welcome
2. Background
  - About the Authority
  - Authority's 2019 budget
  - Purpose of RRCEA fees
  - How the Authority sets fees
3. Proposed 2019 Fees
  - Rationale
4. Next Steps

# Asking Questions

01/29/2018 10:00 AM EST

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## Questions and Answers

**Question** : test

Answer pending

Type a question and press 'Enter'.

To ask a question at any time during the presentation or for technical assistance, type your question in the text box and press "Enter".



**RPRA** Resource Productivity  
& Recovery Authority

# About the Authority

- Regulatory body created by the Ontario government in November 2016
- Enforces the requirements of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WTDA)
  - RRCEA establishes a new regime where producers are accountable for their products and packaging, recovering resources, and reducing waste
  - WTDA allows for the continuation of waste diversion programs and sets out provisions to wind up those programs as directed by the Minister of the Environment
- The Authority is **not** replacing Ontario Tire Stewardship or other industry funding organizations. We will not:
  - contract with producers and service providers
  - collect money from producers to pay service providers
  - pay incentives

# The Authority's Finances

- The Authority is a not-for-profit organization and does not receive any government funding
- WDTA and RRCEA allow the Authority to set and collect fees to recover its costs
- Revenues come from two sources:
  - **WDTA:** Charges to industry funding organizations and industry stewardship organizations for the Authority's oversight of programs
  - **RRCEA:** Charges to parties required to register or report to the Authority to cover the development and operation of the Registry, and compliance and enforcement costs

# Authority's 2019 Budget

In Millions	Budget 2018	Forecast 2018	Draft Budget 2019
<b>Revenues</b>			
Cost recovery	\$ 8.31	\$ 6.61	\$ 8.39
Reserve contribution	\$ 0.60	\$ 0.60	\$ 0.60
Other	\$ -	\$ 0.55	\$ (0.55)
<b>Total Revenues</b>	<b>\$ 8.91</b>	<b>\$ 7.75</b>	<b>\$ 8.45</b>
<b>Core Activities</b>			
Payroll <sup>1</sup>	\$ 3.40	\$ 3.10	\$ 3.67
Communications and consultants	\$ 0.37	\$ 0.20	\$ 0.27
Office and other expenses <sup>2</sup>	\$ 1.26	\$ 1.29	\$ 1.51
Professional Fees to support activities <sup>3</sup>	\$ 0.88	\$ 0.65	\$ 0.92
<b>Sub-Total Core Activities</b>	<b>\$ 5.92</b>	<b>\$ 5.25</b>	<b>\$ 6.36</b>
<b>Other Activities</b>			
Registry expenses <sup>4</sup>	\$ 2.39	\$ 1.36	\$ 2.03
Reserve contribution <sup>5</sup>	\$ 0.60	\$ 1.15	\$ 0.05
<b>Total All Activities <sup>6</sup></b>	<b>\$ 8.91</b>	<b>\$ 7.75</b>	<b>\$ 8.45</b>
RRCEA	\$ 1.73	\$ 1.73	\$ 1.75
WDTA	\$ 7.18	\$ 6.03	\$ 6.70

# Purpose of RRCEA Fees

- RRCEA fees are fees that registered parties pay each year to the Authority
  - 2019 RRCEA budget is \$1.75 million
  - Only the tires sector will pay RRCEA fees in 2019
- RRCEA fees cover the Authority's costs to:
  - Develop and operate the Registry
  - Carry out compliance and enforcement activities
- Costs, fees, charges, etc. related to tire recycling operations (e.g. paying haulers) are business-to-business decisions separate from the Authority's fees

# Setting Fees

- During the development of the 2018 Fees, the Authority developed and consulted on the following documents to guide the annual fee setting process

## General Fee Setting Policy

- Describes the objectives and rules for setting fees

## Fee Setting Methodology

- Outlines the methodology the Authority uses to set fees
- Consultation and notice periods
  - The Authority must consult on proposed fees for at least 45 days
  - Fees must be posted to the Authority's website for at least 30 days before they take effect

# Setting Fees

## Objectives:

- Transparent fee setting process
- Fees, costs and other charges are reasonable and reflect costs incurred by the Authority
- Long-term financial sustainability of the Authority
- Fee predictability for regulated parties

# Setting Fees

## General Fee Setting Policy- Rules:

1. **No proration** – Fees charged are for the calendar year in which the fees are paid
2. **No in year adjustments** – Any adjustment required will be reflected in the calculation of fees for the next calendar year
3. **Fees apply to each material** (e.g. a producer of tires and WEEE will pay two fees)
4. **Producer responsibility** - Annual costs are borne primarily by the responsible parties – the producers and their PROs
5. **Flat and variable fees**
  - PROs will pay a flat fee
  - Producer fees will be variable above a minimum threshold and fixed below the threshold

# Setting Fees

## Methodology

- To set fees for those who are obligated to register or report to the Authority under the RRCEA, the Authority will:
  1. Allocate RRCEA expenses by:
    - a. Type of designated material
    - b. Type of regulated party
  2. Select a fee setting option (e.g. fixed vs. variable)

# Questions about the Authority's mandate, RRCEA fees or how fees are set?

# Proposed 2019 Fees

Registrant	2018 Fees	2019 Fees
Producer- 0-999 tires supplied	\$75 flat fee	\$75 flat fee
Producer- 1000+ tires supplied	\$0.14/tire supplied*	\$0.14/tire supplied*
Service providers (collectors, haulers, retreaders, processors)	No fee	No fee
Producer responsibility organization (PRO)	\$5000 flat fee plus Registry license fees	\$7500 flat fee (\$5000 registration fee + Registry license fee)

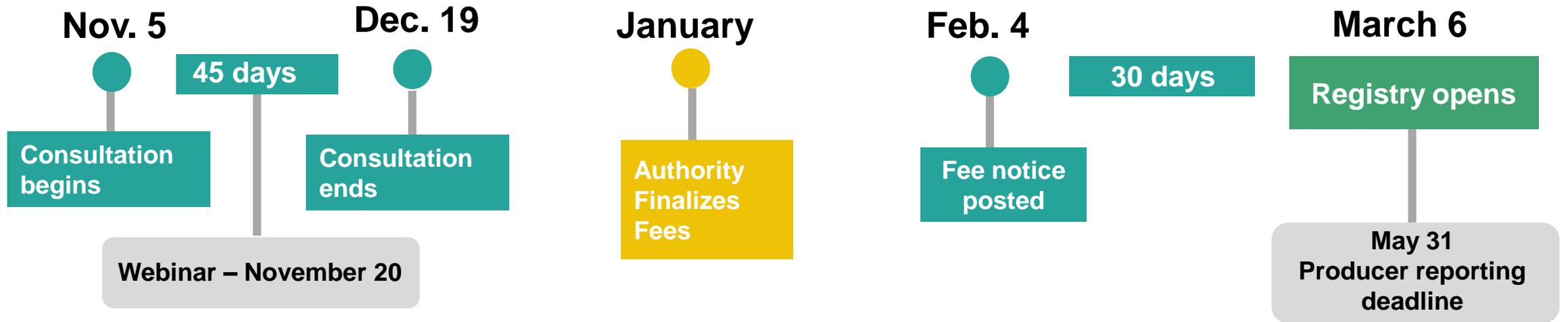
\*The number of tires supplied is based on a rolling average of three years of data required to be submitted by producers under the Tires Regulation.

# Fee Stability for 2019

- Registrants are still familiarizing themselves with the Authority's regulatory role
  - For 2019, the Authority is avoiding significant changes to fees or the methodology
- The Authority is projecting a surplus of 2018 RRCEA fees over expenses
  - 2018 surplus will be applied as a credit to 2019 fees
  - As a result, no increase in 2019
- Change to PRO fee is to reduce the administrative burden of paying two separate fees
  - Proposal is a consolidated flat fee that includes unlimited software licenses

**Comments on the proposed fees?  
Questions about the Authority's rationale?**

# Timeline



# Next Steps

- You may provide your feedback on the proposed fees by:
  - Completing a [survey](#) that will be emailed to you after this webinar
  - Emailing your comments to [consultations@rpra.ca](mailto:consultations@rpra.ca). Use the subject line “2019 RRCEA Fees”
- Feedback is due by **December 19, 2018**
- Feedback from the consultation is recorded and will be summarized in a report that will be available on the Authority’s website

The image features a large stack of used tires, showing various tread patterns and signs of wear. A semi-transparent white rectangular overlay covers the left portion of the image. Centered within this white area is the text "Thank you" in a bold, dark green, sans-serif font.

**Thank you**