



RPRA
Resource Productivity
& Recovery Authority

2020 | Business Plan

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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GLOSSARY OF COMMON TERMS

CRO	Compliance and Registry Officer	ODRP	Ontario Deposit Return Program
CSSA	Canadian Stewardship Services Alliance	OES	Ontario Electronic Stewardship
EHF	Environmental Handling Fee (for electronics)	OTS	Ontario Tire Stewardship
EPR	Extended Producer Responsibility	PRO	Producer Responsibility Organization
EPRA	Electronic Products Recycling Association	RRCEA	<i>Resource Recovery and Circular Economy Act, 2016</i>
IFO	Industry Funding Organization	TSF	Tire Stewardship Fee (for tires)
IPR	Individual Producer Responsibility	UTP	Used Tires Program
ISO	Industry Stewardship Organization	WDTA	<i>Waste Diversion Transition Act, 2016</i>
ISP	Industry Stewardship Plan	WEEE	Waste Electrical and Electronic Equipment Program
MHSW	Municipal Hazardous or Special Waste		

WASTE REDUCTION AND RESOURCE RECOVERY

This is the Resource Productivity and Recovery Authority's (the Authority) fourth business plan since the *Waste-Free Ontario Act, 2016* came into force on November 30, 2016. The Act provides for a broad transformation in how waste diversion programs in Ontario are to be managed. This transformation is happening through a staged process of transition covering four programs: (i) Used Tires, (ii) Waste Electrical and Electronic Equipment, (iii) Municipal Hazardous or Special Waste, and (iv) Blue Box. Each program has transitioned or will transition to individual producer responsibility on timelines set through directions from the Minister of the Environment, Conservation and Parks (the Minister).

This Plan covers years four to six of this transition process during which affected businesses, municipalities and First Nations are undergoing change. The Authority's activities will be focused on supporting this change. During the period covered by this Plan, management of tires in Ontario is moving into its second year under individual producer responsibility and the first year of reporting against targets set in regulation. The three remaining programs are in various stages of winding up to accommodate a transition to individual producer responsibility.

This Plan sets out the Authority's strategic priorities, objectives and activities, and the human and financial resources it will need to deliver on its mandate during the planning period. To support all participants in this transformation in an efficient and accountable way, the Authority is committed to, among other things:

- As a regulator, focusing on enabling businesses to adapt to the new regulations, fostering a fair and competitive marketplace, and efficiently allocating compliance resources based on a risk-based compliance framework;
- Building a secure, cost-effective and user-friendly

electronic Registry for the registration of regulated parties and reporting of data and, over time, serving as an information clearinghouse;

- Overseeing the wind up of programs to help ensure fair outcomes for businesses operating in the sectors subject to regulations, and avoid disruption to Ontario residents and the operation of collection and management systems during the wind up and transition process;
- Providing to all concerned parties accurate and clear information on progress toward meeting the Government's public policy objectives by analysing and reporting on information and data received through the Municipal Datacall, Registry, and compliance activities;
- Effectively and transparently communicating with stakeholders in order to educate, respond to concerns, and support compliance activities; and
- Operating efficiently and limiting expenditures to what is needed to deliver effectively on the Authority's mandate as set out in the *Waste-Free Ontario Act, 2016* and as directed by the Minister.

The Authority 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](#). As an organization entirely funded by fees on businesses, the Authority is also committed to carefully managing expenditures. Spending decisions are made pursuant to Procurement, Business Expense, Director Remuneration and other policies that are available on the Authority's website and are in line with expectations set out in the Authority's Operating Agreement with the Minister.

The Government has signalled a strong commitment to reducing waste and litter as well as increasing resource recovery. Its environmental plan is laid out in [Preserving and Protecting our Environment for Future Generations: A Made-in-Ontario Environment Plan](#) published in November 2018 and in the [Reducing Litter and Waste in Our Communities: Discussion Paper](#) published in March 2019.

The Authority has an important role to play in supporting the Government in delivering on its plan, and supporting all the organizations and people who will be involved in achieving the environmental and economic objectives of that plan. The Minister's March discussion paper states:

"Any initiative to collect information must be flexible, nimble, and reduce burden on businesses. That's why we propose to use the Resource Productivity and Recovery

THE AUTHORITY'S SUCCESS IN EFFECTIVELY DELIVERING ITS MANDATE IS DEPENDENT ON UNDERSTANDING THE BUSINESSES IT REGULATES.

Authority (RPRA) to set up a one window approach for the collection of information. Producers for waste diversion programs, such as tires, currently report to RPRA. RPRA will use their established information clearinghouse (i.e. a registry) to collect important information from producers and other parties that conduct activities related to resource recovery and waste reduction (e.g. generators, service providers and municipalities)."

The Authority is well positioned to play this role.

The activities described in this Plan derive solely from the Authority's statutory mandate and the directions received to date from the Minister. The budget and forecasts reflect the planning assumptions set out below and the Authority's conservative estimation of the human and financial resources needed to meet these obligations during the planning period.

The Authority's activities and requisite resources will grow during the 2020 to 2022 planning period as new RRCEA programs are implemented and the number of regulated parties grows from approximately 7,000 in 2019 to over 17,000 by 2022.

The Authority, along with the businesses it regulates, are on a path of learning and adaptation as Ontario moves through a period of transformation and transition to new requirements for managing waste and recovering resources. The Authority's success in effectively delivering its mandate is dependent on understanding the businesses it regulates. The Authority will continue to work closely with all parties to ensure that its approach to implementation optimizes the ability of market players to understand, respond to, adapt to, and comply with new regulatory requirements.

FINANCIAL AND OPERATIONAL PLANNING

The Authority annually publishes a Business Plan for the next three fiscal years, as required under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA).¹ The Plan outlines the Authority's strategic priorities, objectives and planned activities for the next three fiscal years. It also sets out the financial and operational plans to achieve these objectives and their related performance measures.

The Authority's Business Plan is a key accountability tool to support oversight by the Minister. It also supports the organization's commitment to transparency and accountability to stakeholders, including regulated parties and the public.

The 2020 – 2022 Business Plan is based on the Authority's 2019 performance to date, Ministerial

directions received, key assumptions related to program wind ups, and the estimated number of registrants under the RRCEA on the Authority's Registry following the transition of each program to the new regulatory framework.

As a regulatory authority mandated by the Government of Ontario, the Authority's planned activities outlined in this Business Plan flow from government decisions. The planned activities and projected resource requirements reflect the best available information at the time of publication and are subject to change as the Authority receives further direction from the Minister and as RRCEA regulations are developed, finalized and come into force. Throughout the planning period, additional staff will be hired and expenditures will be incurred only as planned activities are required. The budget and forecasts are for planning purposes. As new information becomes available to support a better understanding of implementation requirements, adjustments will be made.

An assessment of the Authority'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 the Authority's 2020 Annual Report on June 1, 2021. The annual report will also include the Authority's audited financial statements for the 2020 fiscal year.

¹ The 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. The Operating Agreement is available on the Authority's website along with this and previous business plans and annual reports.

OVERVIEW OF THE AUTHORITY

Role and Mandate

On November 30, 2016, the Government of Ontario established the Authority and mandated it to play a key role in reducing waste and litter through resource recovery 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 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 the waste diversion programs continued under the Act and the orderly winding up of those programs and the industry funding organizations responsible for managing those programs; and
- 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 following transition from the WDTA as well as new materials designated by the Government of Ontario.

The Authority's powers and duties 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 and overseeing implementation of approved plans;
- Reporting publicly on outcomes relating to waste reduction and resource recovery;
- Developing and maintaining an online Registry to receive information reported by 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 Authority's key activities include:

- Overseeing the ongoing operation of current waste diversion programs operated by:
 - o Industry funding organizations:
 - Stewardship Ontario for the Blue Box Program and the Municipal Hazardous or Special Waste (MHSW) Program; and
 - Ontario Electronic Stewardship (OES) for the Waste Electrical and Electronic Equipment (WEEE) Program.
 - o Industry stewardship organizations:
 - Product Care Association (PCA) for paints and coatings, solvents, fertilizers and pesticides;
 - Automotive Materials Stewardship (AMS) for oil filters, oil containers and antifreeze; and
 - SodaStream for its proprietary pressurized carbon dioxide containers.
- Overseeing the wind up of waste diversion programs operating under the WDTA as directed by the Minister, and the subsequent wind up of industry funding organizations following the wind ups of their programs. These programs are:
 - o The Used Tires Program, which wound up on December 31, 2018, and was operated by Ontario Tire Stewardship;
 - o The Batteries Program, directed by the Minister to wind up on June 30, 2020, operated as part of the Municipal Hazardous or Special Waste Program by Stewardship Ontario;
 - o The Waste Electrical and Electronic Equipment Program, directed by the Minister to wind up on

December 31, 2020, operated by Ontario Electronic Stewardship;

- o The Municipal Hazardous or Special Waste Program, directed by the Minister to wind up on June 30, 2021, operated by Stewardship Ontario, Product Care Association, Automotive Materials Stewardship and SodaStream; and
- o The Blue Box Program, directed by the Minister to wind up over the period between January 1, 2023 to December 31, 2025, and operated by Stewardship Ontario.
- Developing and maintaining a Registry to register and receive information from regulated parties and monitor performance;
- Operating the Registry to support the Tires Regulation and other RRCEA regulations expected to be introduced by the Government of Ontario, including a Batteries Regulation, an Electrical and Electronic Equipment Regulation, a hazardous or special materials regulation and a packaging and paper products regulation;
- Overseeing producer performance against requirements set out in RRCEA regulations by conducting compliance and enforcement activities; and
- Reporting publicly on progress toward meeting the government's objectives.

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](#).

In addition to its governance responsibilities, the Board also makes 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 the Authority's costs.

The Minister appoints five members to the Board of Directors and the Board elects an additional six members to form the full 11-member Board of Directors. The Board elects a Chair, Vice-Chair, Secretary, and Treasurer.

The Board appoints a Chief Executive Officer and a Registrar and delegates responsibilities to these senior staff to manage the business of the Authority.

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

The Board has statutory responsibilities under the RRCEA and WDTA and convenes regularly to make the decisions required for transition of programs from the WDTA to the RRCEA. 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 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 the Operating Agreement, which is available on the Authority's [website](#).

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

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

UPDATE ON ACTIVITIES

The Used Tires Program (UTP) operated by Ontario Tire Stewardship (OTS) was the first of Ontario's four waste diversion programs continued under the WDTA to transition to the RRCEA.

Registration of parties obligated under the Tires Regulation began in July 2018. When the UTP wound up on December 31, 2018 over 500 tire producers, more than 4,000 tire collectors, and six producer responsibility organizations had registered with the Authority.

Ontario Tire Stewardship continues to operate to perform wind-up tasks, including dealing with surplus funds resulting from 2018 and 2019 tax rulings.² Liquidation of the OTS corporation will occur once all wind-up work is completed.

Updating earlier directions issued in 2018, the Minister directed in December 2018 that the Batteries Program wind up be accelerated from December 31, 2020 to June 30, 2020. In July 2019, the Minister extended the wind-up date for the Waste Electrical and Electronic Equipment Program (WEEE) from June 30, 2020 to December 31, 2020. Also, in July 2019, the Minister extended the wind-up date for the

Municipal Hazardous or Special Waste Program (MHSW) from December 31, 2020 to June 30, 2021.

The Minister's wind-up letters are available on the Authority's [website](#).

In August 2019, the Authority approved with conditions the wind-up plan for the WEEE Program operated by Ontario Electronic Stewardship (OES). The plan is available on the Authority's website. The Authority will oversee the implementation of the plan through to wind up on December 31, 2020.

The Authority received Stewardship Ontario's proposed wind-up plan for the MHSW Program, including Batteries, by the September 30, 2019 deadline set by the Minister. The Authority will consult with stakeholders and review the plan for approval later in 2019 and begin overseeing implementation of the plan through to wind-up on June 30, 2020 for the Batteries Program and June 30, 2021 for the remainder of the MHSW Program.

On May 9, 2019, the Ministry posted the draft Electrical and Electronic Equipment Regulation and the draft Batteries Regulation on Ontario's Environmental Registry for consultation.

On August 15, 2019, the Minister issued direction to Stewardship Ontario to wind up the Blue Box Program over a three-year period from January 1, 2023 to December 31, 2025, as responsibility for collection and management of Blue Box materials transitions to producers under the RRCEA.

² The wind up of the Used Tires 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.

STRATEGIC PRIORITIES

During the 2020-2022 period, the Authority will continue to organize delivery of its mandate under the same five strategic priorities used in the 2018 and 2019 business plans:

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

These strategic priorities continue to broadly reflect the primary responsibilities as set out in the Authority's governing legislation and in directions from the Minister.

The priorities remain aligned with the Authority's current and three-year focus, providing stability and continuity, as well as consistency for stakeholders in assessing the Authority's activities.

Key Assumptions

The Authority's 2020-2022 Business Plan is based on directions received to date from the Minister. The Authority will adjust its activities as necessary should any additional direction be received during the planning period.

Key assumptions relate to:

- Timing of waste diversion program wind ups; and
- The number of obligated parties associated with the initiatives and designations.

Since the 2019 Business Plan was published in October 2018, several developments have occurred in the Authority's operating environment that require adjustments in the key assumptions for the 2020-2022 planning period addressed in this Business Plan. These include:

2019 Business Plan Assumptions	Revised Planning Assumption
RRCEA regulation for electrical and electronic equipment will be in force in 2020 and obligated parties will register in 2020 in advance of a wind-up date of June 30, 2020	The regulation will provide that registration of obligated parties will begin sometime in mid-2020 ahead of the revised wind-up date of December 31, 2020.
RRCEA regulation for hazardous or special materials will come into force in 2020 and registration of obligated parties will begin in 2020 in advance of a wind-up date of December 31, 2020	The regulation for batteries will provide that registration of obligated parties will begin in early 2020 ahead of the revised wind-up date of June 30, 2020.
	The regulation for other hazardous or special materials will provide that registration of obligated parties will begin in early 2021, ahead of the revised wind-up date of June 30, 2021.
No additional initiatives or programs during the 2019-2021 planning period	In August 2019, the Minister issued direction to wind up the Blue Box Program over a three-year period from January 1, 2023 to December 31, 2025. This will require the Authority to oversee the wind-up process, as well as begin development of the Registry functionality necessary for regulation of paper products and packaging under the RRCEA.
	The Authority assumes for planning purposes no other materials will be designated under the RRCEA during the 2020-2022 planning period.
	The Authority assumes for planning purposes no other activities will be directed by the government during the 2020-2022 planning period.

During the 2020-2022 planning period, the Authority assumes it will implement and have in place compliance programs for the four regulations assumed to be in force during this period: Tires, Batteries, Electrical and Electronic Equipment (EEE), and Hazardous or Special Materials.

The Authority is currently in the process of developing its compliance program and its Registry for batteries and for electrical and electronic equipment, in order to be prepared for the wind up of the current Batteries Program and WEEE Program. These activities were initiated in 2019 to prepare for batteries to transition to the RRCEA on July 1, 2020 and for electrical and electronic equipment to transition to the RRCEA on January 1, 2021. The Authority expects to begin in 2020 to develop

its compliance program and Registry for the remaining hazardous or special materials as the MHSW Program is slated to wind up on June 30, 2021.

Registration of battery producers and service providers is anticipated to begin in early 2020 ahead of the wind up of the Batteries Program on June 30, 2020.

Registration of EEE producers and service providers is anticipated to begin mid-2020 ahead of the wind up of the WEEE Program on December 31, 2020.

The following chart sets out the assumptions on timing and the number of registrants during the three-year period through to 2022. These assumptions underpin the Authority's human resources plan and financial budget and forecasts.

Initiatives	Assumed Timeframe for Registration of Obligated Parties	Assumed Number of Registered Producers	Assumed Number of Other Obligated Parties
RRCEA regulation for batteries	2020	570	20
	2020	1,000	100
RRCEA regulation for hazardous or special materials	2021	700	100
RRCEA regulation for packaging and paper products	2022	2,000	750
Total assumed number of registered producers and other obligated parties for batteries; electrical and electronic equipment; hazardous or special materials; and packaging and paper products		4,270	970
Total number of registered producers and other obligated parties for tires by 2020			
Total number of registered producers and other obligated parties by 2022		4,750	5,470

Should these key assumptions change, the following activities, milestones, and forecasts will be adjusted as required.

In addition to compliance activities under the RRCEA, this Plan assumes the Authority will engage extensively with IFOs, ISOs, producers, municipalities, First Nations, and service providers to prepare for the wind up of the Batteries, WEEE, MHSW, and Blue Box Programs.

The Authority's 2020 budget and 2021 and 2022 financial forecasts reflect increases in expenses for staffing, office lease, Registry development, and other costs to fulfill its expanding mandate as set out in the Minister's direction to wind up the Batteries, WEEE, MHSW, and Blue Box Programs and the associated RRCEA regulations.

Strategic Priority One: Transition of Waste Diversion Programs

Objectives

To support current programs, the Authority will:

- Seek to ensure effective operation of the WEEE, MHSW and Blue Box programs and their associated IFOs and ISOs prior to wind up; and
- Ensure implementation of approved WEEE, MHSW and Blue Box Program wind-up plans:
 - Effective wind up of the programs and, where applicable, the industry funding organization 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

- 2020 – 2022
 - Oversee waste diversion programs including:
 - Compliance with the WDTA and its regulations
 - Adherence to approved program plans and program agreements
 - Performance against targets
 - Delivery of annual reports
 - Oversee ISPs including:
 - Compliance with the WDTA and its regulations
 - Adherence to approved stewardship plans and program agreements
 - Performance against targets
 - Delivery of annual reports
 - Review IFO budgets and their processes to set

steward fees in accordance with approved fee setting methodologies

- Support the Blue Box Program Plan:
 - Administer the Municipal Datacall including training, data verification and audit
 - Oversee the Continuous Improvement Fund
 - Administer the News Media Canada In-Kind Advertising Program
 - Set the annual Steward Obligation in a manner that is fair and reasonable to obligated stewards and participating municipalities and First Nations

Wind Up Under WDTA

- 2020
 - Oversee implementation of the UTP, WEEE and MHSW wind-up plans on the timelines established by the Minister
 - Support the development of the wind-up plan for the Blue Box Program
 - Engage and consult with Stewardship Ontario and representatives of stewards, municipalities, Indigenous Peoples, service providers, and other affected parties to oversee the development of the wind-up plan for the Blue Box Program
- 2021 – 2022
 - Oversee implementation of the MHSW and Blue Box wind-up plans
 - Oversee 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, monitor and ensure 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 in waste reduction and resource recovery;
- Support the Government's policy development through analysis of the data housed in the Registry; and
- 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

- 2020
 - o 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

- 2020
 - o Enhance the Registry and support registration of obligated parties under the RRCEA Batteries Regulation
 - o Enhance the Registry and support registration of obligated parties under the RRCEA Electrical and Electronic Equipment Regulation
 - o Enhance the Registry to support registration of obligated parties under a RRCEA regulation for hazardous or special materials
 - o 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
- 2021
 - o Support registration of obligated parties under a hazardous or special materials regulation
- 2022
 - o Enhance the Registry to support registration of obligated parties under a packaging and paper products regulation

Strategic Priority Three: Trusted Authority

Objectives

To deliver compliance and enforcement in a conscientious manner that enables obligated parties to meet their obligations efficiently with minimum necessary burden on business, the Authority will:

- Hold IFOs and ISOs accountable for their waste diversion program requirements and hold stewards accountable for their obligations under the IFOs' rules for stewards;
- Provide clear, instructive communications to support obligated parties under the RRCEA to register and to comply with RRCEA regulations;
- Foster a level playing field for parties obligated under the RRCEA by monitoring implementation of IFO wind up plans and undertaking effective compliance and enforcement of RRCEA regulations; and
- Deliver the Authority's legislated mandate and directions received from the Minister

Activities and Milestones Under RRCEA and WDTA

- 2020 – 2022
 - 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

- 2020
 - Implement a communications strategy to educate registrants obligated under the Batteries Regulation about their regulatory requirements

- Implement a communications strategy to educate registrants obligated under the Electrical and Electronics Equipment Regulation about their regulatory requirements
- 2021
 - Implement a communications strategy to educate registrants obligated under a hazardous or special materials regulation about their regulatory requirements
- 2022
 - Implement a communications strategy to educate registrants obligated under a packaging and paper products regulation about their regulatory requirements
- 2020 – 2022
 - Continue to support compliance by obligated parties with the requirements in the Tires Regulation through the ongoing deployment of effective compliance strategies with a focus on communications
 - Support the registration of obligated parties under the Batteries Regulation, the Electrical and Electronic Equipment Regulation and a hazardous or special material 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 activities where appropriate;
- Establish a culture of open dialogue, collaboration and responsible discourse; and
- Conduct its operations in an efficient and economical manner in line with expectations set out in the Authority's Operating Agreement with the Minister.

Activities and Milestones Under RRCEA and WDTA

- 2020 – 2022
 - 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
 - Post minutes of the Authority's Board meetings 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
- Undertake consultation with stakeholders on any changes to the Authority's General Fee Setting Policy and annual fees, costs or other charges
- Establish and maintain advisory groups to provide a forum to enable open dialogue with stakeholders, 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

● 2020

- Submit the Authority's 2019 Annual Report by June 1, 2020
- Hold a public Annual Meeting in June 2020
- Submit the Authority's 2021 Business Plan 90 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

Key Activities and Milestones Under WDTA

● 2020 - 2022

- Undertake consultations with IFOs and stakeholders on any changes to the Authority's Wind-up Guide
- Undertake consultations with stakeholders on the wind-up plan received from Stewardship Ontario for the wind up of the Blue Box Program before consideration by the Authority Board for approval

Strategic Priority Five: Organizational Sustainability

Objectives

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

- Attract and retain capable and experienced staff by fostering an inclusive organizational culture based on professionalism, continuous improvement, integrity, accountability, respect, and collaboration;
- Develop organizational expertise and capacity based on principles of efficient and effective management, and value-for-money;
- Establish and administer fees, costs 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; and
- Enhance and maintain governance practices to meet or exceed recognized best practices

Activities and Milestones Under RRCEA and WDTA

- 2020 – 2022
 - o Maintain operating policies and procedures to ensure up-to-date, clear, and consistent practices

- o Conduct a performance evaluation of each Board member in 2021
- o Maintain governance policies and procedures based on best practices
- o Recruit and onboard staff to strengthen the Authority's delivery of services
- o Support and enhance the Authority's internal operational culture through ongoing employee engagement, training, and succession planning
- o As terms of elected Board members expire, re-elect or replace to ensure the Board has a full slate of elected directors
- o Onboard any new Board members to ensure continuity of effective governance and organizational oversight

Activities and Milestones Under RRCEA

- 2020 – 2022
 - o Review, introduce and/or adjust fees, costs or other charges as additional parties are obligated consistent with the General Fee Setting Policy

THE FINANCIAL PLAN

Approach

The Authority's financial planning process is overseen by the Authority's Board. The financial plan reflects the planning assumptions set out in this document, and the Authority's conservative estimation of the resources needed to meet its obligations during the planning period. In exercising its oversight, the Authority's Board helps ensure that the Authority conducts its operations efficiently and economically. This goal is achieved in part through the Authority's commitment to strong and transparent procurement procedures, a risk-based compliance framework that allows for an efficient allocation of compliance resources, and a strategic approach to human resources that includes building in-house expertise to reduce reliance on outside vendors and hiring only as anticipated needs materialize.

Key Assumptions

The key assumptions described in Section 5 of this Plan, which as previously noted are subject to change as regulations are finalized and with further direction from the Minister, inform the Authority's 2020-2022 financial plan.

In addition to the key assumptions set out in Section 5, and the assumptions described in greater detail below, the Authority's financial plan also assumes:

- The Registry will be developed as necessary to implement the requirements of final regulations under the RRCEA;
- Registry development and implementation costs are amortized over 10 years; and
- Registry expenses include annual licensing costs, managed services and maintenance costs.

Components of the Authority's 2020-2022 financial plan include:

- Human Resources
- Revenues and Expenses

- Credit Facilities
- Reserve Fund
- Risks

Human Resources

The Authority's staff complement is expected to grow to ensure the organization has the necessary staff required to fulfill its legislated mandate at a reasonable standard of delivery over the 2020 – 2022 period. Actual hiring decisions will be made at the time anticipated needs materialize.

As waste diversion programs are wound up and regulations under the RRCEA come into force, the Authority will require additional staff to support the Authority's Registry; compliance and enforcement; financial administration; information and information technology; and, communications and public reporting functions. In summary, the additional staff over the planning period as detailed in the table support the following:

- The Compliance and Enforcement group increases to support the registration and compliance of obligated parties under the Batteries Regulation, the Electrical and Electronic Equipment Regulation, a hazardous or special materials regulation and a packaging and paper products regulation, in addition to the Tires Regulation;
- The Transition group will be renamed the Transition and Analytics group to reflect a role that will evolve from the oversight of the operation and wind up of waste diversion programs to an expanding role, including providing data, analytics and technical support for the onboarding of new material groups to the new regulatory framework; and, providing analysis for public reporting on Ontario's progress in resource recovery;
- The Information and Information Technology (I&IT) group will be strengthened to address the Authority's growing IT needs and to build in-house expertise and knowledge to decrease reliance on external vendors and reduce overall IT costs;
- The Finance and Administration group will be enhanced to handle substantially more complex finance, human resources and procurement;
- The Communication and Stakeholder Relations team will increase to support the delivery of the Authority's communications and consultation functions, including communications to support a larger number and

broader range of obligated parties required to comply with regulatory requirements; and

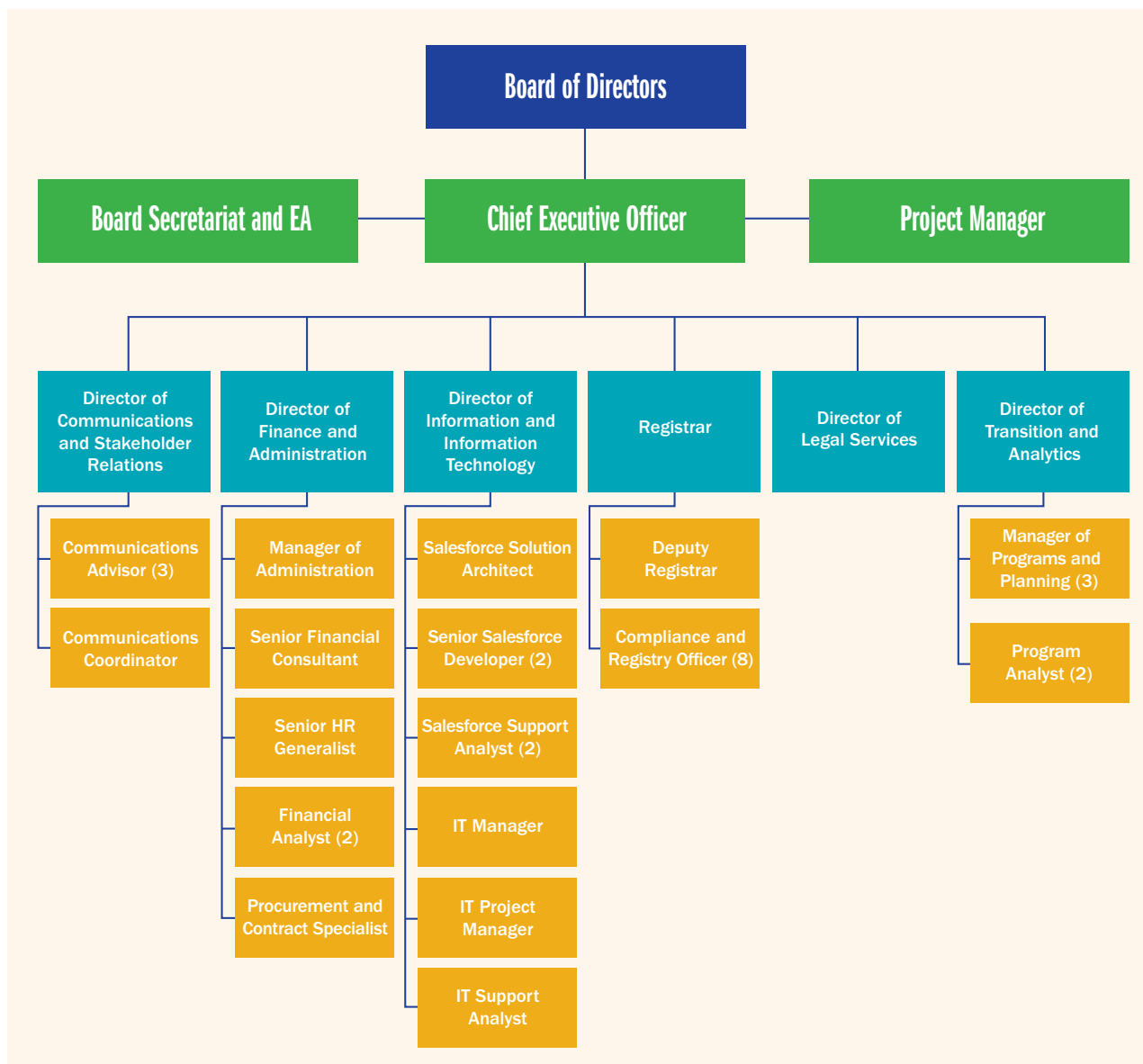
- The CEO's Office, which includes the Board Secretariat

and Legal Director, will be strengthened by a Project Manager, and enhanced legal expertise in support of the organization as its mandate increases.

The following table sets out the human resources anticipated to be in position by the end of 2019, as well as the human resources anticipated to be added in 2020 through 2022, based on current assumptions.

Department	Full-Time Equivalent Staff Positions			
	2019	2020	2021	2022
Compliance and Enforcement	7.6	10.3	13.3	15.3
Transition and Analytics	5.7	6.0	6.3	6.3
I&IT	3.3	8.5	10.0	12.0
CEO/Board Secretariat/ EA/Legal/Project Management	3.0	4.0	5.0	5.0
Finance and Administration	5.1	7.1	6.6	6.6
Communications and Stakeholder Relations	4.3	4.8	5.3	5.8
Total Annual FTE	29.0	40.7	46.5	51.0

The following organizational chart illustrates the information from the table on page 16 for 2020.



Revenues and Expenses

The Authority's 2020-2022 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 key wind-up assumptions included in Section 5 of the Plan and are derived through 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 as outlined in Section 5 and are derived through registration fees, costs 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 credit facilities. Increases in credit facilities in the forecast period are to finance Registry development costs, as these costs are amortized over 10 years and recovered through annual fees levied in future years. All current year RRCEA expenses are recovered through fees. This assumption and the resulting

estimates will be adjusted to reflect final regulations and subsequent procurement processes, which may result in variances to budgeted amortization expenses.

The primary factors resulting in the increase between the 2019 Budget and the 2020 Budget are related to the following:

- An increase in payroll due to the full-year cost implications of recruitment that occurred during 2019

THE AUTHORITY WILL OPERATE EFFICIENTLY AND EFFECTIVELY TO ACHIEVE VALUE FOR MONEY.

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

The financial and human resource estimates assume the Authority will operate efficiently and effectively to achieve value for money. Changes to key assumptions outlined in Section 5 will be carefully monitored. Any changes in expenditure timelines or budgeted expenses and revenues are implemented in accordance with the Authority's Financial Management and Controls Policy.

The Authority will continue to operate under a strong accountability framework that includes robust procurement policies and effective cost controls. Recognizing that not all expenses are predictable, the Plan includes a general \$0.3 million contingency to handle unexpected overages, mitigate risks associated with uncertain assumptions, and ensure organizational sustainability.

Estimated Registry development expenditures are based on past experiences with the Tires Registry and preliminary anticipated Registry requirements based on the limited information available regarding functionality needs, which will ultimately depend on the requirements set by the Minister in the final regulations. These

and additional 2020 staffing requirements, including salary and benefits, staff expenses and professional development;

- An increase in office space to support the additional staff and contracted vendors working on site to build the Registry for Batteries, EEE, and hazardous or special materials;
- An increase in other operating expenses reflecting added office expenses relating to the Authority's expanded staff;
- An increase in Board compensation and related expenses due to a more accurate assessment of the number of Board and Committee meetings required to allow the Board to fulfil its statutory responsibility and ensure prudent organizational oversight;
- An increase in Registry system amortization and loan interest associated with utilization of credit facilities to support Registry development and I&IT expenses associated with the Registry for Batteries, EEE, and hazardous or special materials; and
- An increase in Registry expenses related to software and managed services expenses.

In Millions	Actual 2018	Budget ¹ 2019	Forecast 2019	Draft Budget 2020	Forecast	
					2021	2022
Revenues						
Cost recovery	5.98	8.39	8.48	11.23	12.77	13.46
Start-up cost recovery ²	–	–	–	0.09	0.09	0.09
Reserve contribution ³	0.60	0.60	0.60	0.60	1.00	1.00
Other deferred cost recovery ⁴	–	–	–	–	0.28	–
Total Revenues	6.58	8.99	9.08	11.92	14.14	14.56
Expenses						
Salaries and benefits ⁵	2.78	3.67	3.73	5.14	5.89	6.82
Communications	0.14	0.27	0.20	0.37	0.36	0.38
Amortization ⁶	0.36	0.67	0.67	1.06	1.70	2.01
Board compensation and related expense	0.33	0.23	0.36	0.38	0.39	0.40
Rent	0.29	0.30	0.63	0.96	0.96	0.96
Telephone and internet	0.08	0.11	0.10	0.11	0.14	0.16
Loan interest	0.09	0.24	0.24	0.42	0.61	0.73
Other operating ⁷	0.31	0.47	0.47	0.57	0.64	0.67
Professional fees ⁸	0.77	0.85	0.92	1.08	0.84	0.84
Registry	0.84	1.58	1.14	1.12	0.95	0.68
Contingency	–	–	–	0.30	0.30	0.30
Total Expenses	5.98	8.39	8.48	11.51	12.77	13.95
Total Activities	6.58	8.99	9.08		14.14	14.56
RRCEA	0.99	2.26	2.28		9.43	11.45
WDTA	5.59	6.73	6.80		4.70	3.10
Total Revenues	6.58	8.99	9.08		14.14	14.56
Deferred costs	–	–	–		–	0.48
Total	6.58	8.99	9.08		14.14	15.04

Budget Notes

- ¹ The 2019 Budget varies from the Draft 2019 Budget Total All Activities in the 2019 Business Plan due to expenses associated with additional staff, associated office space and Registry development as approved by the Board in Q2 and Q3 2019 to meet timing requirements set out in the Minister's wind-up directions.
- ² Start-up costs recovery includes a portion of the \$0.9 million of 2016 and 2017 RRCEA start-up costs which were deferred.
- ³ The 2020 Budget reserve contribution remains consistent with the 2019 Budget and increases in 2021 and 2022 consistent with the Authority's reserve policy.
- ⁴ Deferred costs include direct and shared expenses related to new materials prior to operationalizing the Registry for the material. The deferred costs will be recovered in the first year of registration of the new material.
- ⁵ Salaries and benefits include all full-time and contract employees, including associated benefits.
- ⁶ Amortization includes the amortization of estimated Registry development costs.
- ⁷ Other operating expenses include office supplies, insurance, bank charges, staff expenses and Municipal Datacall maintenance expenses.
- ⁸ Professional fees include external legal services, external audit services, HR recruitment services, contracted compliance and training, and consulting.

The staff added during this planning period in the I&IT group will result in cumulative savings over the 3 years of the 2020-2022 business planning period and annual savings each year thereafter by reducing reliance on external vendors.

The gradually increasing allocation of expenses to RRCEA reflects Registry system implementation, expanded staffing for the Compliance and Registry Support team, and other activities in support of the Authority's RRCEA mandate.

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.

The Authority has a robust enterprise risk management plan, which identifies, assesses and develops mitigation plans to manage risks to the organization, delivery of its mandate and achievement of its business plan objectives.

THE AUTHORITY'S RISK MITIGATION STRATEGIES SUPPORT ORGANIZATIONAL RESILIENCE.

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 Batteries Program on June 30, 2020, wind up of the WEEE Program on December 31, 2020 followed by wind up of OES; and wind up of the MHSW Program on June 30, 2021.

Credit Facilities

The assumed increase in utilization of credit facilities during the 2020-2022 period is largely related to financing the Registry development costs, which are amortized as an intangible asset. The credit facilities 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 2020 through 2022 are consistent with the policy.

The key risks associated with the 2020-2022 Business Plan include:

- Assumptions about the number of registrants under the Batteries Regulation, the Electrical and Electronic Equipment Regulation, a hazardous or special materials regulation and a packaging and paper products regulation under the RRCEA;
- Uncertainties inherent in the implementation of new regulations, including timing of final regulations, level of voluntary compliance by obligated parties, and effectiveness of communication and compliance strategies;
- Technology risks in the development and deployment of Registry enhancements; and
- Availability, recruitment and retention of skilled, competent human resources.

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

MEASURING PERFORMANCE

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 General 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 2020 continue to focus on supporting the startup of the Authority, build out of the Registry 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.

Objective	Measure	2020 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
		Respond within 30 days to complaints
		Respond within 30 days to substantiated non-compliance
Effective wind up of IFO programs and IFOs	Implementation of approved OES wind-up plan for the WEEE Program and approved Stewardship Ontario wind-up plan for the MHSW Program, including the Batteries Program	Effective monitoring and response to any program disruption during wind up of Batteries Program on June 30, 2020 and transition to individual producer responsibility on July 1, 2020
		Effective monitoring and response to any program disruption during wind up of WEEE Program on December 31, 2020 and transition to individual producer responsibility on January 1, 2021
	Wind up plans are consistent with the WDTA, Minister's directions and the Authority's Wind Up Guide and are informed by stakeholder consultations	Authority approval of the wind-up plan for the Blue Box Program on the timelines anticipated by the Minister

Strategic Priority Two: Responsible Management of Data

Objective	Measure	2020 Target
Develop and maintain Registry to fulfill organizational mandate	Expand Registry consistent with Batteries Regulation and Electrical and Electronic Equipment Regulation	Complete Registry development to register and receive data from obligated parties in accordance with Batteries Regulation and Electrical and Electronic Equipment Regulation
Registrants submit required data	Completeness of data reported by registrants	Respond within 30 days to substantiated non-compliance
Responsible parties registered	Percentage of responsible parties registered	90% of single-use battery brand holders formerly registered with Stewardship Ontario register with Authority by deadline
		90% of brand holders formerly registered with Ontario Electronic Stewardship register with Authority by deadline
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

RPPRA viewed as responsive, unbiased, cost-effective organization focused on enabling compliance	Third-party stakeholder perception and awareness survey	At or above 2019 baseline for stakeholder perception of the Authority's performance
Foster a level playing field for parties obligated under RRCEA	Response time to take compliance and enforcement actions against non-compliant parties	Respond within 30 days to complaints
		Respond within 30 days to substantiated non-compliance

Objective	Measure	2020 Target
Comply with reporting requirements in the RRCEA, WDTA, and the Operating Agreement	Reporting requirements outlined in the RRCEA, WDTA and Operating Agreement	2019 Annual report submitted by June 1, 2020
		Public Annual Meeting held in June 2020
		2021 Business Plan submitted 90 days before year end
Engage and consult broadly and openly with stakeholders	Completed consultations and stakeholder feedback	Completion of consultations and approval of 2021 Registry fees with level of participant satisfaction at or above consultation survey results for consultation on 2020 Registry fees
		Completion of consultations on Blue Box Program Wind Up Plan with level of participant satisfaction at or above consultation survey results for consultation on other wind up plans

Strategic Priority Five: Organizational Sustainability

Objective	Measure	2020 Target
Set fees, costs 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 inclusive 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 2019 employee engagement survey



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