



**RPRA**

Resource Productivity  
& Recovery Authority

Business Plan

**2023**



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## Our Vision and Mission

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**Vision:** A circular economy today for a waste-free tomorrow.

**Mission:** Support compliance with individual producer responsibility through education and enforcement to foster Ontario's circular economy, spur innovation, and protect the environment.

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## 01 Glossary

### Key acronyms

<b>EEE</b>	Electrical and Electronic Equipment	<b>OES</b>	Ontario Electronic Stewardship
<b>EPA</b>	Environmental Protection Act	<b>OTS</b>	Ontario Tire Stewardship
<b>EPR</b>	Extended Producer Responsibility	<b>PRO</b>	Producer Responsibility Organization
<b>FTE</b>	Full Time Equivalent	<b>RPRA</b>	Resource Productivity & Recovery Authority
<b>HSP</b>	Hazardous and Special Products	<b>RRCEA</b>	<i>Resource Recovery and Circular Economy Act, 2016</i>
<b>HWP</b>	Hazardous Waste Program	<b>SPAC</b>	Service Provider Advisory Council
<b>IFO</b>	Industry Funding Organization	<b>UTP</b>	Used Tires Program
<b>IAC</b>	Industry Advisory Council	<b>WDTA</b>	<i>Waste Diversion Transition Act, 2016</i>
<b>ITT/AV</b>	Information technology and telecommunications/audio-visual equipment	<b>WEEE</b>	Waste Electrical and Electronic Equipment
<b>MHSW</b>	Municipal Hazardous or Special Waste	<b>WFOA</b>	<i>Waste-Free Ontario Act, 2016</i>

## 02 Introduction

# Advancing Ontario's circular economy and digital reporting about Ontario's waste

This is RPRA's seventh business plan since it was established on November 30, 2016, with the proclamation of the *Waste-Free Ontario Act, 2016* (WFOA). This plan sets out RPRA's strategic priorities, objectives and performance measures, as well as key activities planned and the human and financial resources it will need to deliver on its mandate from 2023 to 2025. The activities described in this plan derive solely from RPRA's statutory mandate and the directions received to date from the Minister of the Environment, Conservation and Parks (the Minister).

RPRA's mandate is twofold. First, RPRA is Ontario's regulator for the circular economy with a mission to implement an innovative extended producer responsibility (EPR) framework for provincial resource recovery programs for the following six material groups: tires; batteries; information technology, telecommunications and audio visual equipment (ITT/AV); lighting; hazardous and special products (HSP); and Blue Box materials. Second, RPRA has been directed to build and operate new registries for Ontario's reporting and tracking programs for excess soil and industrial and liquid hazardous waste.

RPRA's activities are focused on four strategic priorities:

### **1. Providing registrants with accessible and easy-to-use registry services**

Every program RPRA operates relies on an online registry to facilitate mandatory reporting by registrants.

### **2. Delivering an effective compliance program to help achieve resource recovery and waste reduction outcomes for the province**

The waste diversion outcomes embedded in the EPR framework and accompanying regulations depend on an effective and efficient compliance program to hold the regulated community accountable.

### **3. Providing Ontario with reliable and useful resource recovery and waste information**

RPRA is mandated to report publicly on registry data, and registrants and the public expect RPRA

RPRA is Ontario's regulator for the circular economy with a mission to implement an effective extended producer responsibility framework for provincial resource recovery programs, and operate user-friendly reporting services to track the movement of hazardous waste and excess soil.

to publish reliable and useful information about our programs.

### **4. Building an accountable, transparent and sustainable organization that achieves value for money**

The government and stakeholders expect that RPRA will operate in a transparent and fiscally responsible manner and continue to invest in organizational improvements to achieve service delivery and regulatory outcomes.

All of the programs RPRA administers on behalf of the government require our regulated community to implement substantial change that impacts how registrants run their businesses. As a result, RPRA has focused on making it easier for registrants to accomplish their reporting obligations through the registry, and helping them to meet their compliance obligations. By lightening regulatory burdens on registrants and assisting them with understanding their new obligations, RPRA can effectively facilitate

## 02 Introduction

resource recovery and waste reporting outcomes for the province.

RPRAs major activities include:

- Directly interacting with registrants and other stakeholders, including municipalities and First Nations communities impacted by our EPR and reporting service programs;
- Building, maintaining, and enhancing user-friendly registry portals;
- Reporting publicly on registry data for all programs, both for the public at large and to help registrants meet their obligations; and
- Delivering a best-in-class compliance program for EPR programs with a focus on achieving accountability through outreach, education, clear communication and, where necessary, enforcement.

To meet the expectations of registrants, government, and the public, and to deliver on its priorities, the budget and forecasts presented in this business plan include new investments that were not forecasted in previous business plans. The new investments are concentrated in the following two areas:

### Front-line staff

RPRAs is planning for nine additional front-line staff in 2023 compared to the forecast published in our 2022 Business Plan. These new staff will allow RPRAs to service the significant growth in the number of registrants because of the launch of new programs; respond more quickly to queries; clear existing backlogs; and focus appropriately on compliance and enforcement work that is necessary to support a fair marketplace and achieve resource recovery objectives. Providing more front-line staff will help reduce burden on the regulated communities we serve by providing live support for registrants who have questions about their requirements or how the registry operates, and helping registrants avoid mistakes and omissions in registration and reporting. It will also help RPRAs better serve the wide range of service providers, municipalities, and First Nations communities that are impacted by the programs we deliver.

### IT support

RPRAs is planning for additional ongoing investments in IT support and infrastructure to ensure accessible, reliable, and secure registry operations. Investments will be

made in licensing and software, security improvements, and an enlarged managed services team to implement ongoing enhancements, updates, releases, and fixes to the system across all programs. Expectations relating to security and reliability are high; the number and complexity of registry portals has grown substantially over the past year and will be increasing through the end of 2022; and the volume demands on the system will grow exponentially in 2023. At the same time, registrants want portals to remain accessible and easy to use. These investments will help maintain and improve the usability of the system overall, ultimately making it easier for registrants to meet their reporting requirements.

RPRAs mandate and size have grown together over the last five years, with growth accelerating over the past year as we began implementing four new programs: the Hazardous and Special Products (HSP) and Blue Box EPR programs, and the Excess Soil and the Hazardous Waste Program (HWP) registries. Since publishing our 2022 Business Plan, RPRAs has learned more about the requirements of the programs it delivers, the needs of its registrants, the demands of the registry system, and the expectations from government, stakeholders, and the public. The new investments described above will help ensure that RPRAs provides the support its registrants need to fulfill their regulatory requirements without undue burden, and that the government's regulatory outcomes are achieved.

RPRAs success in helping the province advance a circular economy and achieve better reporting on waste activities depends on listening to and collaborating with our regulated community, the broader waste management sector, municipalities, First Nations communities, and the ministry. RPRAs will continue to minimize burden and costs for all registrants while working closely with all parties to ensure that our activities enhance registrants' abilities to understand, adapt to and comply with regulatory requirements.

As an organization entirely funded by fees paid by regulated parties, RPRAs is committed to minimizing expenditures and administrative burden, while effectively delivering its legislated mandate.

## 03 Overview of Programs

# Registry, compliance and reporting service programs

### **Resource recovery programs under the RRCEA and WDTA**

The WFOA is comprised of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WDTA). Together these acts outline a regulatory framework for transforming recycling in Ontario. Materials managed under Ontario's four legacy waste diversion programs (tires, electronics, municipal hazardous or special waste, and Blue Box materials) have or will transition to Ontario's new EPR regulatory framework for resource recovery.

As outlined in the RRCEA, the EPR regulatory framework for advancing Ontario's circular economy requires producers of designated materials to be financially responsible and accountable for their products and packaging when consumers dispose them. On the transition date set out in a regulation for a material group, producers of designated materials become obligated to comply on an individual basis with all requirements, including establishing collection networks, and meeting mandatory and enforceable resource recovery requirements.

With all regulations in place to transition legacy programs to EPR, Ontario is halfway through a 10-year process to wind up and transition legacy waste-diversion programs, as outlined in the WDTA and directions from the Minister. RPRA's EPR activities during the 2023-2025 business planning period will also include overseeing the wind up of the Blue Box Program, and the liquidation of Ontario Tire Stewardship (OTS) and Ontario Electronic Stewardship (OES); Stewardship Ontario (SO) will wind up sometime in 2026.

### **Tires**

On December 31, 2018, the Used Tires Program (UTP) operated by OTS ceased operations, and tires were transitioned to the new producer responsibility regulatory framework outlined in the Tires Regulation under the RRCEA on January 1, 2019. 2023 will be the fifth year of EPR for tires producers. All provisions of the Tires Regulation, including requirements to submit audit and performance reports and meet collection and management targets, are now in force.

OTS is expected to be formally liquidated in 2023 following the resolution of outstanding financial and tax matters. Grant Thornton Limited has been appointed liquidator by the Ontario Superior Court of Justice and is responsible for implementing the remaining provisions of the approved OTS Wind-Up Plan. RPRA continues to oversee the corporate wind-up process and ensure the wind-up plan and Minister's directions are implemented.

### **Batteries**

On June 30, 2020, the batteries portion of the Municipal Hazardous or Special Waste (MHSW) Program operated by SO ceased operations and batteries were transitioned to the new EPR regulatory framework outlined in the Batteries Regulation under the RRCEA on July 1, 2020. 2023 will be the third full year of EPR for battery producers. Requirements under the Batteries Regulation for performance reporting, collection networks, and management targets will be in force in 2023.

### **Waste Electrical and Electronic Equipment**

On December 31, 2020, the Waste Electrical and Electronic Equipment Program operated by Ontario Electronic Stewardship (OES) ceased operations. ITT/AV material was transitioned to the Electrical and Electronic Equipment (EEE) Regulation under the RRCEA on January 1, 2021. 2023 will be the third full year of EPR for ITT/AV producers. ITT/AV producers must meet requirements for registration and performance reporting, and achieve collection and management targets under the EEE Regulation in 2023. The regulation also obligates producers of lighting for the first time. Lighting producers are required to register, establish a collection network and submit supply reports in 2022. OES is expected to be formally liquidated in 2023 following the resolution of outstanding tax matters. Deloitte Restructuring has been appointed liquidator by the Ontario Superior Court of Justice and is responsible for the implementation of the remaining elements of the approved OES Wind-Up Plan. RPRA continues to oversee the corporate wind-up process and ensure the wind-up plan and Minister's directions are implemented.

## 03 Overview of Programs

### **Municipal Hazardous or Special Waste**

On September 30, 2021, the remainder of the MHSW Program ceased operations. Hazardous and special products became subject to the new EPR framework outlined in the Hazardous and Special Products (HSP) Regulation under the RRCEA on October 1, 2021. 2023 will be the second full year of EPR for HSP producers. Provisions of the HSP Regulation including requirements for performance reporting and collection networks will be in force in 2023. It is anticipated that the MHSW wind-up plan final report will be submitted to the Minister in early 2023, and the MHSW program will then be formally terminated with the implementation of all wind-up plan requirements in 2023.

### **Blue Box**

Between 2023 and 2025, the Blue Box Program operated by SO will continue to operate while participating municipalities and First Nation communities transition in stages to the EPR regulatory framework outlined in the Blue Box Regulation. On July 1, 2023, when the first tranche of communities transitions, Blue Box producers will be fully accountable for the collection and recycling of Blue Box materials in these communities, and will be required to submit reports and meet management requirements as specified under the Blue Box Regulation. RPRA will be supporting producers, service providers, participating municipalities, and First Nations communities with this transition in 2023. SO is expected to wind up sometime in 2026.

### **Hazardous Waste and Excess Soil registry programs under the *Environmental Protection Act***

RPRA is mandated by the Minister to operate registries for two industry groups: those obligated under the Excess Soil Regulation under the *Environmental Protection Act* (EPA), and those involved in the movement of hazardous waste that were formerly reporting through the Hazardous Waste Information Network (HWIN), also operated under the EPA.

The Hazardous Waste Program (HWP) Registry will begin operating on January 1, 2023. Compliance and enforcement functions related to HWP will remain with the ministry. The reporting service will support the ministry's goal of ensuring that hazardous waste is safely managed, while making it easier for the regulated community to report their hazardous waste management activities.

The Excess Soil Registry came online on December 1, 2021. In April 2022, the government postponed the deadline for complying with the Excess Soil Regulation requirements to use the registry until January 1, 2023. The reporting service remains open for voluntary use. Planning for Phase 2 of the project, which will enhance the portal's functionality, is expected to begin sometime in 2023, with the project commencing in 2024.

### **Public reporting on resource recovery performance**

Public reporting on Ontario producers' performance in achieving resource recovery targets is a key component of RPRA's mandate. In 2020, beginning with the Tires Program, RPRA began receiving resource recovery performance reports, which confirm whether producers are meeting their resource recovery requirements. The first public report on resource recovery performance by tire producers was published in RPRA's 2021 Annual Report.

In 2022, as performance reporting requirements expanded to other programs, RPRA engaged in a public consultation on how to report on regulated producers' and industry's resource recovery performance across all programs. RPRA also began publishing resource recovery performance information on our [website](#).

In 2023 and throughout the planning period, RPRA will continue to expand on its public reporting, consistent with the feedback from the public consultation and its public reporting action plan. Publishing timely and reliable resource recovery information in accessible formats for use by stakeholders, government and Ontarians fulfills RPRA's mandate to serve as a key source of information on resource recovery and waste management.

## 04 2023 Business Plan Development Process

### RPRA consults on mandate-driven plan with stakeholders

RPRA publishes a business plan outlining our strategic priorities, objectives and planned activities for the next three fiscal years annually in October, as required under the RRCEA and the Operating Agreement between RPRA and the Minister. The business plan also sets out financial and operational plans and the necessary financial and human resources required to achieve RPRA's objectives.

The 2023-2025 Business Plan is based on information available at the time of its development, including ministerial directions received, key assumptions related to operations, and the estimated number of registrants across all of RPRA's programs.

The activities outlined in this plan flow directly from government decisions affecting RPRA's mandate. These include regulations and Minister's directions. If decisions are announced during the planning period that affect RPRA's activities, resource requirements may be revisited. RPRA will limit hiring and expenditures to what is required to deliver its mandate throughout the planning period.

RPRA's business plan is a key transparency and accountability tool for the Minister, providing a multi-year plan to help oversee RPRA's activities. It also supports RPRA's commitment to transparency and accountability to stakeholders, including our regulated communities, municipalities, and the public.

RPRA sought input from stakeholders during the development of this business plan through the Industry Advisory Council (IAC) and Service Provider Advisory Council (SPAC), which RPRA was directed by the Minister to establish in 2021 and 2022 respectively. The councils are comprised of representatives from associations and businesses representing the regulated producer and service provider communities, and provide feedback to RPRA during the business planning process. The councils do not make decisions pertaining to RPRA's operations and finances, but their feedback is an important input into the business planning process.

RPRA discussed strategic priorities with the councils in May, and resourcing requirements in July. Further

RPRA will continue to minimize costs for all registrants, while working closely with all parties to ensure that our activities enhance registrants' abilities to understand, adapt to and comply with regulatory requirements.

information about the [IAC and SPAC](#), including memberships and meeting minutes, is available on RPRA's website.

An assessment of RPRA's success in meeting the objectives and performance targets for the first fiscal year set out in this three-year plan will be published in RPRA's 2023 Annual Report on June 1, 2024. The annual report will also include RPRA's audited financial statements for the 2023 fiscal year. Results and audited financial statements for the 2022 fiscal year will be published in the 2022 Annual Report on June 1, 2023.

# Regulating resource recovery in Ontario

### Role and mandate

The Government of Ontario established RPRA on November 30, 2016, with a mandate to play a key role in reducing waste and litter through resource recovery by:

- Performing the duties and exercising the powers given to it under the [Resource Recovery and Circular Economy Act, 2016](#) (RRCEA), the [Waste Diversion Transition Act, 2016](#) (WDTA) or any other act; and
- Providing information to those involved in resource recovery and waste reduction activities in Ontario and the broader public about RPRA's work to advance a circular economy and enforce producer responsibility requirements.

In 2019, the RRCEA was amended to expand RPRA's mandate to include providing registry services related to resource recovery and waste beyond producer responsibility, as directed by the Minister.

The RRCEA and the WDTA outline the legislative framework for RPRA's responsibilities, powers and duties:

- The WDTA sets out RPRA's oversight responsibility for the operation of the waste diversion programs continued under the Act and the orderly wind up of those programs and the industry funding organizations (IFOs) responsible for managing those programs.
- The RRCEA sets out two frameworks:
  1. An EPR regulatory framework within which RPRA develops and maintains a registry and enforces compliance requirements for producers of products and packaging that result in waste, and for others involved in waste diversion, including collectors, haulers, processors, and other service providers. Under the RRCEA, producers will be held individually responsible and accountable for regulated materials following transition from the WDTA, as well as new materials designated by the Government of Ontario.

RPRA's strategic priorities focus on effective compliance and registrant support, registry security, and public reporting on waste diversion.

2. A digital reporting framework within which RPRA implements registries for a wider range of waste and resource recovery programs, as directed by the Minister.

RPRA's powers and duties include:

- Overseeing IFOs and Industry Stewardship Organizations and the waste diversion programs they operate under the WDTA, including compliance by the organizations with their approved program plans and compliance by stewards with the rules for stewards established by the IFOs.
- Approving wind-up plans developed by IFOs as directed by the Minister and overseeing implementation of approved plans.
- Reporting publicly on outcomes relating to waste and resource recovery.
- Developing and maintaining an online registry to receive information reported by parties obligated to register with RPRA under the RRCEA or EPA.
- Ensuring compliance by obligated parties with their responsibilities as set out in regulations under the RRCEA.

RPRA is committed to carrying out all of its activities in accordance with its [Values and Code of Conduct](#), which can be found on its website.

### Governing structure

RPRA is a corporation without share capital, governed by a skills-based Board of Directors.

The Board is responsible for the overall governance

## 05 Corporate Overview

of RPRA's affairs and is accountable for the delivery of its mandated objectives under the Acts and the [Operating Agreement](#) between RPRA and the Minister of the Environment, Conservation and Parks.

In addition to its governance responsibilities, the Board also makes statutory decisions as required under approved program or wind-up plans, the legislation, and as directed by the Minister. These decisions include:

- Setting the annual Steward Obligation for the Blue Box Program;
- Approving, with or without conditions, wind-up plans submitted by IFOs; and
- Setting fees to recover RPRA's costs.

The Minister appoints up to five members to the Board of Directors and the Board elects up to six additional members to form the full 11-member Board of Directors. The Minister may appoint the Chair, and the Board elects a Vice-Chair, Secretary and Treasurer. The Board appoints a Chief Executive Officer and a Registrar and delegates responsibilities to these senior staff to manage RPRA's operations. RPRA and its Board members, officers, and employees are not agents of the Crown.

The Board has statutory responsibilities under the RRCEA and WDTA and convenes regularly to make the decisions required throughout the transition of programs from the WDTA to the RRCEA; and the start-up and operation of EPR compliance and registry programs, and the Excess Soil and Hazardous Waste registries. Director remuneration is aligned with per diems set out in Ontario's Public Service Agencies & Appointments Directive, and Board expenses are strictly managed.

Additional information about the Board of Directors, including biographies and committees, is available on RPRA's [website](#).

### **Relationship with the Government of Ontario**

The Minister of the Environment, Conservation and Parks is responsible for overseeing RPRA.

Roles and responsibilities of the Minister and RPRA are set out in the Operating Agreement, which is available on RPRA's [website](#).

The Board is accountable to the Minister for RPRA's performance.

### **French Language Services**

The RRCEA requires RPRA to develop a plan to provide services in French, and the Operating Agreement requires the Business Plan to outline the means by which RPRA will provide French language services.

RPRA uses a combination of third-party French translation services and bilingual staff to deliver services in French on request.

RPRA has posted its [French Language Services Plan](#) on its website. The plan is reviewed annually and revised as required.

## 06 Update on Activities since the 2022 Plan was Published

### Launching new portals, programs, and public reporting

RPRAs operating environment continues to be dynamic. RPRAs launched two new programs in 2022 – the Lighting EPR program, and the Excess Soil Registry – and is finishing preparations to launch the new HWP Registry by January 1, 2023. RPRAs also started and completed the registry portals for Blue Box and HSP in 2022. The major assumptions made in the 2022 Business Plan held true, with the exception of the assumed revenue collection from the Excess Soil Registry. In April 2022, the Ontario government temporarily paused some provisions of the Excess Soil Regulation, which postponed the start date for filing excess soil notices in the registry from January 2022 to January 2023. Consequently, a portion of the program’s costs that were to be recovered from excess soil registrants were not collected, resulting in a revenue shortfall for the excess soil program that will be carried through to 2023. See Section 8 for more information on estimated 2023 revenues and expenses.

#### 2022 Key activities

Key activities undertaken since the publication in October 2021 of the 2022 Business Plan are outlined below.

- On December 1, 2021, the Excess Soil Registry was officially launched. The service continues to operate, but the pause in registration requirements has resulted in fewer registrations and reports than originally anticipated. The service will remain open and operational for voluntary use until the new registration deadline of January 1, 2023.
- The Service Provider Advisory Council met for the first time in early 2022, and gave input into the development of this business plan through subsequent meetings this past May and July.
- RPRAs approved the Revised Fee-Setting Methodology for Blue Box Stewards in May 2022, after consulting with stakeholders and working with Stewardship Ontario to fulfill conditions of the February 2022 Blue Box Wind-Up Plan Addendum.
- In spring 2022, RPRAs supported producers of batteries and ITT/AV in submitting their first performance reports to RPRAs as required under the RRCEA in order to report on their collection and recovery rates for 2021.
- In July 2022, RPRAs consulted with stakeholders on how to provide public performance reporting information and data, as required under the RRCEA. 2022 is the first year performance reporting for programs other than tires will take place, and RPRAs developed a dedicated webpage for publishing performance reporting information for the Tires, Batteries and ITT/AV programs as the information is submitted to the registry and verified.
- As committed to in the 2022 Business Plan, RPRAs has been undergoing an organizational review, comprised of a combination of several third-party reviews of RPRAs’s structure and processes focused on the effectiveness of key aspects of RPRAs’s operations. Results of the review will be incorporated into 2023 activities.
- RPRAs is currently enhancing and updating its risk-based compliance plans, which are used to allocate resources efficiently and effectively in order to optimize compliance outcomes, as committed to in the 2022 Business Plan.
- In fall 2022, RPRAs will launch the HSP and Blue Box registry portals, and support producers in using the portals for the first time to submit their 2021 supply reports.
- Also this fall, RPRAs will support producers of lighting to register and report their supply to RPRAs for the first time this year.
- RPRAs developed the HWP Registry in consultation with stakeholders and the ministry throughout 2022, and is on track to launch the service before the end of the year.

## 07 Strategic Priorities for 2023–2025

### Fulfilling our mandate

#### Strategic priorities

Since 2017, RPRA has organized delivery of its mandate under the following five strategic priorities:

1. Transition of Waste Diversion Programs
2. Responsible Management of Data
3. Trusted Authority
4. Accountability
5. Organizational Efficiency and Sustainability

In 2022, RPRA revised its strategic priorities in consultation with stakeholders, the ministry and RPRA staff to better highlight the regulatory and service delivery outcomes that our regulated community, the Ontario government, and the public expect from RPRA. The four updated strategic priorities for the 2023-2025 planning period encompass the priorities articulated in previous years, but emphasize core outcomes for compliance, registrant support, registry security, and public reporting. These priorities better articulate where and how RPRA is focusing its resources and investments, and continue to reflect RPRA's primary responsibilities as set out in our governing legislation and directions from the Minister, and align with RPRA's current and medium-term focus.

The 2023-2025 strategic priorities are:

1. Providing Ontario with reliable and useful resource recovery and waste information
2. Providing registrants with accessible and easy-to-use registry services
3. Delivering an effective compliance program to help achieve resource recovery and waste reduction outcomes for the province
4. Building an accountable, transparent and sustainable organization that achieves value for money

#### Key assumptions

RPRA's 2023-2025 Business Plan is based on requirements set out in RPRA's legislated mandate, directions received to date from the Minister, and plans announced by the government that affect RPRA during the planning period.

RPRA will adjust its activities and review its budget as necessary should any of the assumptions underlying

the 2023-2025 Business Plan change.

Key assumptions related to RPRA's activities in the 2023–2025 planning period include:

- The timing of waste diversion program wind ups and transition of materials managed by those programs to the EPR framework
- No new material designations under the EPR framework
- No new directions to RPRA to build and operate registries, or for waste and resource recovery programs beyond producer responsibility
- The number of obligated parties associated with each regulation or registry

In addition to these key assumptions, RPRA is also assuming that the COVID-19 pandemic will continue to impact planning, including by reducing in-person meetings. RPRA will continue to monitor and follow public health advice and adjust its operations as appropriate.

During the 2023-2025 planning period, RPRA assumes it will continue to implement compliance and registry programs for materials obligated by the five regulations issued under the RRCEA: Tires, Batteries, EEE, HSP and Blue Box. RPRA also assumes it will operate registries for the Excess Soil Program (which launched at the end of 2021) and HWP (launching in January 2023).

RPRA will consult on the second phase of the Excess Soil Registry with the ministry and industry starting in 2023.

This plan also assumes RPRA will continue to engage extensively with producers, municipalities, First Nations, and service providers to transition the Blue Box Program between 2023 and 2025.

## 07 Strategic Priorities for 2023–2025

The expected status of all registry programs in 2023 is set out in the chart below.

Program	Expected status
<b>Tires</b>	Year 5 of fully active RRCEA program; OTS liquidation (if liquidation does not occur in 2022)
<b>Batteries</b>	Year 3 of fully active RRCEA program; second RRCEA performance report; Recycling Efficiency Rate and Performance Audit procedure development in 2023
<b>ITT/AV</b>	Year 3 of fully active RRCEA program; second RRCEA performance report; OES liquidation (if liquidation does not occur in 2022); Recycling Efficiency Rate and Performance Audit procedure development
<b>Lighting</b>	Second year of operational registry; performance obligations begin on January 1, 2023
<b>Blue Box</b>	Second year of operational registry portal; first group of municipalities transition and performance obligations start July 1; interim reporting and performance reporting guidance for producers in development; continue WDTA Blue Box program activities and oversight of wind-up
<b>HSP</b>	Year 3 of fully active RRCEA program; Recycling Efficiency Rate and Performance Audit procedure development
<b>HWP</b>	Fully operational reporting service with accompanying mobile app, ministry access portal, and public access to hazardous waste activity reports
<b>Excess Soil</b>	Registry Phase 1 fully operational including ministry portal and public access to filings; engaging ministry and stakeholders on scoping Phase 2

## 07 Strategic Priorities for 2023–2025

The following chart sets out the key assumptions on timing and the approximate number of registrants during the 2023-2025 planning period. These assumptions, along with data on the historic number and length of registry support interactions and compliance issues, underpin RPRA’s human resources plan and financial budget and forecasts.

Initiatives	Assumed timeframe for registration of obligated parties	Assumed number of registered producers/generators
Excess Soil Registry	2022-2023	1,000
Hazardous Waste Program Registry	2023	18,000
Lighting component under the EEE Regulation	Late 2022	260
Total number of registered tire producers in 2022		420
Total number of registered battery producers in 2022		160
Total number of registered HSP producers in 2022		180
Total number of registered Blue Box producers in 2022		1350
Total number of registered ITT/AV producers under EEE Regulation in 2022		165
<b>Total assumed number of all registered producers/generators in 2023-2025 *</b>		<b>21,535</b>

\*Total numbers of registrants are predicted to stay the same in 2024 and 2025, with the exception of minor variances due to businesses entering and exiting the market, confirmation of the number of obligated lighting producers, and free riders being brought into compliance.

Should any of the key assumptions underlying this plan change, the following priorities, objectives and activities will be adjusted as required.

## 08 Objectives and Major Activities

### Strategic priorities, objectives and major activities

Below are the key objectives and major activities planned for 2023 for each strategic priority.

#### Strategic Priority One:

Providing Ontario with reliable and useful resource recovery and waste information

##### Objective 1

Publishing information submitted to the registry about resource recovery and waste, for use by businesses, the public, and government

##### Major activities (RRCEA)

- Publish registry data for RRCEA-regulated materials on the RPRA website according to the timelines and protocols set out in the public reporting action plan
- Publish data on compliance activities for all EPR programs according to the public reporting action plan

- Operate and maintain public portals for the Excess Soil and HWP registries, allowing members of the public to look up data related to activity under each program

##### Objective 2

Helping consumers understand resource recovery programs in the province (including where to recycle)

##### Major activities (RRCEA and WDTA)

- Update collection site map to include additional programs
- Improve website accessibility for consumers and the general public

## 08 Objectives and Major Activities

### Strategic Priority Two:

Providing registrants with accessible and easy-to-use registry services that meet user needs

#### Objective 1

Developing, maintaining and enhancing registry portals to meet RPRA's and users' needs

##### Major activities (RRCEA)

- Initiate consultation on the second phase of the Excess Soil Registry to support operational efficiencies
- Launch HWP Registry on January 1, 2023 and begin accepting waste management activity reports and tracking of industrial and liquid hazardous waste
- Manage the data in the registries according to RPRA's Access and Privacy Code, Records Retention Policy and the principles set out in Schedule B (Access and Privacy Principles) of the Operating Agreement
- Prioritize enhancements to registry functionality across all programs to increase automation and customer satisfaction, reduce call volumes, and ensure registries remains easy to use
- Ensure Salesforce releases and upgrades occur on schedule
- Ensure fixes are prioritized and resolved according to program impact, registrant need, and requirements for stability
- Enhance information security processes and reduce security risks
- Continue upholding governance, procurement and consultation policies and procedures for portal development and enhancements

#### Objective 2

Minimizing burdens by helping registrants easily accomplish their registration and reporting requirements when using the registry

##### Major activities (RRCEA)

- Develop customer service standards related to registrant services
- Provide email and phone support to all registrants to help them successfully interact with the registry and fulfill their regulatory obligations
- Ensure Registry Support Officers have the skills, training and experience to effectively respond to registrant inquiries and provide excellent customer service

#### Objective 3

Efficiently providing registry support to all registrants across all programs

##### Major activities (RRCEA)

- Implement results of organizational review to support cost-efficient delivery of operations
- Report publicly on registry support activities including number of unique interactions
- Develop registry support tools with a focus on reducing email and phone burden on front-line registry support staff
- Further develop training, education, and communication material to make it easier for registrants to interact with the registry

## 08 Objectives and Major Activities

### Strategic Priority Three:

Delivering an effective compliance program to help achieve resource recovery and waste reduction outcomes for the province

#### Objective 1

Supporting our regulated community through education, outreach, and effective and inclusive communications

##### Major activities (WDTA and RRCEA)

- Continue implementation of communications strategies to educate registrants obligated under RRCEA regulations in order to support compliance
- Continue implementation of communications strategies to support obligated parties in using the registries for HWP and Excess Soil

#### Objective 2

Applying risk-based compliance frameworks to efficiently allocate compliance and enforcement resources

##### Major activities (WDTA and RRCEA)

- Update and implement risk-based compliance plans for all EPR programs

#### Objective 3

Promoting a level playing field for our regulated community and the successful achievement of performance requirements

##### Major activities (WDTA)

- Oversee implementation of the transition plan for the Blue Box Program
- Oversee disbursement of any surplus funds as well as the dissolution of OES as per the WEEE Program Wind-Up Plan
- Oversee disbursement of surplus funds as well as the dissolution of OTS as per the Used Tires Program Wind-Up Plan

##### Major activities (RRCEA)

- Ongoing deployment of effective EPR compliance strategies with a focus on communicating for compliance (C4C), to ensure that compliance activities are fair, reasonable, and targeted to achieving key regulatory outcomes

## 08 Objectives and Major Activities

### Strategic Priority Four:

Building an accountable, transparent and sustainable organization that achieves value for money

#### Objective 1

Enhancing RPRA's organizational culture to support a highly engaged workforce and be an employer of choice

##### Major activities (WDTA and RRCEA)

- Recruit and onboard new staff according to the approved business plan to strengthen RPRA's delivery of services
- Support and enhance RPRA's internal operational culture through ongoing employee engagement, talent management, training, and succession planning
- Expand employee engagement survey to include questions related to core values
- Maintain competitive total rewards strategy, consistent with comparable organizations
- Implement a diversity, equity, and inclusion action plan

#### Objective 2

Upholding effective governance to support accountability to the ministry, stakeholders, and Ontarians

##### Major activities (WDTA and RRCEA)

- Maintain an effective system for responding to public feedback and complaints received by RPRA related to performing its duties and exercising its legislated powers
- Develop and maintain all policies and procedures required under the Operating Agreement, Board direction, and best practices
- Monitor and maintain sound financial controls, policies, procedures, and regular financial reporting
- Continue to provide key communications in French consistent with RPRA's French Language Services Plan
- Continue to provide information about RPRA's

objectives and activities under the WDTA and RRCEA through RPRA's website and other communications methods

- Set fees consistent with the General Fee-Setting Policy
- Maintain Board governance policies and procedures based on best practices
- As terms of elected Board members expire, re-elect or replace members to ensure the Board has a full slate of elected directors

#### Objective 3

Undertaking consultations, stakeholder engagement activities, and annual reporting to ensure accountability and transparency

##### Major activities (WDTA and RRCEA)

- Submit 2022 Annual Report by June 1, 2023
- Hold Annual Public Meeting in June 2023
- Submit 2024-2026 Business Plan by October 1, 2023
- Undertake consultation with stakeholders on any changes to RPRA's General Fee-Setting Policy and annual fees, costs or other charges
- Continue to use the Industry Advisory Council and Service Provider Advisory Council as forums to enable open dialogue with stakeholders, information sharing and effective engagement, including in the development of the annual business plan

#### Objective 4

Using data to enhance programs and decision-making across the organization

##### Major activities (RRCEA)

- Build internal capacity in data analysis to drive evidence-based decisions that support public reporting, compliance decision-making, financial and administrative reporting, and internal policy and program development

## 08 Objectives and Major Activities

### Major activities for the rest of the planning period

Major activities planned in 2024 and 2025 include continuing to deliver on the outcomes identified under the four strategic priorities for all programs. In addition, major 2024 and 2025 activities will include:

- Implementing Phase 2 of Excess Soil Registry development
- Phased implementation of bilingual registry portals
- Continuing to oversee wind-up of the Blue Box program and dissolution of SO
- Phased implementation of the Blue Box EPR program
- Additional public reporting activities to ensure the regulated community and the public have access to the information they need about resource recovery and waste in the province
- Additional registry enhancements and service improvements
- Additional refinement of and reporting on performance measures

# Investing to achieve outcomes

### Approach

RPRAs financial planning process is overseen by RPRAs Board of Directors. The financial plan reflects the planning assumptions set out in this document, and RPRAs estimation of the resources needed to fulfill its mandate, as set out in legislation, regulations and the Minister’s directions. In exercising its oversight, RPRAs Board helps ensure that RPRAs conducts its operations efficiently and economically to fulfill its mandate. This is achieved in part through strong and transparent procurement procedures, a risk-based compliance framework that drives efficient allocation of compliance resources, a strategic approach to human resources that includes assessing service level needs for registrants and hiring as anticipated needs materialize, regular reviews of policies, and organizational improvements implemented by management.

### Budget overview

The 2023 budget and 2024 and 2025 financial forecasts reflect new investments in front-line staff (registry support and compliance personnel) and IT services, planned increases relating to amortization and interest payments for new portals, and unanticipated cost growth relating to inflation pressure and rising interest rates.

The 2023 budget presented in this business plan shows an increase in expenses compared to 2022 (approximately \$6.4 million year-over-year increase). This is also an increase compared to RPRAs forecast for 2023 published in the 2022 Business Plan (approximately \$4.1 million increase compared to last year’s forecast).

The year-over-year increase includes planned increases to amortization and related interest payments for new registry portals going live at the end of 2022 for the HWP, Blue Box and HSP programs. These planned increases were built into the 2023 forecast published in the 2022 Business Plan.

The increase in RPRAs budget compared to the 2023 forecast is driven by two key factors: 1) unplanned cost growth due to inflationary pressures on expenses and higher than expected interest rates compared to what was forecasted last year; and 2) new investments in the resources needed to

Investments in front-line staff and IT services will help registrants meet their reporting obligations as easily as possible, lowering overall regulatory burden.

adequately support new and existing programs.

RPRAs recognizes the importance of fee predictability to producers. The 2024 and 2025 forecasts in this business plan are expected to be more accurate than in previous plans. As RPRAs gains data and experience from programs that have been implemented, the number of unknowns affecting RPRAs ability to predict resource needs for outyears decreases. By contrast, the 2023 and 2024 forecasts were finalized in fall 2021 when many programs and registry portals had not yet been operationalized or were still starting up:

- The Blue Box and HSP regulations were less than four months old (finalized in June 2021), and implementation of registration and reporting campaigns for those regulations were in the beginning stages
- New registry portal builds for HSP and Blue Box had not yet been procured
- The ITT/AV and Batteries registry portals had been operational for less than two months, and the first rounds of performance reporting for both programs had not yet occurred
- The Excess Soil Registry build was not yet complete, and the program was not operational
- The HWP Registry was in month four of a 20-month build, and amendments to the regulation for hazardous waste and supporting guidance had not been finalized
- The Lighting Program was not yet operational

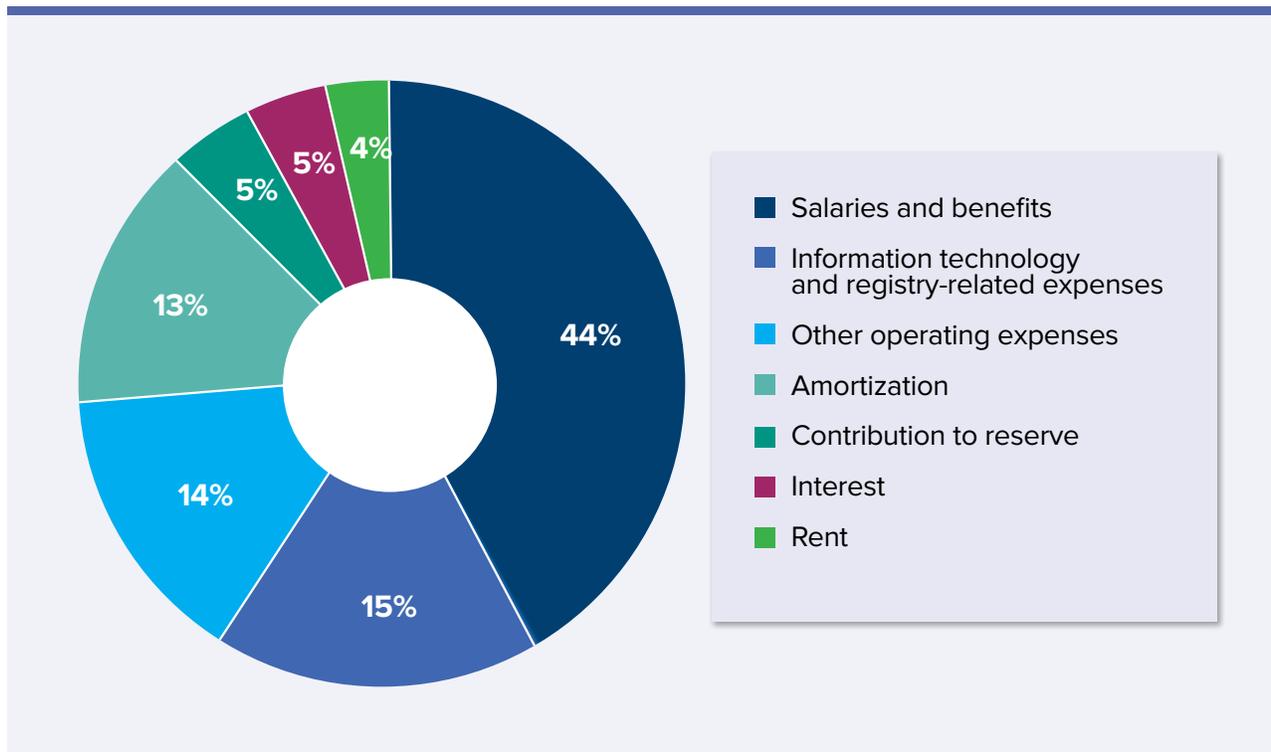
## 09 Financial Plan

RPRAs now have a better understanding of the service levels required by all our registrants in order for them to easily engage with our portals and achieve compliance with the regulations. This includes substantial support to regulated communities in adapting to the changes required to transition from the WDTA legacy programs to the new EPR framework. It also includes helping Hazardous Waste and Excess Soil registrants adopt new ways of reporting their activities online. RPRAs also have a clearer picture of the support needs of HWP registrants.

With the benefit of an additional year's knowledge and experience implementing our suite of six EPR programs and the Excess Soil Registry, and developing the HWP service for launch in 2023, RPRAs are estimating its 2023 budget at \$24.8M in order to support the required service levels, assuming no new initiatives are directed by the Minister.

While some of the increase in RPRAs' 2023 budget compared to last year's forecast relates to economic escalators like inflation and interest rates that RPRAs does not control, a substantial portion of the increase represents new investments in front-line staff and IT services. As described in the introduction to this business plan, these investments are necessary for RPRAs to be able to deliver the regulatory and service outcomes that its regulated communities, the government, and the public expect. Making these investments will allow RPRAs to continue to help registrants meet their reporting obligations as easily as possible, lowering overall regulatory burden. These investments will also support front-line compliance activities to help achieve resource recovery outcomes, and ensure that the government, businesses, municipalities, First Nations communities and the public have access to robust and reliable information. The following is a breakdown of the 2023 budgeted expenses:

### 2023 RPRAs budgeted expenses



## 09 Financial Plan

Components of RPRA's 2023–2025 financial plan include:

- Human resources
- Revenues and expenses
- Debt financing
- Reserve fund
- Risks

### Human resources

As legacy waste diversion programs were wound up from 2019 through 2021 and regulations under the RRCEA came into force, it was anticipated that additional staff would be needed to support our regulated community in complying with increased regulatory requirements as compared to the WDTA programs. Having now implemented registration and reporting under the Blue Box and HSP regulations, performance reporting for ITT/AV and battery producers, and preparatory work to implement the Excess Soil and HWP registries, RPRA has a better understanding of the complexity of transitioning producers and launching new portals, and the ongoing level of support required to help registrants achieve compliance.

RPRA will require additional staff to support the delivery of eight RRCEA programs plus the Excess Soil and Hazardous Waste programs in 2023.

In 2023, RPRA is estimating its staff complement will grow from 70 FTEs to 81 FTEs. All additional FTEs will be allocated to front line compliance and registry support and IT services.

The need for additional staff is due to the following factors:

- There continues to be a high volume of interactions with registrants from all RRCEA programs, from the oldest program (Tires) to the newest (Blue Box and Lighting), and the types of inquiries fielded require more effort and time from our front-line staff than originally anticipated. In 2021, RPRA front line staff handled over 37,000 interactions. In 2022, that number is on track to be approximately 45,000. This increase has occurred even though requirements to register through the Excess Soil reporting service were paused, and the HWP reporting service has yet to launch. In 2023, staff expect another substantial increase in the number of required interactions to more than 60,000.

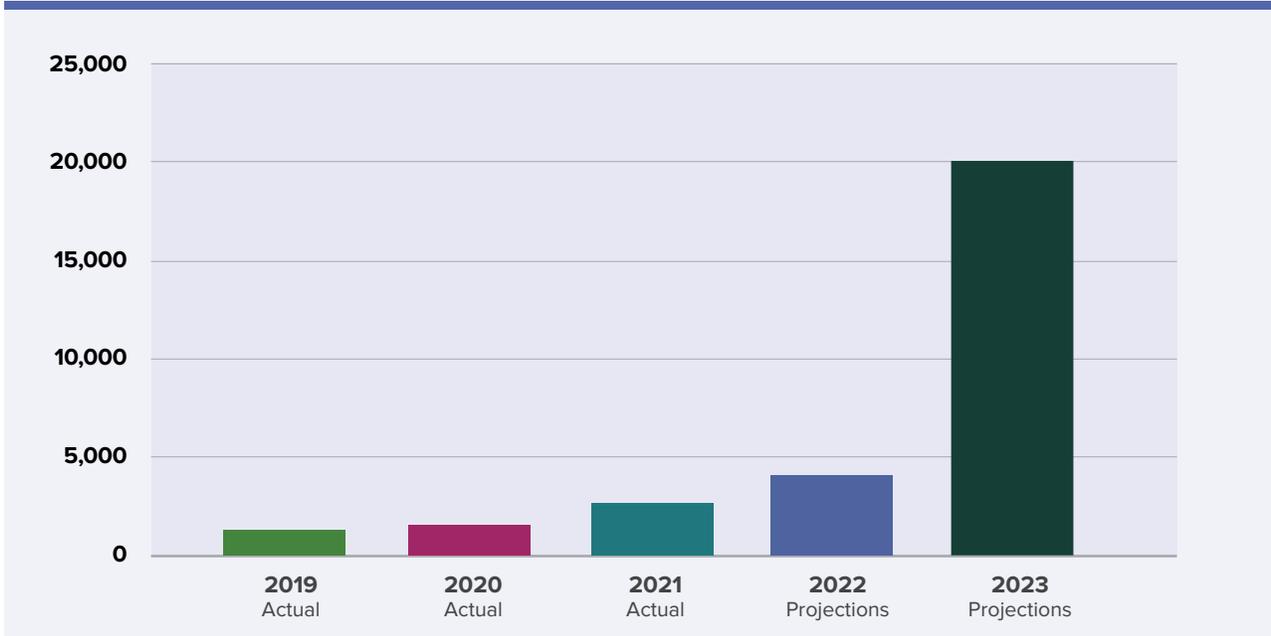
Successful implementation of EPR regulations requires extensive communication, education, and compliance support. RPRA now has a clear understanding of the complexity of transitioning producers and launching new portals.

- There have been unanticipated challenges for registrants with market adaptation and change management, even for more established programs. Successful implementation of the producer responsibility regulations requires extensive communication, education, and compliance support. As new obligations under each regulation roll out in stages over the upcoming years, these adaptation challenges will remain.
- Substantial compliance cases are emerging while existing resources are still occupied with baseline registration, reporting, and free rider work across all EPR programs. RPRA is committed to clearing backlogs of compliance- and service-related requests, and improving inquiry response times in order to serve registrants' needs efficiently.
- HWP and Excess Soil registrants will require substantial support to transition to new on-line systems. The HWP project requires devoted front-line support due to its complexity, and existing resources are fully occupied with service to registrants of RRCEA programs.

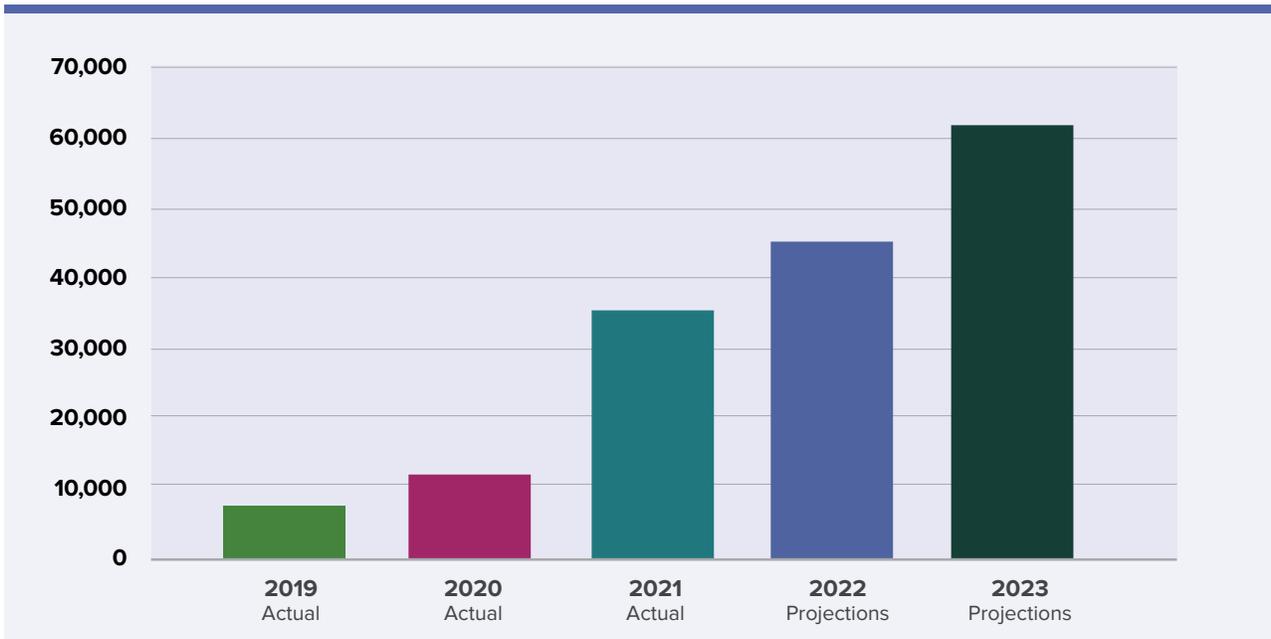
## 07 Financial Plan

The below graphs show how the number of registrants and the number of interactions between registrants and RPRA staff have increased annually since 2019, and are expected to continue to increase in 2023.

### Number of registrants 2019-2023



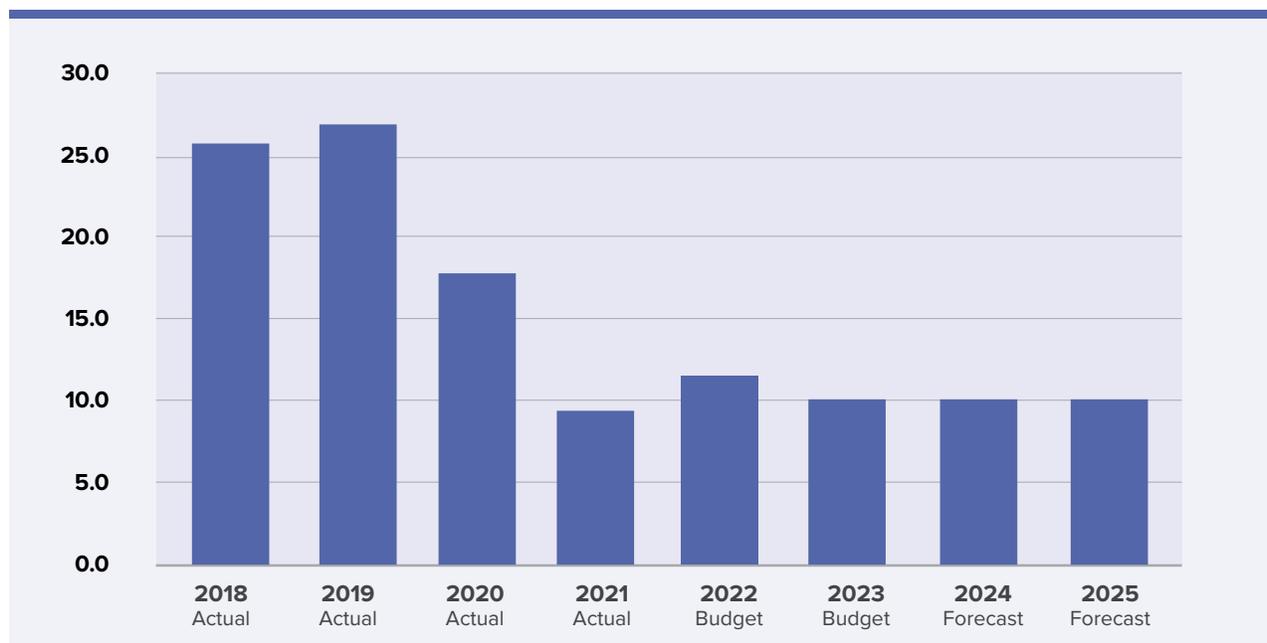
### Registrant-RPRA staff interactions 2019-2023



## 09 Financial Plan

RPRRA continues to gain efficiency in FTEs per program as outlined in the chart below. From 2018 to 2023, the FTE count per program decreased by 60% – from over 25 per program to approximately 10.

### FTEs per program 2018-2025



The following table shows FTEs anticipated to be added in 2023, based on current assumptions, as compared to previous budgets and the 2023 forecast. For the reasons listed above, the number of FTEs required for the Compliance and Enforcement and Registry Support team is increasing by nine over the 2023 forecast.

### FTEs by RPRRA team 2021-2023

Team	2021 Budget	2022 Budget	2023 Forecast 2022 BP	2023 Draft budget
Compliance and Enforcement and Registry Support	21	26	27	36
I&IT	14	13	15	14
CEO Office / Legal / Strategic Initiatives	4	6	6	6
Finance, Human Resources and Administration	9	10	10	10
Programs and Public Affairs	11	15	15	15
<b>Total FTE</b>	<b>59</b>	<b>70</b>	<b>73</b>	<b>81</b>

## 09 Financial Plan

### RPRa organizational structure 2023-2025



- Existing roles with incumbents
- Vacant roles, reporting to an executive member

## 09 Financial Plan

### Revenues and expenses

As authorized by its legislated mandate, RPRA's 2023–2025 activities will be supported by revenues from three sources:

- Regulated industry funding organizations under the WDTA
- Regulated parties under the RRCEA
- Registrants under the EPA

The estimated revenues from the regulated parties under the WDTA reflect the key wind-up assumptions included in Section 6, and are derived through charges to IFOs for WDTA-related expenses. WDTA costs will continue to be recovered from IFOs until wind up of the associated program and industry funding organizations is complete.

The estimated revenues from regulated parties and registrants under the RRCEA and EPA reflect additional registrants as outlined in the table in Section 6 of this business plan, and are derived through program fees. RRCEA and EPA costs, including the current year's registry amortization, will be recovered through fees and other charges in each year. Registry capital costs are amortized over 10 years and recovered through annual or transaction-based fees over the ten-year period. All RPRA program fees are set annually.

The financial and human resource estimates for 2023 assume RPRA will operate cost-efficiently and effectively to achieve value for money. This assumption will be supported by RPRA's efforts throughout the planning period to continue to operate effectively and efficiently, including implementing the results of an organizational review to measure effectiveness, and implementing the performance measures listed in Section 9. Any changes to key assumptions outlined in Section 6 will be carefully monitored.

RPRA will continue to operate under a strong accountability framework that includes robust governance oversight, stakeholder engagement, ministry oversight, public reporting, procurement policies, and effective cost controls such as business cases for budgets, strengthening cost estimations, robust risk and mitigation analysis, expense variance tracking and reporting, and disciplined portfolio and

project management on all registry projects.

Recognizing that not all expenses are predictable, the plan includes a total contingency of approximately 8% included in salaries and benefits, and \$400,000 included in professional fees to handle unexpected overages, mitigate risks associated with uncertain assumptions, and ensure organizational sustainability.

The increasing allocation of expenses to RRCEA and EPA is a result of technology, amortization and interest-related costs; increasing FTEs in Compliance and Registry Support; and other activities in support of RPRA's RRCEA and EPA-related mandate.

The declining allocation of expenses to WDTA reflects RPRA's declining activities related to the oversight of legacy waste diversion programs as they cease operating. RPRA's costs recovered from IFOs will continue to decline, eventually reaching zero, as remaining IFOs cease operating and are liquidated.

The key drivers of the budget increase from 2022 to 2023 are:

- Additional front-line FTEs to provide registry services and compliance support in order to reduce burden and achieve compliance
- Increased IT software and services to maintain accessibility and ease-of-use for new registry portals and functionality, and accommodate additional volume of activity, including fulfilling the increasing demand for registry maintenance, regular upgrades and security
- Increase in amortization expense and debt financing costs to support new portals going live at the end of 2022 (HWP, HSP and Blue Box)
- Inflationary pressure on salaries, benefits and service contracts
- Interest rate increases impacting debt financing
- Increased contribution to reserve to keep pace with budget growth and secure cash flow
- Increased compliance budget for developing efficient registry procedures for verification

## 09 Financial Plan

### Business plan

In Millions	2023 Business Plan					
	2021 Actual	2022 Budget	2023 Forecast	2023 Budget	2024 Forecast	2025 Forecast
<b>Revenues</b>						
Cost recovery	\$ 10.8	\$ 17.4	\$ 19.7	\$ 23.5	\$ 24.5	\$ 25.0
Reserve contribution	0.9	0.9	0.9	1.2	1.2	1.2
Start-up cost recovery	0.1	0.1	0.1	0.1	0.1	0.1
Recovery of prior year's expenses	0.0	0.0	1.1	1.1	1.1	1.1
<b>Total revenues</b>	<b>11.8</b>	<b>18.4</b>	<b>21.8</b>	<b>25.9</b>	<b>26.9</b>	<b>27.4</b>
<b>Total expenses – direct, indirect, and shared</b>						
Salaries and benefits	5.8	9.0	9.7	10.9	11.3	11.8
Communications and stakeholder engagement	0.3	0.3	0.3	0.4	0.3	0.4
Amortization	1.1	1.3	3.2	3.3	3.5	3.5
Board compensation and related expenses	0.3	0.4	0.4	0.5	0.5	0.5
Rent	0.8	0.9	0.9	0.9	1.0	1.0
Interest	0.2	0.4	0.9	1.3	1.2	1.0
Office and general	0.4	0.4	0.5	0.5	0.6	0.6
Professional fees (Including strategic priorities and contingency)	1.0	1.6	1.5	1.4	1.7	1.6
Compliance and enforcement	0.0	0.4	0.2	0.6	0.6	0.6
IT-and registry-related expenses	1.7	2.7	2.1	3.7	3.9	4.1
<b>Total expenses</b>	<b>11.7</b>	<b>17.4</b>	<b>19.7</b>	<b>23.5</b>	<b>24.5</b>	<b>25.0</b>
<b>Total expenses</b>	<b>11.7</b>	<b>17.4</b>	<b>19.7</b>	<b>23.5</b>	<b>24.5</b>	<b>25.0</b>
Add: reserve contributions	0.9	0.9	0.9	1.2	1.2	1.2
Add: start-up costs recovery	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total expenses (includes reserves and start-up deficit contributions)</b>	<b>12.7</b>	<b>18.4</b>	<b>20.7</b>	<b>24.8</b>	<b>25.8</b>	<b>26.3</b>
Cost recoveries from HWP and ES (prior year's operating costs)	-0.9	-3.1	1.1	1.1	1.1	1.1
<b>Total revenue requirements</b>	<b>11.8</b>	<b>15.3</b>	<b>21.8</b>	<b>25.9</b>	<b>26.9</b>	<b>27.4</b>
<b>Estimated breakdown of expenses</b>						
Registry programs (Tires, Batteries, Lighting, ITT/AV, HSP, and BB)	8.3	12.5	13.4	14.5	14.8	15.2
Reporting services (HWP and Excess Soil)	0.9	3.1	5.8	8.6	9.5	9.6
WDTA	3.5	2.8	1.5	1.7	1.6	1.5
<b>Total expenses (includes reserve and start-up deficit contributions)</b>	<b>\$ 12.7</b>	<b>\$ 18.4</b>	<b>\$ 20.7</b>	<b>\$ 24.8</b>	<b>\$ 25.8</b>	<b>\$ 26.3</b>

#### Budget notes

<sup>1</sup> The reserve contribution increases from \$0.9 to \$1.2 million in order to maintain the reserve contribution at approximately 5% of total expenses. The reserve balance at December 31, 2023 is forecasted to be 32% of the 2023 budgeted expenses, which is below the maximum threshold of 50% of RPRA's annual operating budget, as per RPRA's reserve policy.

<sup>2</sup> Salaries and benefits include all full-time and contract employees, including associated benefits and contingency.

<sup>3</sup> Amortization includes the amortization of estimated registry development costs over 10 years and other capital expenditures.

<sup>4</sup> Professional fees include external legal services, external audit services, HR recruitment services, contracted services, consulting, and contingency for outsourcing.

<sup>5</sup> Operating costs incurred before the launch of HWP and Excess Soil reporting services were deferred in 2021 and 2022 and are planned to be recovered through fees in 2023 to 2025. These costs include direct and shared expenses prior to launching these registries.

<sup>6</sup> RPRA identifies and allocates direct, indirect and shared expenses by program in accordance with its Cost Allocation Methodology. Program allocations are finalized in advance of setting annual program fees.

## 09 Financial Plan

### Debt financing

RPRRA had two term loans and credit facilities amounting to \$11.3 million as of December 31, 2021, which were acquired to finance registry development costs. The planned registry developments in fiscal 2022 are also financed through credit facilities, which bear interest at Prime less 0.75%. These credit facilities will be converted to term loans in 2023, upon completion of

registry builds. As of December 31, 2022, the estimated registry related debt financing will be approximately \$27.6 million, which will be repaid with interest over 10 years. The following table shows details of RPRRA's debt financing as of December 31, 2021, compared to the forecast for December 31, 2022 and December 31, 2023.

### RPRRA debt financing for registry and reporting service builds 2021-2023

Program (in millions)	Interest rate	Repayment period	2021 Actual	2022 Forecast	2023 Forecast
Tires	Term loan; 2.35% fixed until June 2026	2021 to 2031	\$ 2.1	\$ 1.9	\$ 1.7
ITT/AV, Batteries and Lighting	Term loan; 2.795% fixed until December 2026	2021 to 2031	1.4	1.3	1.1
Excess Soil	Prime less 0.75% until June 2023	2023 to 2033	0.9	1.0	1.0
HSP	Prime less 0.75% until June 2023	2023 to 2033	–	2.5	2.4
Blue Box	Prime less 0.75% until June 2023	2023 to 2033	–	2.1	2.0
Hazardous Waste	Prime less 0.75% until June 2023	2023 to 2033	1.0	11.1	10.7
Foundational and systems	Varies: 2.3% fixed 2.795% fixed until 2031, and Prime less 0.75% until June 2023	2021 to 2033	5.9	7.7	7.6
<b>Total debt financing</b>			<b>\$ 11.3</b>	<b>\$ 27.6</b>	<b>\$ 26.5</b>

## 09 Financial Plan

### Net assets and operating reserve

RPRRA maintains an operating reserve to provide an internal source of funds to ensure sufficient cash flow given the uneven reporting and bill payment cycles for EPR programs (payments once per year for each EPR program), as well as for situations such as a sudden increase in expenses, deferred cost recoveries, one-time or unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The operating reserve should be sufficient to maintain ongoing operations and programs for six months. RPRRA's Operating Agreement with the Minister stipulates that RPRRA's reserve may not exceed 50% of the organization's annual operating

costs. The Board has established an operating reserve fund policy consistent with this requirement, and consistent with other regulatory authorities and not-for-profit organizations. Budgeted contributions to the reserve in 2023 through 2025 are consistent with the Board policy. The 2023 budget maintains the reserve contribution at approximately 5% of budgeted expenses, representing an increase of \$0.3 million in the reserve contribution, to keep pace with the budget increase.

The following table details RPRRA's actual and forecasted net assets and operating reserve balances from 2020 to 2025.

### RPRRA net assets and operating reserve balance 2020-2025

Asset (in millions)	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022 Forecast	Dec 31, 2023 Forecast	Dec 31, 2024 Forecast	Dec 31, 2025 Forecast
<b>RRCEA Start-up deficit</b> (to be recovered in future years)	\$ (0.80)	\$ (0.70)	\$ (0.60)	\$ (0.50)	\$ (0.50)	\$ (0.40)
<b>HWP Start-up deficit</b> (if costs recovered over three years)	–	(0.90)	(2.70)	(1.80)	(0.90)	–
<b>Operating reserve</b>	4.50	5.40	6.30	7.50	8.70	9.90
<b>Total net assets</b>	<b>\$ 3.70</b>	<b>\$ 3.80</b>	<b>\$ 3.00</b>	<b>\$ 5.20</b>	<b>\$ 7.40</b>	<b>\$ 9.50</b>
<b>Net assets</b> , as a % of expenses	40%	32%	17%	22%	30%	38%
<b>Reserve</b> , as a % of expenses	49%	46%	36%	32%	36%	40%

As noted above, the reserve is expected to be 32% for 2023, and reach 40% by 2025.

The contribution to the reserve will be recovered from all program fees, prorated based on the percent of the program's allocated expenses. The amount recovered by program does not change materially year-over-year because the increase is absorbed mainly by the programs that are contributing the most to higher expenses – HWP, Blue Box, Lighting and Excess Soil.

## 09 Financial Plan

### Risk

Risk is inherent in any business plan, in particular in a plan that covers three years and that is based on uncertain assumptions about the scope of activities required during the planning period.

RPRAs has a robust enterprise risk management plan, which identifies, assesses, and develops mitigation plans to manage risks, including risks to the organization, delivery of RPRAs's mandate, and achievement of the organization's objectives.

The key risks associated with the 2023–2025 Business Plan include:

- Uncertain assumptions about government decision making, in particular assignment of new materials or mandates under the RRCEA
- Uncertain assumptions about the trajectory inflation, interest rates, broader economic impacts and the COVID-19 pandemic
- Uncertain assumptions about the number of registrants under RRCEA and EPA regulations and the volume of interactions with registry support and compliance officers
- Uncertainties inherent in the implementation of new and unique regulatory programs, including the level of voluntary compliance by obligated parties and the support needs of these parties, and the effectiveness of communication and compliance strategies;
- Uncertainties in the implementation of new and unique digital registry services, including the number of transactions and level of support needed for increased transaction volume;
- Technology risks in the development and deployment of registry enhancements; and
- Uncertainties about availability, recruitment, and retention of skilled, competent human resources.

It is important to note that the forecasts for 2024 and 2025 are more uncertain than the 2023 budget. Because RPRAs is in the midst of implementing new programs in 2022 and 2023, it is difficult to predict resource needs to adequately support these programs beyond 2023. RPRAs has narrowed the range of uncertainties through its work to date implementing five EPR programs and the Excess Soil Registry. As a result, investments planned for 2023 are expected to set the stage for more stability in budget

RPRAs's performance measures will be posted publicly along with resource recovery outcomes achieved by industry, which can be used to assess overall progress towards achieving the goals of the RRCEA.

growth during the planning period. However, specific uncertainties remain, including:

- The number of registrants, number of transactions, and volume of contacts for the Hazardous Waste Registry
- The volume of contacts for the Blue Box program, which differs substantially in scope and structure from the other EPR programs
- The results of competitive procurements for IT support services and other projects
- The extent of additional legal services necessary to support enforcement activities for EPR programs
- Technology costs to service new registry functionalities like the mobile app and API integrations

The 2024 and 2025 forecasts assume that FTE resources remain stable over the planning period. However, to manage the uncertainties noted above, financial contingencies have been added to the forecasts for those years.

RPRAs's risk mitigation strategies support organizational resilience to deliver its legislated mandate, fulfill directions from the Minister, and achieve its strategic priorities. RPRAs will monitor its risks throughout the planning period and will continually assess its exposure and update its mitigation strategies.

## 10 Performance Measures

### Tracking results

RPRA identifies strategic priorities, objectives, major activities, and performance measures in its annual business plan. RPRA reports on its performance in its annual report and at its annual public meeting to ensure transparency and accountability to its stakeholders and the public. RPRA's performance for 2022 will be published in its 2022 Annual Report, which will be posted to RPRA's website by June 1, 2023. RPRA's performance for 2023 will be reported in its 2023 Annual Report, which will be published and posted to RPRA's website by June 1, 2024.

The 2023 objectives and major activities for each strategic priority were identified in Section 8 above. 2023 performance measures and activity-based metrics for each strategic priority are identified below. Some measures do not have associated targets but provide transparency regarding RPRA activities and remain useful indicators year-over-year. Targets can be added as RPRA gains additional information about operations across all programs.

In 2022, RPRA undertook a review of its performance

measures, as planned in the 2022 Business Plan. The review analyzed our existing performance measures and identified opportunities for additional measures tied to our 2023 objectives. The review resulted in the adoption of 13 new measures. RPRA consulted on the measures with the IAC and SPAC.

RPRA's performance measures for 2023 are listed below, under their applicable strategic priority and objectives. Completion of major activities (see Section 8), coupled with performance measures for all objectives save for those under Priority One, will be used to track progress toward each objective in 2023. Objectives under Priority One will be assigned performance measures in future years. Additionally, as part of its 2023 activities, RPRA will be reporting publicly on resource recovery performance outcomes. This means that the performance measures below and the ultimate resource recovery outcomes achieved will be transparent for all stakeholders to see, and can be used to assess both RPRA's, the regulated community's, and the province's overall progress towards achieving the goals of the RRCEA.

#### Strategic Priority One:

##### Providing Ontario with reliable and useful resource recovery and waste information

###### Objectives

1. Publishing information submitted to the registry about resource recovery and waste, for use by businesses, the public, and government
2. Helping consumers understand resource recovery programs in the province (including where to recycle)

###### Performance Measures

- See Major Activities on page 15 preceding.

## 10 Performance Measures

### Strategic Priority Two:

Providing registrants with accessible and easy-to-use registry services

#### Objectives

1. Developing, maintaining and enhancing registry portals to meet users' needs
2. Minimizing burden by helping registrants easily accomplish their registration and reporting requirements
3. Efficiently providing registry support to all registrants across all programs

#### Performance measures

- Track uptime, releases and enhancements
  - Target: no unplanned downtime
- Track and report on major incidents
- Track percent of required reports submitted as complete and correct, both by registry program, and across programs
- Track baseline perceptions of RPRA's registry services for setting targets in 2024 and 2025
  - Target: three Salesforce product releases annually
  - Target: six releases annually for system enhancements

### Strategic Priority Three:

Delivering an effective compliance program to help achieve resource recovery and waste reduction outcomes for the province

#### Objectives

1. Supporting our regulated community through education, outreach, and effective and inclusive communications
2. Applying risk-based compliance frameworks to efficiently allocate compliance and enforcement resources
3. Promoting a level playing field for our regulated community and the successful achievement of performance requirements

#### Performance measures

- Track registrant baseline perceptions of education and outreach materials
- Track percent of registrants that receive communications from RPRA regarding their reporting requirements
  - Target: 100%
- Track compliance activity levels and responsiveness, including:
  - Completeness of data submitted by registrants
  - Percent of known responsible parties registered
- Response time for complaints
  - Target: within seven days
- Time to close high-priority substantiated free-rider cases
  - Target: within 90 days
- Response time for substantiated non-compliance
  - Target: within 30 days
- Track the number of free riders brought into compliance per year
- Track engagement with high priority registrants prior to reporting deadlines
  - Target: individual engagement for all high priority registrants
- Track verification of high priority producer supply and performance reports
  - Target: verify all high priority producer annual supply reports by end of year
  - Target: verify all high priority annual performance reports by end of year

## 10 Performance Measures

### Strategic Priority Four:

Building an accountable, transparent and sustainable organization that achieves value for money

#### Objectives

1. Enhancing RPRA's organizational culture to support a highly engaged workforce and be an employer of choice
2. Upholding effective governance to support accountability to the ministry, stakeholders, and Ontarians
3. Undertaking consultations, stakeholder engagement activities, and annual reporting to ensure accountability and transparency
4. Using data to enhance programs and decision-making across the organization

#### Performance measures

- Track RPRA employee engagement
  - Target: level of engagement meets or exceeds 2019 levels
- Track participant satisfaction with consultations, for setting targets in 2024 and 2025
- Track cost recovery for each individual RPRA program to compare fees billed with cost recovery target
  - Target: fees billed within 10% of cost recovery target for each program



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