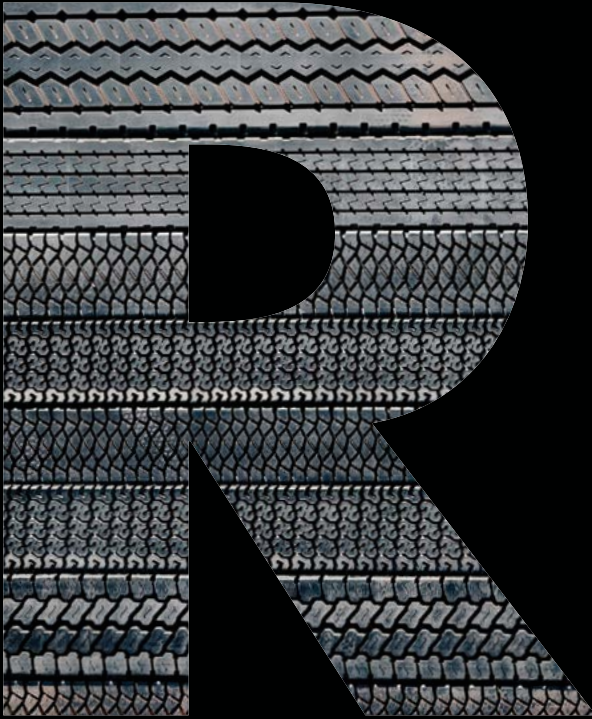




RPRA

Resource Productivity
& Recovery Authority

BUSINESS
PLAN | 2019



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



MISSION: Enforce producer responsibility and advocate for the circular economy to spur innovation and protect the environment.



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INTRODUCTION

The Resource Productivity and Recovery Authority (the Authority) is required to publish annually a Business Plan for the following three fiscal years. The Plan outlines a series of coordinated initiatives, including details of specific activities and resource requirements, to achieve its strategic objectives under its legislative framework.¹

The Authority's Business Plan is a key document for transparency and public accountability. It provides the Authority's regulated community and the broader public information on the Authority's short and medium-term strategic priorities and planned activities to fulfill its mandate.

The 2019-2021 Business Plan is the Authority's third Business Plan since it was established in late 2016. It is based on the Authority's 2018 performance to date, Ministerial directions received in 2017 and 2018 and

key assumptions related to program wind ups and the estimated number of registrants on the Authority's Registry under the *Resource Recovery and Circular Economy Act, 2016* following wind up of a program.²

Most of the Authority's planned activities outlined in this Plan flow from government decisions. The projected activities and resource requirements reflect the best available information and are subject to change as the Authority receives direction.

The Authority also publishes an annual report by June 1 of each year that assesses how successful the Authority has been at meeting the objectives and performance targets set out in the business plan for the previous fiscal year. The annual report also contains the Authority's audited financial statements for the previous fiscal year.

¹The specific requirements for the Authority's Business Plan are outlined in Section 33 of the *Resource Recovery and Circular Economy Act, 2016* and in Section 9 and Schedule D of the Authority's Operating Agreement with the Minister of the Environment, Conservation and Parks, which is available on the Authority's website along with this and previous business plans and annual reports.

²On June 29, 2018 the Ministry of the Environment and Climate Change was restructured and named the Ministry of the Environment, Conservation and Parks. Throughout this document 'Minister' refers to the Minister as defined in the *Waste-Free Ontario Act, 2016*.

CORPORATE OVERVIEW

Role and Mandate

The Authority was established in November 2016 by the Government of Ontario and mandated to play a key role in advancing a circular economy in Ontario by:

- Performing the duties and exercising the powers given to the Authority 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 the Authority's work to advance a circular economy and enforce producer responsibility requirements.

The duties and powers given to the Authority include:

- Overseeing industry funding organizations (IFOs) and industry stewardship organizations (ISOs) 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 of the Environment, Conservation and Parks (the Minister) and overseeing implementation of approved plans;
- Developing and maintaining an online Registry to receive information reported from parties obligated to register with the Authority; and
- Ensuring compliance by obligated parties with their responsibilities as set out in regulations under the RRCEA.

The RRCEA and the WDTA outline the legislative

framework for the Authority's responsibilities, powers and duties:

- The WDTA sets out the Authority's oversight responsibility for the operation of current waste diversion programs and the orderly winding up of those programs and the industry funding organizations responsible for managing those programs.
- The RRCEA sets out the Authority's responsibility for developing and maintaining a Registry and enforcing compliance requirements on producers of products and packaging that result in waste, and on 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 materials currently managed under the WDTA as well as new materials designated by the Government of Ontario.

The Authority's key activities include:

- Overseeing the ongoing operation of current waste diversion programs operated by:
 - Industry funding organizations:
 - Stewardship Ontario for the Blue Box Program and the Municipal Hazardous or Special Waste (MHSW) Program;
 - Ontario Electronic Stewardship (OES) for the Waste Electrical and Electronic Equipment (WEEE) Program;
 - Industry stewardship organizations:
 - Product Care Association (PCA) for paints and coatings, solvents, fertilizers and pesticides;

02 | AUTHORITY OVERVIEW

- Automotive Materials Stewardship (AMS) for oil filters, oil containers and antifreeze; and
- SodaStream for its proprietary pressurized carbon dioxide containers;
- Approving wind up plans developed by IFOs as directed by the Minister of the Environment, Conservation and Parks and overseeing implementation of approved plans;
- Overseeing the wind up of IFOs following program wind up including the wind up of Ontario Tire Stewardship in 2019 following the wind up of the Used Tires Program on December 31, 2018;
- Developing and maintaining a Registry to register and receive information from regulated parties, monitor performance and report on Ontario's efforts to advance a circular economy;
- Operating the Registry for Ontario Regulation 225/18, the new Tires Regulation; and
- Overseeing producer performance against requirements set out in RRCEA regulations by conducting compliance and enforcement activities.

Organizational Structure

The Authority is a non-Crown, not-for-profit corporation, governed by a skills-based Board of Directors.

The Board is responsible for the overall governance of the affairs of the Authority and is accountable for the delivery of its mandated objectives under the Acts and the [Operating Agreement between the Authority and the Minister of the Environment, Conservation and Parks](#).

The Minister appoints five members to the Board of Directors and the Board elects an additional six members to form the full eleven-member Board of Directors. The Board elects a Chair, Vice-Chair, Secretary and Treasurer.

The Board appoints a Chief Executive Officer (CEO) and a Registrar and delegates responsibilities to these senior staff who are responsible for managing the business of the Authority.

The Authority and its Board members, officers, employees and representatives are not agents of the

Crown.

Additional information about the Board of Directors, including biographies and committees, is available on the Authority's website.

Relationship with the Government of Ontario

The Minister of the Environment, Conservation and Parks is responsible for overseeing the Authority and tabling the Authority's annual report in the Legislative Assembly.

Roles and responsibilities of the Minister and the Authority are set out in an Operating Agreement, which is available on the Authority's website.

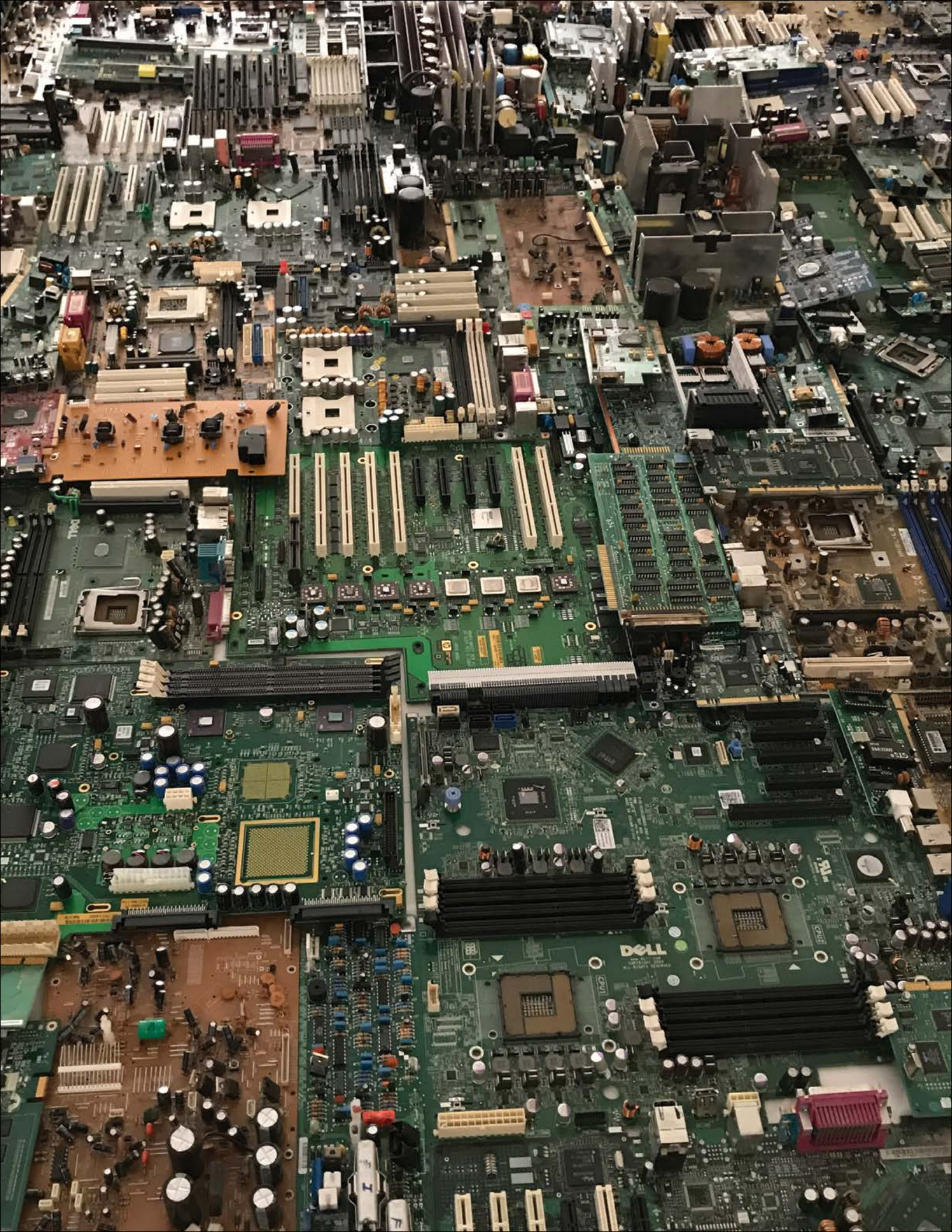
The Board is accountable to the Minister for the performance of the Authority.

French Language Services

The RRCEA requires the Authority to develop a plan to provide services in French and the Operating Agreement requires the means by which the Authority will provide French language services to be outlined in the Business Plan.

The Authority has developed and posted its [French Language Services Plan](#) on its website and will use a combination of third-party French translation services and bilingual staff to deliver the Plan.

The Authority reviews its French Language Services plan annually and revises as appropriate.

An aerial photograph showing a dense pile of electronic waste, including various computer motherboards, RAM modules, and other components, illustrating the scale of the waste management challenge.

STRATEGIC PRIORITIES FOR 2019 TO 2021

Strategic Priorities

The Authority's five strategic priorities for the period 2019 to 2021, which will enable it to effectively deliver on its mandate, are:

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

Key Assumptions

The Authority's 2019 Business Plan covers a three-year period from 2019 to 2021.

This Plan is based on direction received from the Minister of the Environment and Climate Change (the Minister) in 2017 and 2018 and, arising from these directions, a number of assumptions about possible future regulatory initiatives from the Minister of the Environment, Conservation and Parks that would impact the Authority's activities. These assumptions are

estimates and for the Authority's planning purposes only and are not intended to presume any decisions not yet made or communicated by the Government of Ontario.

Throughout the implementation of this Plan, the Authority will consult with the Minister of the Environment, Conservation and Parks in order to update assumptions and adjust activities as required.

The primary assumptions relate to:

- Timing of waste diversion program wind up;
- Timing of initiatives described in the [Strategy for a Waste-Free Ontario](#) published in February 2017;
- Timing of designation of additional materials under the RRCEA; and
- The number of obligated parties associated with the initiatives and designations.

Since the 2018 Business Plan was published, a number of developments have occurred in the Authority's operating environment that require adjustments in the key assumptions for the 2019 Business Plan, including:

Update on 2018 Business Plan Assumptions

2018 Business Plan Assumptions	Status
Tires Regulation in force and obligated parties begin registering with Authority in 2018	Tires Regulation in force July 1, 2018. Producers are required to register by August 31, 2018. Service providers are required to register by October 31, 2018.
RRCEA regulations for two other waste diversion programs in force and obligated parties begin registering with Authority in 2018 and 2019	No additional regulations for waste diversion programs have been made. Minister's wind up directions for Waste Electrical and Electronic Equipment Program and Municipal Hazardous or Special Waste Program were issued in 2018 and will result in both programs being wound up in 2020.
Food and Organic Waste Framework finalized and regulation(s) in force and obligated parties begin registering with Authority in 2019 to 2020	Framework issued in 2018 for consultation. Associated regulations and registration not assumed during the period addressed in this Plan.
3Rs Regulations review initiated and obligated parties begin registering with Authority in 2020	Associated regulations and registration not assumed during the period addressed in this Plan.
RRCEA regulations for new materials in force and obligated parties begin registering with Authority in 2020	Associated regulations and registration not assumed during the period addressed in this Plan.

The Used Tires Program operated by Ontario Tire Stewardship is set to cease operations on December 31, 2018. Registration of parties obligated under the Tires Regulation began in July 2018.

In 2019, the Authority will be enforcing individual producer responsibility requirements for tires under the Tires Regulation. The Authority will also, further to the Minister's direction, oversee the dissolution of the industry funding organization Ontario Tire Stewardship following the wind up of the Used Tires Program on December 31, 2018.³

The Authority has been directed to review and, if appropriate, approve and subsequently oversee

implementation of the wind up plan for the Waste Electrical and Electronic Equipment (WEEE) Program operated by Ontario Electronic Stewardship (OES). This direction was provided in the Minister's wind up letter to OES dated February 8, 2018.

The Authority has been directed to review and, if appropriate, approve and subsequently oversee implementation of the wind up plan for the Municipal Hazardous or Special Waste (MHSW) Program operated by Stewardship Ontario. This direction was provided in the Minister's wind up letter to Stewardship Ontario dated April 12, 2018.

Registration of producers and service providers of

electrical and electronic equipment and hazardous or special materials is assumed to occur in 2020.⁴

In April 2018, the Minister released a draft Food and Organic Waste Framework for public consultation. To accommodate time for consultation on the Framework and subsequently on any associated regulations, the Authority has assumed for planning purposes no registration of obligated parties associated with the Food and Organic Waste Framework during the period of time addressed in this Plan.

The Authority has also assumed for planning purposes that no activities will occur during the three-year time period of this Plan related to the process to amend the Blue Box Program Plan initiated in late 2017 as a first step to transition the program to individual producer responsibility. Additionally, the Plan also assumes that direction to wind up the Blue Box Program and Stewardship Ontario will not be received during the three-year time period of this Plan.

Similarly, the Authority has also assumed for planning purposes that no registrations of obligated parties arising from regulations designating additional materials under the RRCEA will occur during the period of time addressed in this Plan.

The Authority has also assumed for planning purposes that no registrations of obligated parties arising from a review of waste management requirements for Ontario's industrial, commercial and institutional (IC&I) sectors will occur during the period of time addressed in this Plan.

The following chart sets out the assumptions on timing and the number of registrants used for the purposes of the 2019 Business Plan, which covers a three-year period through to 2021. These assumptions underpin the Authority's human resources plan and financial budget and forecasts.

Key Assumptions for 2019 – 2021 Business Plan

Initiatives	Assumed Timeframe for Registration of Obligated Parties	Assumed Number of Obligated Parties
RRCEA regulation for electrical and electronic equipment	2020	3,000
RRCEA regulation for hazardous or special materials	2020	16,000
Total Assumed Number of Registrants for electrical and electronic equipment and municipal hazardous or special waste in 2020		19,000
Total Number of Registrants for Tires by 2019		6,300
Total Number of Registrants by 2021		25,300

All assumptions in the paragraphs and table above are conjecture and subject to future decisions of the Government of Ontario. Should these assumptions

underestimate or overestimate the timing or scope of initiatives, the following activities, milestones and forecasts will be adjusted as required.

³The wind up of the Used Tire Program and Ontario Tire Stewardship is outlined in the Used Tires Program Wind Up Plan approved by the Authority in April 2018. The Plan is available on the Authority's website.

⁴In a letter dated February 8, 2018, the Minister of the Environment and Climate Change directed Ontario Electronic Stewardship to submit a wind up plan for the Waste Electrical and Electronic Equipment Program to the Authority for approval by December 31, 2018. The Minister also directed the WEEE program to cease operations by June 30, 2020. Additionally, on April 12, 2018, the Minister of the Environment and Climate Change directed Stewardship Ontario to submit a wind up plan for the Municipal Hazardous or Special Waste Program to the Authority for approval by June 30, 2019. The Minister also directed the MHSW program to cease operations on December 31, 2020. Both letters are available on the Authority's website.



Strategic Priority One: Transition of Waste Diversion Programs

Objectives

To support current programs, the Authority will:

- Oversee the IFO Ontario Tire Stewardship during the wind up of the corporation;
- Continue to oversee the WEEE, MHSW and Blue Box programs and their associated IFOs and ISOs prior to wind up;
- Continue to oversee the four industry stewardship plans until the MHSW program is wound up;
- Consult on, assess and, if appropriate, approve wind up plans when submitted by OES for WEEE and by Stewardship Ontario for MHSW as directed by the Minister;
- Monitor implementation of approved wind up plans to ensure:
 - Effective wind up of the program and, where applicable, the IFO on the timeline established by the Minister; and
 - Continuous and reliable services for residents during the wind up period.

Activities and Milestones

Continued Oversight Under WDTA

- 2019 – 2021
 - Oversee waste diversion programs including:
 - Compliance with the WDTA and its regulations
 - Adherence to approved program plans
 - Performance against targets
 - Delivery of annual reports
 - Oversee ISPs as per plan agreements, including:
 - Compliance with the WDTA and its regulations

- Adherence to approved stewardship plans
- Performance against targets
- Delivery of annual reports
- Review IFO budgets and their process to set steward fees in accordance with approved fee setting methodologies
- To support the Blue Box Program Plan:
 - Administer the Municipal Datacall including training, data verification and audits
 - Oversee the Continuous Improvement Fund
 - Administer the News Media Canada In-Kind Advertising Program

Wind Up Under WDTA

- 2019
 - Oversee the dissolution of OTS as outlined in the Used Tires Program Wind Up Plan approved by the Authority in April 2018
 - Assess and, if appropriate, approve OES's Waste Electrical and Electronic Equipment Program Wind Up Plan
 - Assess and, if appropriate, approve Stewardship Ontario's Municipal Hazardous or Special Waste Program Wind Up Plan
 - If approved, oversee implementation of the WEEE and MHSW wind up plans on the timelines established by the Minister
- 2020 – 2021
 - If approved, oversee implementation of the WEEE and MHSW wind up plans, including dissolution of OES, on the timelines established by the Minister



Strategic Priority Two: Responsible Management of Data

Objectives

To ensure responsible management of data housed in the Registry, the Authority will:

- Assess and monitor accuracy of data submitted by obligated parties
- Ensure secure data systems to protect confidential information, including personal and commercially sensitive information
- Provide public access to information that is not confidential to enable businesses and residents to both assess and contribute to Ontario's progress toward a circular economy
- Analyze the data housed in the Registry to support the Government's policy development
- Utilize the data housed in the Registry to inform a risk-based compliance strategy to hold obligated producers responsible and accountable

Activities and Milestones under RRCEA and WDTA

- 2019
 - Manage the data in the Registry according to the Authority's Access and Privacy Code, Records

Retention Policy and the principles set out in Schedule B of the Operating Agreement

Activities and Milestones under RRCEA

- 2019
 - Enhance the Registry to support registration of obligated parties under a RRCEA electrical and electronic equipment regulation
- 2020
 - Enhance the Registry to support registration of obligated parties under a RRCEA regulation for hazardous or special materials
 - Support registration of obligated parties under an electrical and electronic equipment regulation
 - Support registration of obligated parties under a hazardous or special materials regulation
- 2021
 - Design and deploy data analytics and business intelligence capabilities in order to support public reporting and identify compliance and enforcement priorities consistent with the Authority's risk-based compliance approach



Strategic Priority Three: Trusted Authority

Objectives

To deliver compliance and enforcement in a conscientious manner that enables obligated parties to meet their obligations efficiently, the Authority will:

- Hold IFOs accountable to their waste diversion program requirements, ISOs accountable to their industry stewardship plan requirements and stewards accountable for their obligations under the IFOs' rules for stewards
- Provide clear, instructive communications to those obligated to register and to comply with RRCEA regulations
- Foster a level playing field for parties obligated under the RRCEA by undertaking effective compliance and enforcement

Activities and Milestones under RRCEA and WDTA

- 2019 – 2021
 - Continue implementation of the Authority's Risk-Based Compliance Framework incorporating graduated measures beginning with communications to encourage voluntary compliance

Activities and Milestones under RRCEA

- 2019
 - Support compliance by obligated parties with the requirements in the Tires Regulation through the deployment of effective compliance strategies
- 2020
 - Launch a communications strategy to educate registrants obligated under an electrical and electronics equipment regulation about regulatory requirements
 - Launch a communications strategy to educate registrants obligated under a hazardous or special materials regulation about regulatory requirements
 - Support the registration of obligated parties under an electrical and electronic equipment regulation and a hazardous or special materials regulation and undertake compliance activities
 - Ensure Registry Compliance Officers are trained and supported to effectively respond to registrant inquiries, provide excellent customer service and undertake effective compliance activities

Strategic Priority Four: Accountability

Objectives

To be accountable, the Authority will:

- Comply with the reporting and publishing requirements in the RRCEA, WDTA and the Operating Agreement
- Comply with the Information Sharing Protocol in the Operating Agreement
- Engage and consult with stakeholders broadly and openly on development of the Authority's policies and planned Authority activities where appropriate
- Establish a culture of open dialogue, collaboration and responsible discourse

Activities and Milestones under RRCEA and WDTA

- 2019 – 2021
 - Provide the Minister with information set out in the Information Sharing Protocol in Schedule A of the Operating Agreement as requested and required
 - Post all documents required to be posted on the Registry under the RRCEA, WDTA and the Operating Agreement
 - Develop and maintain all policies and procedures required to be developed and maintained under the Operating Agreement
 - Provide information about the Authority's Board and Committees on the Authority's website
 - Provide timely information to persons involved in activities that relate to resource recovery or waste reduction in Ontario and to the public about the Acts and the regulations
 - Continue to provide key communications in French consistent with the Authority's French Language Services Plan

2019

- Undertake consultation with stakeholders on any changes to the Authority's General Fee Setting Policy and annual fees or other charges
- Establish and maintain stakeholder groups to provide a forum to enable open dialogue, information sharing and efficient approaches to regulatory compliance and enforcement that minimize burden on registrants
- Continue to provide information about the Authority's objectives and activities under the WDTA and RRCEA through the Authority's website and other communications methods

Activities and Milestones under WDTA

- 2019
 - Submit the Authority's 2018 Annual Report by June 1, 2019
 - Hold a public Annual Meeting in June 2019
 - Submit the Authority's 2020 Business Plan ninety days before year end
 - Maintain an effective system for responding to public feedback and complaints received by the Authority related to performing its duties and exercising its powers under the Acts
- 2019 – 2021
 - Undertake consultations with stakeholders on wind up plans received from Ontario Electronic Stewardship for the wind up of the WEEE Program and from Stewardship Ontario for the wind up of the MHSW Program before consideration by the Authority Board for approval
- 2019 – 2021
 - Undertake consultations with IFOs and stakeholders on any changes to the Authority's Wind-up Guide

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03 | STRATEGIC PRIORITIES FOR 2019 TO 2021

Strategic Priority Five: Organizational Sustainability

Objectives

To be a skilled, professional, cost-effective and stable organization, the Authority will:

- Develop an organizational culture based on professionalism, continuous improvement, integrity, accountability, respect and collaboration
- Develop organizational capacity based on principles of efficient and effective management and value-for-money
- Establish and administer fees and other charges that sustain the Authority's operations consistent with the cost recovery requirements of the WDTA and RRCEA and principles set out in the General Fee Setting Policy
- Enhance and maintain governance practices to meet or exceed recognized best practices

Activities and Milestones under RRCEA and WDTA

- 2019 – 2021
 - Maintain operating policies and procedures to ensure up-to-date, clear and consistent practices

2019

- Conduct a performance evaluation of the Board and each Board member in 2019 and in 2021
- Enhance and maintain governance policies and procedures based on best practices
- Recruit and onboard staff, as required, to strengthen the Authority's delivery of services
- Support and enhance the Authority's internal operational culture through ongoing employee engagement, training and succession planning
- As terms of elected Board members expire, re-elect or replace to ensure the Board has a full slate of elected directors with an appropriate range of skills and expertise.

Activities and Milestones under RRCEA

- 2019 – 2021
 - Review, expand and/or adjust fees and other charges as additional parties are obligated consistent with the General Fee Setting Policy

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FINANCIAL PLAN

Key Assumptions

The key assumptions described in Section 3 of this Plan, which as noted are uncertain, inform the Authority's 2019 to 2021 financial plan.

In addition to the key assumptions in Section 3, the Authority's financial plan also assumes:

- The Registry will be developed as necessary to implement the requirements of regulations under the RRCEA;
- Registry development and implementation costs are amortized; and
- Registry expenses include migration of historical data, amortization, annual licensing costs and managed services and maintenance costs.

Components of the Authority's 2019 to 2021 financial plan include:

- Human Resources
- Revenues and Expenses
- Line of Credit
- Reserve Fund
- Risks

Human Resources

The Authority's human resource capacity will be adjusted to fulfill the requirements associated with its assumed activities over the 2019 to 2021 period as waste diversion programs are wound up and regulations under the RRCEA come into force.

Additional positions will be required to support the Authority's Registry system, compliance and enforcement, financial administration, information and information technology and public reporting functions:

- The Compliance and Enforcement and Registry Support group will increase in 2020 and 2021 by

7.8 FTEs to support the registration and compliance of obligated parties under an electrical and electronic equipment regulation and a hazardous or special materials regulation.

- The Transition group will be reduced by 1.4 FTEs by 2021 and will continue to focus on providing oversight of IFOs directed to wind up waste diversion programs and monitoring of IFO, ISO and steward compliance with the WDTA before and during the wind up process. Where feasible, as the Transition Team is reduced, its capacity and expertise will be redeployed as part of the expansion of the Compliance and Enforcement and Registry Support group.
- The Information and Information Technology (I&IT) group will be strengthened by two additional FTEs in 2020 to establish a data analytics and business intelligence function to support public reporting and assist in identifying compliance and enforcement priorities. The expanded capacity will also support migration of historical program data from the WEEE and MHSW Programs into the Authority's Registry, and liaising with the Registry Managed Services provider. The enhanced capacity will also enable development of Registry reporting and analytical tools and liaising with affected parties to define Registry requirements as the system is enhanced to accommodate registration and reporting by obligated parties under an electrical and electronic equipment regulation and a hazardous or special materials regulation.
- The Finance and Administration group will be enhanced with the addition of an HR Manager in 2019 to ensure alignment between the organization's strategic objectives and its HR

- plan, including supporting employee recruitment, onboarding, engagement, development, performance management and change management. An administrative assistant will be added in 2020 to respond to the increasing demands for administrative support across the organization.

 - The Communication and Stakeholder Relations team will remain unchanged during the 2019 Business Plan period and continue to focus on
- delivering the Authority’s communications and consultation functions.

 - The CEO/Board Secretariat/Legal group will be strengthened with the addition of a Project Manager in 2020 to support the organization as its scope increases with the registration of obligated parties under an electrical and electronic equipment regulation and a hazardous or special materials regulation.

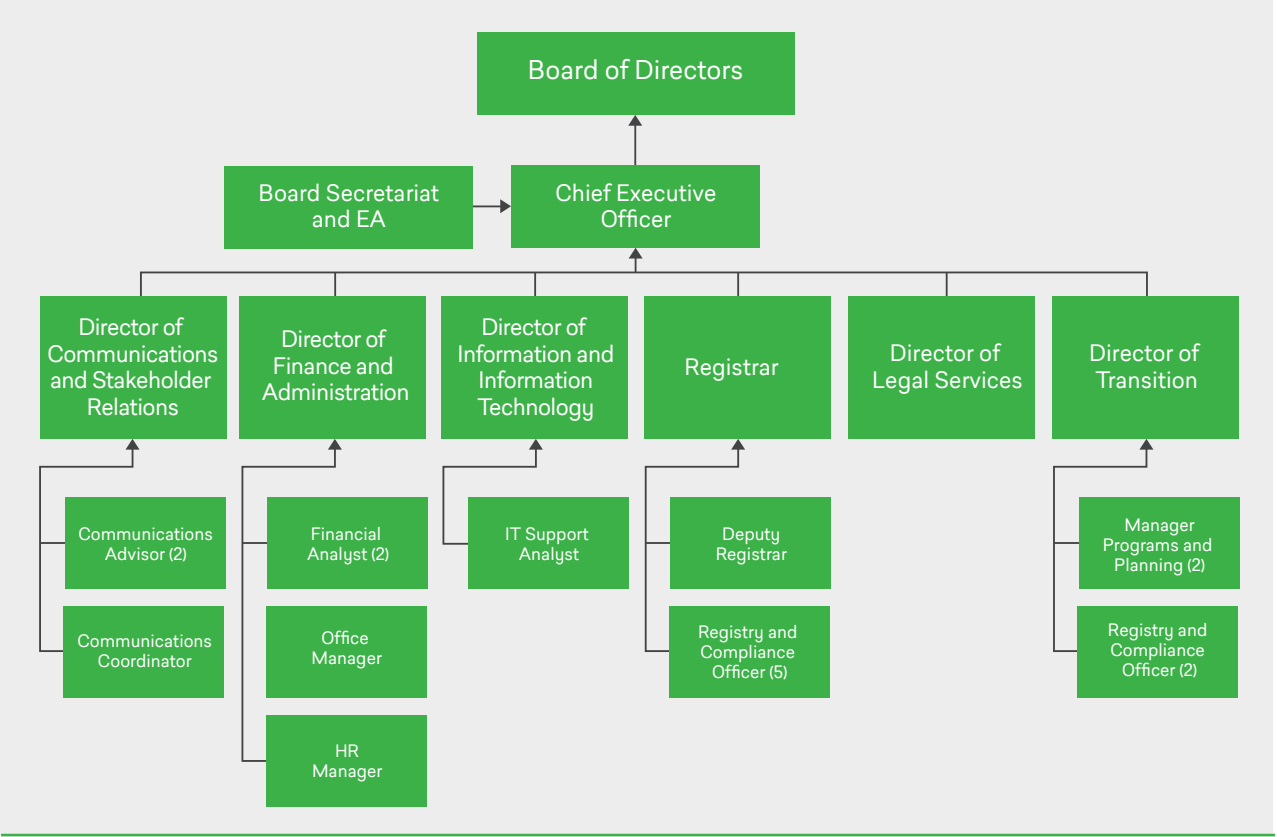
The following table sets out the human resources anticipated to be in position by the end of 2018 as well as the human resources anticipated to be added in 2019 to 2021.

Human Resources Plan 2019 to 2021

Department	Annual Full Time Equivalent Staff Positions			
	2018	2019	2020	2021
Compliance and Enforcement and Registry Support	6.2	6.7	11.5	14.0
Transition	5.4	5.0	5.0	4.0
I&IT	2.0	2.0	4.0	4.0
CEO/Board Secretariat/ Legal	2.8	3.0	4.0	4.0
Finance and Administration	4.0	4.8	6.0	6.0
Communications and Stakeholder Relations	3.4	4.0	4.0	4.0
Total Annual FTE	23.8	25.5	34.5	36.0

The following organizational chart illustrates the information from the Human Resources Plan for 2019.

Organizational Chart 2019



Revenues and Expenses

The Authority’s 2019 to 2021 activities will be supported by revenues from two sources:

- Regulated industry funding organizations and industry stewardship organizations under the WDTA; and
- Regulated parties under the RRCEA.

The estimated revenues from the regulated parties under the WDTA reflect the wind-up assumptions included in the Key Assumptions section of the Business Plan and are derived through direct charges to IFO and ISOs for WDTA-related expenses. The Authority will continue to recover its WDTA costs from IFOs and ISOs until wind up of the associated program and industry funding organization is complete.

The estimated revenues from the regulated parties under the RRCEA reflect additional registrants outlined in Section 3 and are derived through registration fees and other charges paid by the obligated parties. For the purposes of

this forecast, assumptions were made for the proportion of costs associated with activities under the RRCEA that would be recovered through fees and other charges in each year and the proportion that would be financed through a line of credit. Increases to the line of credit in the forecast period are to finance Registry development costs, as these costs are amortized over a number of years and recovered through annual fees. All current year RRCEA expenses are recovered through fees.

This assumption and the resulting RRCEA revenue amount in the following table are not indicative of future fees, which will be set by the Authority Board each year after consultation with stakeholders.

The primary expense variances between the 2018 Budget and the 2019 Budget are related to the following:

- An increase in payroll due to the full year impact in 2019 and beyond from the recruitment of human resources that occurred in 2018; and



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- An increase in office and other expenses reflecting interest associated with utilization of the line of credit to support Registry development and I&IT expenses associated with the Registry, offset by a reduction in board and communication expenses.

The gradually increasing allocation of expenses to RRCEA reflects amortization of the Registry system development costs, expanded human resources

capacity for the Compliance and Enforcement and Registry Support team, and compliance audit expenses related to RRCEA enforcement.

The gradually declining allocation of expenses to WDTA reflects the wind up of the Used Tires Program on December 31, 2018 followed by wind up of OTS, wind up of the WEEE Program on June 30, 2020 followed by wind up of OES and wind up of the MHSW Program on December 31, 2020.

Draft Budget and Forecast 2019 to 2021

In Millions	Budget 2018	Forecast 2018	Draft Budget 2019	Forecast 2020 2021	
Revenues					
Cost recovery	\$ 8.31	\$ 6.61	\$ 8.39	\$ 9.37	\$ 9.38
Reserve contribution	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60	\$ 0.60
Other	\$ –	\$ 0.55	\$ (0.55)	\$ –	\$ –
Total Revenues	\$ 8.91	\$ 7.75	\$ 8.45	\$ 9.97	\$ 9.98
Core Activities					
Payroll ¹	\$ 3.40	\$ 3.10	\$ 3.67	\$ 4.54	\$ 4.71
Communications and consultants	\$ 0.37	\$ 0.20	\$ 0.27	\$ 0.27	\$ 0.23
Office and other expenses ²	\$ 1.26	\$ 1.29	\$ 1.51	\$ 1.55	\$ 1.58
Professional Fees to support activities ³	\$ 0.88	\$ 0.65	\$ 0.92	\$ 0.87	\$ 0.74
Sub-Total Core Activities	\$ 5.92	\$ 5.25	\$ 6.36	\$ 7.23	\$ 7.26
Other Activities					
Registry expenses ⁴	\$ 2.39	\$ 1.36	\$ 2.03	\$ 2.14	\$ 2.12
Reserve contribution ⁵	\$ 0.60	\$ 1.15	\$ 0.05	\$ 0.60	\$ 0.60
Total All Activities ⁶	\$ 8.91	\$ 7.75	\$ 8.45	\$ 9.97	\$ 9.98
RRCEA	\$ 1.73	\$ 1.73	\$ 1.75	\$ 4.40	\$ 6.03
WDTA	\$ 7.18	\$ 6.03	\$ 6.70	\$ 5.57	\$ 3.95

Budget Notes

1. Payroll includes all full-time and contract employees, including associated benefits
2. Office and other expenses include the interest on the line of credit; depreciation of leasehold improvements, furnishings and computer hardware; office lease; telephone; IT expenses; Board expenses; and, Municipal Datacall maintenance expenses
3. Professional fees include external legal services, external audit services, HR recruitment services, contracted enforcement and compliance training, and consulting services in support of oversight of IFOs and ISOs, and IFO windup
4. Registry operational expenses include Managed Services, software licensing and amortized capital costs for the Registry. Total estimated capital costs for the Registry will depend on the content of the regulations for electrical and electronic equipment and hazardous or special waste. Once the content of those regulations is known, the Authority will be in a position to better estimate the capital cost.
5. The budget reserve contribution remains consistent with the 2018 Budget and with the Authority's reserve policy
6. The 2018 Budget reflects the same value for Total All Activities as in the 2018 Business Plan

Line of Credit

The assumed increase in utilization of the line of credit during the 2019 to 2021 period is solely related to financing the Registry development costs, which are amortized as an intangible asset. The line of credit will be used to cover these expenses for cash flow purposes. The annual amortized costs of the Registry will be recovered through annual registration fees.

Reserve Fund

The Authority’s Operating Agreement with the Minister stipulates that the Authority’s contingency reserve may not exceed 50% of the organization’s annual operating costs. The Board has established a reserve fund policy consistent with this requirement. Contributions to the reserve fund in 2019 through 2021 reflect the normalized reserve contribution.

Risk

Risk is inherent in any business plan, in particular in a plan that covers three years and that is based on assumptions about future government regulatory initiatives.

The Authority identifies, assesses and evaluates risks and develops mitigation plans to manage risks that have the potential to inhibit the organization’s ability to deliver on its mandate and achieve its business plan objectives.

The key risks associated with the 2019 to 2021 Business Plan include:

- Assumptions about the number of registrants under an electrical and electronic equipment regulation and a hazardous or special materials regulation under the RRCEA;
- Uncertainties inherent in the implementation of new regulations, including, timing of regulations, the level of compliance by obligated parties and the effectiveness of communication and compliance strategies;
- Uncertainties about the design of regulations, which will effect Registry development costs and compliance requirements;
- Technology risks in the development and deployment of Registry enhancements; and
- Availability and recruitment of skilled, competent human resources.

The Authority’s robust enterprise risk management framework supports the effective management of risks through the development of risk management plans. The Authority’s risk mitigation strategies support organizational resilience to achieve its strategic priorities. The Authority will monitor its risks throughout the Business Plan period and will continually assess its exposure and update its mitigation strategies.

PERFORMANCE MEASURES

The Authority sets strategic priorities, objectives and performance targets in its annual Business Plan. The Authority reports on its performance against its objectives in its Annual Report and at its public Annual Meeting to ensure transparency and accountability to its stakeholders and the public.

These objectives and performance targets are based on the Authority’s mandate, responsibilities and strategic priorities and are selected to be challenging

but also achievable statements of planned results. Some of the Authority’s performance measures in 2019 continue to focus on supporting the build out of the Authority and/or reflect one-time activities. As such, some of the measures do not lend themselves to quantification and instead reflect activities to gauge progress in completing planned activities. Over time, performance measures will be updated to allow for quantification and year-over-year comparisons.

Strategic Priority One: Transition of Waste Diversion Programs

Objective	Measure	2019 Target
Continued oversight of waste diversion programs	Effective and efficient operation of Waste Electrical and Electronic Equipment Program, Municipal Hazardous or Special Waste Program, and Blue Box Program	IFOs/ISOs operate in compliance with WDTA requirements
		Complaints responded to within 30 days
		Respond within 30 days to all substantiated non-compliances
Effective wind up of IFO programs and IFOs	WEEE and MHSW wind up plans are consistent with the WDTA, Minister’s directions and the Authority’s Wind Up Guide	Authority approval of wind up plans on the timelines anticipated by the Minister
		Implementation of approved wind up plans consistent with approved wind up plans

Strategic Priority Two: Responsible Management of Data

Objective	Measure	2019 Target
Develop and maintain Registry to fulfill organizational mandate	Expand Registry consistent with electrical and electronic equipment regulation	Complete Registry development for producer registration in accordance with electrical and electronic equipment regulation
Registrants submit required data	Completeness of data reported by registrants	Respond within 30 days to all substantiated non-compliances with registration, reporting and performance requirements outlined in the Tires Regulation
Protection of confidential, personal and commercially sensitive data	Security and privacy of confidential, personal and commercially sensitive information	Compliance with Access and Privacy Code and RRCEA and WDTA provisions on confidentiality of information

Strategic Priority Three: Trusted Authority

Objective	Measure	2019 Target
Enable and support businesses to comply	Registrant satisfaction with Authority's communications and level of effort required to use Registry	Level of registrant satisfaction at or above 2018 baseline
Foster a level playing field for parties obligated under RRCEA	Response time to take compliance and enforcement actions against non-compliant parties	Complaints responded to within 30 days Respond within 30 days to all substantiated non-compliances

Strategic Priority Four: Accountability

Objective	Measure	2019 Target
Comply with reporting requirements in the RRCEA, WDTA and the Operating Agreement	Reporting requirements outlined in the RRCEA, WDTA and Operating Agreement	2018 Annual report submitted by June 1, 2019
		Public Annual Meeting held in June 2019
		2020 Business Plan submitted 90 days before year end
Engage and consult broadly and openly with stakeholders	Completed consultations and stakeholder satisfaction with Authority's consultation process	Completion of consultations on WEEE Wind Up Plan with level of participant satisfaction at or above 2018 baseline
		Completion of consultations on MHSW Wind Up Plan with level of participant satisfaction at or above 2018 baseline
		Completion of consultations and approval of 2020 Registry Fees with level of participant satisfaction at or above 2018 baseline

Strategic Priority Five: Organizational Sustainability

Objective	Measure	2019 Target
Set fees and other charges that sustain the organization	Total Revenue	Recovery of costs without significant deficit or surplus
	Total Reserve Contribution	Contribution to Reserve consistent with Reserve Fund Policy
Establish an organizational culture based on professionalism, continuous improvement, integrity, accountability, respect and collaboration	Employee engagement survey results	Level of engagement at or above levels established in the 2017 employee engagement survey



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