



# Vision

A circular economy today for a waste-free tomorrow

# Mission

Support compliance with individual producer responsibility through education and enforcement to foster Ontario’s circular economy, spur innovation and protect the environment

## Key Acronyms

|             |                                      |              |                                                         |
|-------------|--------------------------------------|--------------|---------------------------------------------------------|
| <b>CRO</b>  | Compliance and Registry Officer      | <b>PRO</b>   | Producer Responsibility Organization                    |
| <b>EEE</b>  | Electrical and Electronic Equipment  | <b>RRCEA</b> | <i>Resource Recovery and Circular Economy Act, 2016</i> |
| <b>HWP</b>  | Hazardous Waste Program              | <b>SO</b>    | Stewardship Ontario                                     |
| <b>IFO</b>  | Industry Funding Organization        | <b>UTP</b>   | Used Tires Program                                      |
| <b>IPR</b>  | Individual Producer Responsibility   | <b>WDTA</b>  | <i>Waste Diversion Transition Act, 2016</i>             |
| <b>ISO</b>  | Industry Stewardship Organization    | <b>WEEE</b>  | Waste Electrical and Electronic Equipment Program       |
| <b>ISP</b>  | Industry Stewardship Plan            | <b>WFOA</b>  | <i>Waste Free Ontario Act, 2016</i>                     |
| <b>MHSW</b> | Municipal Hazardous or Special Waste |              |                                                         |
| <b>OES</b>  | Ontario Electronic Stewardship       |              |                                                         |
| <b>OTS</b>  | Ontario Tire Stewardship             |              |                                                         |

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Transforming Waste Diversion

This is the Resource Productivity and Recovery Authority’s fifth business plan since it was established on November 30, 2016 with the proclamation of the *Waste-Free Ontario Act, 2016* (WFOA). This plan sets out the Authority’s strategic priorities, objectives and activities, and the human and financial resources it will need to deliver on its mandate during the 2021-2023 planning period. The activities described in this plan derive solely from the Authority’s statutory mandate and the directions received to date from the Minister of the Environment, Conservation and Parks.

The Ontario Government has signalled a strong commitment to reducing waste and litter as well as increasing resource recovery and advancing a circular economy. 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 WFOA is comprised of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and the *Waste Diversion Transition Act, 2016* (WDTA), which together outline a regulatory framework for transforming recycling in Ontario, starting with the wind up of Ontario’s four legacy waste diversion programs, and the transition of the materials managed by those programs to the new Individual Producer Responsibility (IPR) regulatory framework for resource recovery.

As outlined in the RRCEA, the IPR regulatory framework requires producers of designated materials to be financially responsible and accountable for their products and packaging when consumers dispose of them. When a regulation for a material group is put in place, producers of designated materials become obligated to comply on an individual basis with all requirements, including mandatory resource recovery targets.

The Authority is the regulatory body responsible for supporting businesses in achieving compliance through education and awareness, and enforcement when necessary. The IPR regulatory framework

also introduces opportunities for competition in the compliance services market by eliminating the monopolies held by Industry Funding Organizations (IFOs) and giving producers the option of either operating their own collection and management systems or contracting with a producer responsibility organization (PRO) for compliance services.

This transformation in waste diversion and resource recovery in Ontario is well underway through a staged process that follows requirements and timelines outlined in the WDTA, directions from the Minister, and the Authority’s wind-up guidelines.

- On December 31, 2018, the Used Tires Program (UTP) operated by Ontario Tire Stewardship (OTS) was wound up and tires were transitioned to the new IPR regulatory framework outlined in the Tires Regulation under the RRCEA. OTS is expected to be wound up in 2021 following the resolution of outstanding financial and tax matters.
- On June 30, 2020, the batteries portion of the Municipal Hazardous or Special Waste (MSHW) Program operated by Stewardship Ontario (SO) was wound up and batteries were transitioned to the IPR regulatory framework outlined in the Batteries Regulation under the RRCEA.
- On December 31, 2020, the Waste Electrical and Electronic Equipment (WEEE) Program operated by Ontario Electronic Stewardship (OES) will wind up and electrical and electronic equipment (EEE) will be transitioned to the EEE Regulation under the RRCEA starting January 1, 2021. OES is expected to be wound up sometime in 2021.
- On June 30, 2021, the remainder of the MHSW Program will wind up and starting July 1, 2021, household hazardous or special materials will transition to the new IPR regulatory framework outlined in the expected Hazardous or Special Materials Regulation under the RRCEA.
- Between 2023 and 2025, the Blue Box Program operated by SO will wind up and transition to the IPR regulatory framework outlined in an expected Blue Box Regulation under the RRCEA. SO is expected to be wound up sometime in 2026.

The Authority's activities during the 2021-2023 business planning period will be focused on supporting these changes by fulfilling its legislated mandate to oversee the smooth wind up of legacy waste diversion programs, support businesses in transitioning the materials managed by those programs to the IPR regulatory framework, and regulate to maximize compliance under each of the regulations.

Additionally, the Authority will begin registering regulated parties for the Hazardous Waste Program (HWP) on or before July 1, 2021. The Registry and digital reporting service for the HWP will open on January 1, 2022. This new mandate was given to the Authority by the Minister on April 22, 2020, following amendments to the RRCEA, WDTA and the *Environmental Protection Act* (EPA) that empowers the Minister to issue directions to the Authority to operate digital reporting services for a wider range of waste and resource recovery programs beyond producer responsibility.

To support all participants in this broad transformation in waste management, waste diversion and resource recovery in an efficient and accountable way, the Authority is committed to:

- As a regulator, focusing on enabling businesses to adapt to the new regulations, fostering a level playing field, and efficiently allocating compliance efforts based on a risk-based compliance framework;
- Building a secure, cost-effective and user-friendly Registry that protects confidential and private information for the registration of regulated parties, reporting of data and over time serving as an information clearing house as proposed in the Ontario government's Reducing Litter and Waste in Our Communities: Discussion Paper;
- Overseeing the wind up of legacy waste diversion programs to help ensure fair outcomes for businesses operating in the sectors subject to regulations, and avoid disruption in waste diversion services to Ontario residents;
- 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, while maintaining confidentiality of commercially sensitive and private information;
- Engaging with stakeholders so the Authority understands the needs of businesses and effectively

educates and supports businesses in achieving compliance; and

- Operating efficiently and limiting expenditures to what is needed to deliver effectively on the Authority's mandate as set out in the WFOA 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 paid by businesses, the Authority is committed to minimizing expenditures and administrative burden, while effectively delivering its legislated mandate.

The budget and forecasts reflect the planning assumptions set out below and the Authority's best estimate based on current information of the human and financial resources needed to meet its obligations during the planning period. Experience over the last four years has enabled the Authority to find increasingly efficient approaches to its operations. This is reflected in the 2021 budget presented in this business plan, which is lower than what was initially forecasted in last year's business plan. As well, efficiencies in operations are gained as the number of programs under the RRCEA and the base of registrants grows. The number of regulated parties under the Authority's purview is estimated to grow from approximately 1,670 in 2020 to over 44,370 by 2023.

The Authority's activities and requisite resources will grow during the 2021-2023 planning period in response to the government's plan to transition the remaining legacy programs to IPR and have the Authority operate the Registry and digital reporting service for the HWP beginning in 2022.

The Authority, along with the businesses it regulates, is on a path of learning and adaptation as Ontario moves through a period of transformation and transition to a new regulatory framework 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, adapt, and comply with new regulatory requirements while minimizing administrative burden.

## Ensuring Transparency and Accountability

Every year in October, the Authority publishes a Business Plan for the next three fiscal years, as required under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA).<sup>1</sup> 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, including the necessary financial and human resources required, to achieve these objectives and their related performance measures.

The Authority's Business Plan is a key transparency and 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 2021-2023 Business Plan is based on the Authority's 2020 performance to date, Ministerial directions received, key assumptions related to program wind ups, and the estimated number of registrants 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 directly from government decisions. The planned activities and projected resource requirements reflect the best available information from the ministry 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, the Authority will limit hiring and expenditures to what is required to deliver its mandate. The budget and forecasts are for planning purposes. As new information becomes available to support a better understanding of implementation requirements and costs, 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 2021 Annual Report on June 1, 2022. The annual report will also include the Authority's audited financial statements for the 2021 fiscal year.

**Consistent with its commitment to operate on a cost-constrained basis, the Authority reforecast its 2020 budget in Q3 2020 to \$10.62 M from \$12.20 M, a cost saving of \$1.58 M or a downward adjustment of 13%.**

<sup>1</sup> 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.

# Regulating Ontario’s Circular Economy

## Role and Mandate

On November 30, 2016, the Government of Ontario established the Resource Productivity and Recovery 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.

...through efficiencies and expense controls, the Authority is estimating its 2021 budget at \$12.87 M, 9% lower than what was forecasted last year.

On December 19, 2019, legislative amendments to the RRCEA that changed the Authority’s mandate to include digital reporting services for a wider range of waste and resource recovery programs received Royal Assent. And, on April 22, 2020, the Minister directed the Authority to prepare a registry and digital reporting service for Ontario’s Hazardous Waste Program (HWP) starting January 1, 2022, with registration of regulated parties starting on or before July 1, 2021.

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 (IFOs) 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 regulated 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 RRCEA also sets out the framework for the Authority to implement digital reporting services through its Registry for a wider range of waste and resource recovery programs.

The Authority’s powers and duties include:

- Overseeing 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:
  - Industry funding organizations:
    - Stewardship Ontario (SO) 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.
- 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 IFOs following the wind up of their programs. These programs are:
  - The Used Tires Program, which wound up on December 31, 2018, and was operated by Ontario Tire Stewardship;
  - The Batteries Program, which wound up on June 30, 2020, operated as part of the MHSW Program by SO;
  - The WEEE Program, directed by the Minister to wind up on December 31, 2020, operated by OES;
  - The MHSW Program, directed by the Minister to wind up on June 30, 2021, operated by SO, PCA, AMS and SodaStream; and
  - The Blue Box Program, directed by the Minister to wind up over the period between January 1, 2023 and December 31, 2025, and operated by SO
- Developing and maintaining a Registry that protects confidential and private information to register and receive information from regulated parties and monitor performance.;
- Developing and operating a digital reporting service for the HWP
- Operating the Registry to support the Tires Regulation, Batteries Regulation, Electrical and Electronic Equipment Regulation, and other RRCEA regulations expected to be introduced by the Government of Ontario, including a hazardous or special materials regulation, and a Blue Box 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 corporation without share capital, 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 statutory decisions as required under approved program or wind-up plans, the legislation, and as directed by the Minister. These decisions include:

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

The Minister appoints up to five members to the Board

Assuming no new initiatives are directed by the Minister, the Authority’s best current estimate is that the 2023 budget will be close to level with 2022 once three of the four legacy waste diversion programs are fully transitioned.

of Directors and the Board elects up to six additional members to form the full 11-member Board of Directors. The Minister may appoint the Chair and the Board elects a Vice-Chair, Secretary and Treasurer. The Board appoints a Chief Executive Officer and a Registrar and delegates responsibilities to these senior staff to manage 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 throughout the wind up and 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.

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 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 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.

## Operating in a Dynamic Environment

Since the Authority's 2020 Business Plan was published on October 2, 2019, the Authority's operating environment has been dynamic. Some of the assumptions underlying the 2020 Business Plan have changed and the emergence of the COVID-19 pandemic in early 2020 has affected the Authority's activities, both of which have required the Authority to adapt its operation and budget.

The 2020 Business Plan budgeted \$12.20 M for fiscal 2020, but opportunities for efficiencies and changes to anticipated release dates of regulations under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA) and consequent delays in launching Registry projects has allowed the Authority to reduce staffing requirements and Registry expenses and lowered debt interest. Consistent with its commitment to operate on a cost-constrained basis, the Authority reforecast its 2020 budget in Q3 2020 to \$10.62 M from \$12.20 M, a cost saving of \$1.58 M or a downward adjustment of 13%.

Highlights of the Authority's 2020 activities to date include:

- 2020 is the first performance reporting year for tires under the IPR regulatory framework outlined in the Tires Regulation under the RRCEA. Mandatory performance reporting for tires producers has been put off until October 31, 2020 in response to the COVID-19 pandemic. On a preliminary and unaudited basis, the Authority's analysis shows that the Tires Program under IPR collected and managed the equivalent of approximately 14 million used car tires or approximately 152,000 tonnes. Under IPR, a robust tire collection and management sector with a competitive market for compliance services has emerged with five producer responsibility organizations (PROs), 20 processors, 14 retreaders, 173 haulers and over 7000 collectors, all servicing 454 registered tire producers. Ontario Tire Stewardship (OTS), the industry funding organization that had operated the Used Tires Program until it was wound up on December 31, 2018, continues to operate in order to finalize remaining wind-up tasks, including dealing with surplus funds pending the outcome of tax rulings.<sup>2</sup> In March 2020, Grant Thornton LLP was appointed liquidator and OTS is expected to be dissolved in 2021 once all wind-up work is completed.

- On March 17, 2020, the Ontario government declared the first state of emergency to contain the spread of COVID-19. As a designated essential service, the Authority was not required to close its workplace by the emergency order, or subsequent orders. However, the Authority closed its head office and directed all staff to work remotely to ensure the safety of staff and visitors to its office from COVID-19. Throughout the pandemic, there has been no disruption to business operations. All staff have been equipped with the necessary IT equipment and new protocols and procedures, including maintaining Registry security, have been established to allow Authority staff to continue operating remotely while sustaining all operational functions, including customer service, compliance activities, consultations, Registry services, and communications. All in-person meetings have been migrated online, including consultations, learning and education initiatives, and the Authority's Annual Public Meeting..
- The emergence of the COVID-19 pandemic in Ontario and the consequent closure of workplaces also led to the postponement of the Authority's quarterly Industry Advisory Group (IAG) and Service Providers Advisory Group (SPAG) meetings in 2020. While the Authority continues to actively engage industry stakeholders through both one-on-one and small group meetings, discussions are underway with stakeholders to explore ways to enhance stakeholder engagement in the remaining quarter of 2020 and beyond.
- The pandemic also led the Authority to defer its planned third-party stakeholder perception and awareness survey, which is referenced as a performance measure in the Authority's 2020 Business Plan. The survey, which is used to assess stakeholder perceptions of the Authority's performance in order to enhance service delivery, will be undertaken in 2021.
- In April 2020, the Minister sent a letter directing the Authority to prepare a registry and digital reporting service for Ontario's Hazardous Waste Program (HWP). The Registry and digital reporting service are

<sup>2</sup> 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.

Experience over the last four years has enabled the Authority to find increasingly efficient approaches to its operations. This is reflected in the 2021 budget presented in this business plan, which is lower than what was initially forecasted in last year's business plan.

required to be operational starting January 1, 2022 and registration of obligated parties will begin on or before July 1, 2021. The direction comes following legislative changes to the Authority's mandate at the end of 2019 to include operating registries and digital reporting services for a wider range of waste and resource recovery programs. The Authority expects to initiate the Registry and digital reporting service project for the HWP in 2020. The change to the Authority's mandate and the Minister's direction to the Authority on the HWP was not anticipated in the 2020 Business Plan. The work to establish the HWP Registry and digital reporting service will be a key project in 2021 in order to fulfill the Minister's directions.

- On June 30, 2020, the Batteries portion of the Municipal Hazardous or Special Waste Program operated by SO was wound up and starting July 1, 2020, single-use and rechargeable batteries under five kilograms and sold separately became subject to IPR requirements outlined in the Batteries Regulation issued under the RRCEA.<sup>3</sup> Battery haulers, processors and refurbishers were required to register with the Authority by March 31, 2020 and producers are required to register with the Authority by November 30, 2020. Three battery PROs are currently operating to provide compliance services to producers. The 2020 Business Plan had anticipated registration of battery producers to

begin in early 2020 rather than late 2020, allowing some cost savings by delaying the Batteries Registry project. The Authority has developed an interim registration system for obligated parties to register with the Authority to ensure those parties remain compliant with regulatory requirements.

- In September 2020, the Ontario government finalized the Electrical and Electronic Equipment (EEE) Regulation allowing the Authority to initiate the EEE Registry projects. The 2020 Business Plan had assumed the EEE Regulation would be finalized in early 2020 and registration of obligated parties would begin in mid-2020. The release of the EEE Regulation in September 2020 and the consequent delayed start of the EEE Registry project has allowed the Authority to defer some expenses associated with the Registry project to 2021. The Authority has developed an interim registration system to support registration of obligated parties as the EEE Registry project gets underway.
- The delayed release of the EEE Regulation required the Authority to postpone its consultation on its proposed 2020 Registry Fees for Tires, Batteries and EEE. The consultation was launched on June 26 ahead of the release of the EEE Regulation and closed on August 10 for the required 45 days. Due to the COVID-19 pandemic, the Authority conducted the consultation online, including through two webinars. More than 200 stakeholders participated in the consultations and provided valuable feedback that allowed the Authority to establish fair and reasonable Registry fees for 2020. Based on the consultations, the Authority set Registry fees for Tires at \$.135/tire supplied with a \$.02/tire credit from 2019 for a net fee of \$.115/tire, reduced from \$.14/tire in 2019. Fees for Batteries and Electronics were set at \$.034/kg supplied. All PRO fees were eliminated and the fee for small producers of EEE and Batteries was set at \$0 and for tire producers supplying less than 1000 tires/year, the fee was maintained at \$75. As the number of registrants increase with additional programs coming online between 2021 and 2023, the Authority anticipates achieving greater economies of scale that could result in lower fees for current RRCEA programs.

<sup>3</sup> The wind up of the batteries portion of the Municipal Hazardous or Special Waste (MHSW) Program is outlined in the MHSW Wind-Up Plan approved by the Authority in December 2019. The plan is available on the Authority's website.

## Fulfilling the Authority's Mandate

During the 2021-2023 period, the Authority will continue to organize delivery of its mandate under the same five strategic priorities used in the 2018, 2019 and 2020 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 medium-term focus, providing stability and continuity, as well as consistency for stakeholders, in assessing the Authority's activities and measuring its performance.

### Key Assumptions

The Authority's 2021-2023 Business Plan is based on requirements set out in the Authority's legislated mandate, directions received to date from the Minister, and plans announced by the government that affect the Authority during the planning period.

The Authority will adjust its activities and review its budget as necessary should any of the assumptions underlying the 2021-2023 Business Plan change.

Key assumptions relate to:

- Timing of waste diversion program wind ups and transition of materials managed by those programs to the new Individual Producer Responsibility (IPR) regulatory framework
- New material designations under the IPR regulatory framework
- Directions for the Authority to operate registries and digital reporting services for other waste and resource recovery programs
- The number of obligated parties associated with each initiative

In addition to these key assumptions, the Authority is also making important assumptions about the trajectory of the COVID-19 pandemic. For 2021, the Authority is assuming the intensity of the pandemic will abate

here in Ontario, but that social distancing mitigations will be required to ensure personal safety, negating the possibility of in-person meetings. For the 2022-2023 period, the Authority is assuming that business operations will normalize with some public health mitigations still being required. Given the uncertainties associated with the pandemic, however, these assumptions could change. The Authority will continue to monitor and follow public health advice and adjust its operations as appropriate.

Although several developments in the Authority's operating environment that occurred in 2020 - primarily related to timing of the finalization of the Batteries Regulation and the Electrical and Electronic Equipment (EEE) Regulation and the change in the Authority's mandate - required adjustments in the Authority's activities, the key assumptions underlying the 2021 Business Plan remain largely unchanged from the assumptions for 2021 that were set out in the 2020 Business Plan.

During the 2021-2023 planning period, the Authority assumes it will implement and have in place compliance programs for the five regulations issued under the RRCEA assumed to be in force during this period: Tires, Batteries, EEE, Hazardous or Special Materials and Blue Box.

The Authority is currently operating a Registry and compliance program for Tires. For Batteries, it is operating a compliance program and is in the process of developing a Registry. For EEE, the Authority is in the process of developing its compliance program and a Registry in order to be prepared for the wind up of the current Waste Electrical and Electronic Equipment (WEEE) Program on December 30, 2020 and transition of EEE to the new IPR regulatory framework on January 1, 2021.

The Authority expects to begin in 2021 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. In 2021, the Authority will begin developing its support program and Registry and digital reporting service for the Hazardous Waste Program (HWP).

In 2022, the Authority expects to begin developing its compliance program and Registry for Blue Box

materials as the Blue Box Program is slated to wind up over a three-year period between January 1, 2023 to December 31, 2025.

The following chart sets out the key assumptions

| Initiatives                                                                       | Assumed Time Frame for Registration of Obligated Parties | Assumed Number of Registered Producers/Generators |
|-----------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|
| Registry and Digital Reporting Service for the Hazardous Waste Program            | 2021                                                     | 40,000                                            |
| RRCEA Regulation for Household Hazardous or Special Materials                     | 2021                                                     | 700                                               |
| Total number of registered producers under RRCEA Regulation for Tires in 2021     |                                                          | 440                                               |
| Total number of registered producers under RRCEA Regulation for Batteries in 2021 |                                                          | 330                                               |
| Total number of registered producers under the RRCEA Regulation for EEE in 2021   |                                                          | 900                                               |
| Total assumed number of all registered producers/generators in 2021               |                                                          | 42,370                                            |
| RRCEA Regulation for Blue Box Materials                                           | 2022                                                     | 2000                                              |
| Total number of registered producers and other obligated parties by 2022*         |                                                          | 44,370                                            |

\*Total number of registered producers/generators is assumed to be the same in 2023 as in 2022 with some variances due to lighting producers registering in 2022 under the EEE Regulation, as obligated parties enter and exit the market in the normal course of business, and as free riders are identified.

In addition to compliance activities under the RRCEA and the operation of the Registry and digital reporting service for the HWP, this plan assumes the Authority will continue to engage extensively with IFOs, ISOs, producers, municipalities, First Nations, and service providers to prepare for the wind up of the MHSW Program on June 30, 2021 and the Blue Box Program between 2023 and 2025, as well as the wind up of Ontario Electronic Stewardship (OES) and Ontario Tire Stewardship (OTS) in 2021.

The Authority’s 2021 budget and 2022 and 2023 financial forecasts reflect increases in expenses for staffing, Registry development, and other costs necessary to (i) fulfill its expanding mandate as set out in its legislative framework and the Tires, Batteries and EEE Regulations; and (ii) comply with the Minister’s directions to wind up the MHSW Program and transition the materials managed by the program to the new IPR

on timing and the number of registrants during the 2021-2023 planning period. These assumptions underpin the Authority’s human resources plan and financial budget and forecasts.

regulatory framework; initiate the implementation of the wind-up plan for the Blue Box Program and prepare for the transition of the materials to the new IPR regulatory framework starting in 2023; and, operate the Registry and digital reporting service for the HWP starting in 2021. In last year’s business plan, the Authority forecasted the 2021 budget at \$14.14 M. However, through efficiencies and expense controls, the Authority is estimating its 2021 budget at \$12.87 M, 9% lower than what was forecasted last year. Assuming no new initiatives are directed by the Minister, the Authority’s best current estimate is that the 2023 budget will be close to level with 2022 once three of the four legacy waste diversion programs are fully transitioned.

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

Strategic Priority One: Transition of Waste Diversion Programs

**Objectives**

To support current waste diversion programs, the Authority will:

- Seek to ensure the ongoing effective operation of the 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**

- 2021 – 2023
  - Oversee current 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**

- 2021
  - Oversee implementation of the WEEE Program and MHSW Program wind-up plans on the timelines established by the Minister
  - Oversee dissolution of OES as per the WEEE Program Wind-Up Plan
  - Oversee dissolution of OTS as per the Used Tires Program Wind-Up Plan
  - Oversee implementation of the wind-up plan for the Blue Box Program
- 2022 – 2023
  - Oversee implementation of the MHSW and Blue Box wind-up plans

Strategic Priority Two: Responsible Management of Data

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| <p><b>Objectives</b></p> <p>To ensure responsible management of data housed in the Registry, the Authority will:</p> <ul style="list-style-type: none"><li>● Assess, monitor and ensure accuracy of data submitted by obligated parties;</li><li>● Ensure secure data systems to protect confidential information, including personal and commercially sensitive information;</li><li>● 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;</li><li>● Maintain appropriate safeguards to protect confidentiality and privacy when information is released publicly, and rigorously monitor their implementation;</li><li>● Support the government’s policy development through analysis of the data housed in the Registry; and</li><li>● Utilize the data housed in the Registry to inform a risk-based compliance strategy to hold obligated producers responsible and accountable.</li></ul> <p><b>Activities and Milestones Under RRCEA and WDTA</b></p> <ul style="list-style-type: none"><li>● 2021-2023<ul style="list-style-type: none"><li>■ 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</li></ul></li></ul> <p><b>Activities and Milestones Under RRCEA</b></p> | <ul style="list-style-type: none"><li>● 2021<ul style="list-style-type: none"><li>■ Build the Batteries Registry and support reporting of required information under the RRCEA Batteries Regulation</li><li>■ Build the EEE Registry and support registration of obligated parties and reporting of required information under the RRCEA EEE Regulation</li><li>■ Build the Hazardous or Special Materials Registry and support registration of obligated parties and reporting of required information under a RRCEA Hazardous or Special Materials Regulation</li><li>■ Build the Registry and digital reporting service for the HWP and support registration of obligated parties starting on or before July 1, 2021</li></ul></li><li>● 2022<ul style="list-style-type: none"><li>■ Start live tracking of hazardous waste starting January 1, 2022 through the Registry and digital reporting service for the HWP</li><li>■ Initiate the Blue Box Registry project and support registration of obligated parties and reporting of required information under a Blue Box Regulation.</li></ul></li><li>● 2023<ul style="list-style-type: none"><li>■ Design and deploy data analytics in order to support public reporting and identify compliance and enforcement priorities consistent with the Authority’s risk-based compliance approach</li></ul></li></ul> |
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Strategic Priority Three: Trusted Authority

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| <p><b>Objectives</b></p> <p>To deliver compliance and enforcement in a conscientious manner that enables regulated parties to meet their obligations efficiently with minimum administrative burden on business, the Authority will:</p> <ul style="list-style-type: none"><li>● Hold IFOs and ISOs accountable for their waste diversion program requirements and hold stewards accountable for their obligations under the IFOs’ rules for stewards;</li><li>● Provide clear, instructive communications to support obligated parties under the RRCEA to register and to comply with RRCEA regulations;</li><li>● 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</li><li>● Cost-effectively deliver the Authority’s legislated mandate and directions received from the Minister.</li></ul> <p><b>Activities and Milestones Under RRCEA and WDTA</b></p> <ul style="list-style-type: none"><li>● 2021-2023<ul style="list-style-type: none"><li>■ Continue implementation of the Authority’s Risk-Based Compliance Framework incorporating graduated measures beginning with communications to encourage voluntary compliance</li></ul></li></ul> | <p><b>Activities and Milestones Under RRCEA</b></p> <ul style="list-style-type: none"><li>● 2021<ul style="list-style-type: none"><li>■ Implement a communications strategy to educate registrants obligated under RRCEA regulations for tires, batteries, and EEE, and the expected hazardous or special materials regulation, about their regulatory requirements in order to support compliance</li><li>■ Implement a communications strategy to educate obligated parties about their registration and reporting obligations and the Registry and digital reporting service for the HWP</li></ul></li><li>● 2022<ul style="list-style-type: none"><li>■ Implement a communications strategy to educate registrants obligated under a RRCEA Blue Box Regulation about their regulatory requirements in order to support compliance</li></ul></li><li>● 2021-2023<ul style="list-style-type: none"><li>■ Continue to support compliance by obligated parties with their regulatory requirements through the ongoing deployment of effective compliance strategies with a focus on communications</li><li>■ Ensure Compliance and Registry Officers are trained and supported to effectively respond to registrant inquiries, provide excellent customer service and undertake effective compliance activities</li></ul></li></ul> |
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Strategic Priority Four: Accountability

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| <p><b>Objectives</b></p> <p>To be accountable, the Authority will:</p> <ul style="list-style-type: none"><li>• Comply with the reporting and publishing requirements in the RRCEA, WDTA and the Operating Agreement;</li><li>• Comply with the Information Sharing Protocol in the Operating Agreement;</li><li>• Engage and consult with stakeholders broadly and openly on development of the Authority’s policies and planned activities where appropriate;</li><li>• Establish a culture of open dialogue, collaboration and responsible discourse; and</li><li>• Conduct its operations in an efficient and economical manner in line with expectations set out in the Authority’s Operating Agreement with the Minister.</li></ul> <p><b>Activities and Milestones Under RRCEA and WDTA</b></p> <ul style="list-style-type: none"><li>• 2021-2023<ul style="list-style-type: none"><li>■ Provide the Minister with information set out in the Information Sharing Protocol in Schedule A of the Operating Agreement as requested and required;</li><li>■ Post all documents required to be posted on the Registry under the RRCEA, WDTA and the Operating Agreement;</li><li>■ Develop and maintain all policies and procedures required under the Operating Agreement;</li><li>■ Provide information about the Authority’s Board and Committees on the Authority’s website;</li></ul></li></ul> | <ul style="list-style-type: none"><li>■ Post minutes of the Authority’s Board meetings on the Authority’s website;</li><li>■ 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;</li><li>■ Continue to provide key communications in French consistent with the Authority’s French Language Services Plan;</li><li>■ Undertake consultation with stakeholders on any changes to the Authority’s General Fee Setting Policy and annual fees, costs or other charges;</li><li>■ Establish and maintain advisory groups to provide a forum to enable open dialogue with stakeholders, information sharing and effective engagement; and,</li><li>■ Continue to provide information about the Authority’s objectives and activities under the WDTA and RRCEA through the Authority’s website and other communications method.</li></ul> <ul style="list-style-type: none"><li>• 2021<ul style="list-style-type: none"><li>■ Submit the Authority’s 2020 Annual Report to the Minister by June 1, 2021</li><li>■ Hold an Annual Public Meeting in June 2021</li><li>■ Submit the Authority’s 2022 Business Plan to the Minister ninety days before year end.</li><li>■ 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</li></ul></li></ul> |
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Strategic Priority Five: Organizational Sustainability

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| <p><b>Objectives</b></p> <p>To be a skilled, professional, cost-effective, and stable organization, the Authority will:</p> <ul style="list-style-type: none"><li>• Attract and retain capable and experienced staff by fostering a diverse and inclusive organizational culture based on professionalism, continuous improvement, integrity, accountability, respect, and collaboration;</li><li>• Develop organizational expertise and capacity based on principles of efficient and effective management and value-for-money;</li><li>• 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</li><li>• Enhance and maintain governance practices to meet or exceed recognized best practices.</li></ul> <p><b>Activities and Milestones Under RRCEA and WDTA</b></p> <ul style="list-style-type: none"><li>• 2021-2023<ul style="list-style-type: none"><li>■ Maintain operating policies and procedures to ensure up-to-date, clear, and consistent practices;</li></ul></li></ul> | <ul style="list-style-type: none"><li>■ Conduct a performance evaluation of each Board member in 2021;</li><li>■ Maintain governance policies and procedures based on best practices;</li><li>■ Recruit and onboard staff to strengthen the Authority’s delivery of services;</li><li>■ Support and enhance the Authority’s internal operational culture through ongoing employee engagement, training, and succession planning;</li><li>■ As terms of elected Board members expire, re-elect or replace to ensure the Board has a full slate of elected directors; and,</li><li>■ Onboard any new Board members to ensure continuity of effective governance and organizational oversight.</li></ul> <p><b>Activities and Milestones Under RRCEA</b></p> <ul style="list-style-type: none"><li>• 2021-2023<ul style="list-style-type: none"><li>■ Review, introduce and/or adjust fees, costs or other charges as additional parties are obligated consistent with the Authority’s General Fee Setting Policy, Fee Setting Methodology, and the Authority’s Operating Agreement with the Minister.</li></ul></li></ul> |
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# Achieving Value-For-Money

## Approach

The Authority’s financial planning process is overseen by the Board. The financial plan reflects the planning assumptions set out in this document, and the Authority’s conservative estimation of the resources needed to fulfill its legislated mandate and the Minister’s directions 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 and costs on outside vendors and hiring only as anticipated needs materialize.

As the number of registrants increase with additional programs coming online between 2021 and 2023, the Authority anticipates achieving greater economies of scale that could result in lower fees for current RRCEA programs.

## Assumptions

The key assumptions described in Section 5 of this Plan, which as previously noted are subject to change as regulations are finalized and as further directions from the Minister are received, inform the Authority’s 2021–2023 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, with respect to the Registry:

- The Registry will be developed as necessary to implement the requirements of final regulations

- under the RRCEA;
- The Registry and digital reporting service for the Hazardous Waste Program (HWP) will be developed as necessary to fulfill the directions provided by the Minister;
- 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 2021–2023 financial plan include:

- Human Resources
- Revenues and Expenses
- Credit Facilities
- Reserve Fund
- Risks

## Human Resources

The Authority’s staff complement is expected to grow in 2021 and 2022 to ensure the organization has the necessary staff required to fulfill its growing mandate at a reasonable standard of delivery. By 2023, staffing is assumed to level off. 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, additional staff will be needed to support the Registry, compliance and enforcement, financial administration, information and information technology, and communications and public reporting functions. The Authority will also require additional staff to support the Registry and digital reporting service for the HWP.

In summary, the additional staff over the planning period as detailed in the table below support the following:

- The Compliance and Enforcement group is planned to increase by seven additional Compliance and Registry Officers to support the registration and compliance of obligated parties under the Batteries Regulation, the Electrical and Electronic Equipment (EEE) Regulation, a hazardous or special materials regulation, and a Blue Box regulation, in addition to the Tires Regulation. The group will also be expanded by four support staff to establish a support function

for the Registry and digital reporting service for the HWP; the compliance function for the HWP will remain with the Ministry of the Environment, Conservation and Parks. In addition, the group will be expanded by one additional team lead to support the supervision of the Compliance and Enforcement group, balancing the span of control.

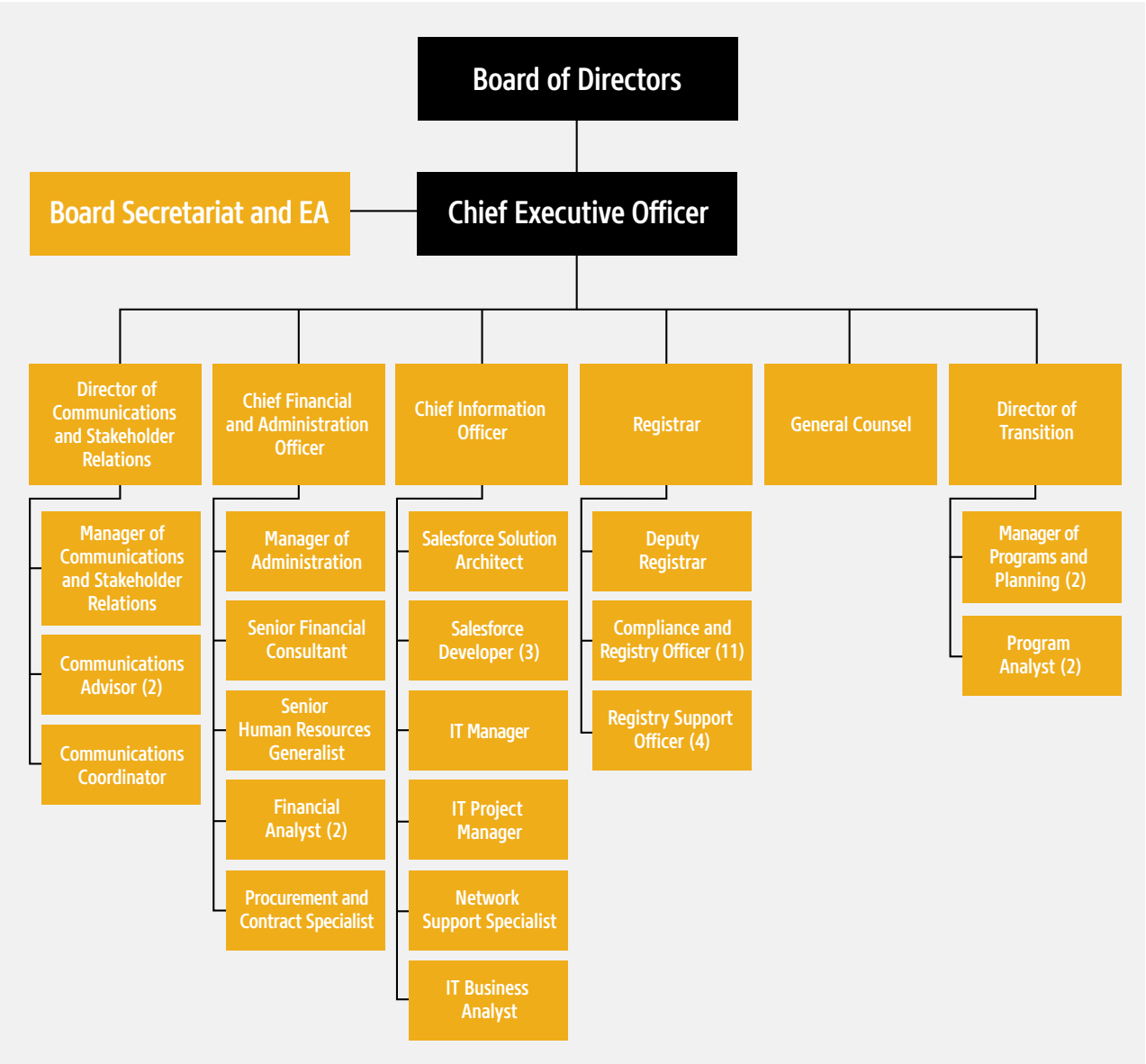
- The Transition group will contract in size by two staff over the planning period as waste diversion programs are wound up and transitioned to the new IPR regulatory framework. The remaining staff will oversee the implementation of approved wind-up plans and continue to operate the municipal Datacall.
- The Information and Information Technology (I&IT) group will be strengthened by two additional staff 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 Authority will be building and operating five new Registry systems, for batteries, EEE, household hazardous or special materials, Blue Box materials, and hazardous waste, in addition to the Tires Registry currently in operation;
- The Finance and Administration group will remain the same size throughout the planning period;
- The Communications and Stakeholder Relations team will remain the same size throughout the planning period; and
- The CEO’s Office, which includes the Board Secretariat and Executive Assistant and General Counsel, will be strengthened by one additional Legal Counsel to support the organization as its mandate increases and

The planned activities and projected resource requirements reflect the best available information from the ministry 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, the Authority will limit hiring and expenditures to what is required to deliver its mandate.

to reduce costs associated with outside legal expertise. The following table sets out the human resources anticipated to be in position by the end of 2020 as well as the human resources anticipated to be added in 2021 through to 2023, based on current assumptions.

| Department                               | Full Time Equivalent Staff Position |      |      |      |
|------------------------------------------|-------------------------------------|------|------|------|
|                                          | 2020                                | 2021 | 2022 | 2023 |
| Compliance and Enforcement               | 9.3                                 | 13.2 | 19.0 | 21.0 |
| Transition                               | 5.6                                 | 5.5  | 4.0  | 4.0  |
| I&IT                                     | 5.4                                 | 8.5  | 9.0  | 9.0  |
| CEO/Board Secretariat and EA/Legal       | 3.0                                 | 3.0  | 4.0  | 4.0  |
| Finance and Administration               | 6.6                                 | 6.6  | 6.6  | 6.6  |
| Communications and Stakeholder Relations | 4.3                                 | 5.0  | 5.0  | 5.0  |
| Total Annual FTE                         | 34.2                                | 41.8 | 47.6 | 49.6 |

The following organizational chart illustrates the information from the table on the previous page for 2021.



Revenues and Expenses

As authorized by its legislated mandate, the Authority’s 2021–2023 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 and are derived through charges to IFO and ISOs for WDTA-related expenses. WDTA costs will continue to be recovered from IFOs and ISOs until wind up of the associated program and industry funding organization is complete.

The estimated revenues from regulated parties under the RRCEA reflect additional registrants as outlined in Section 5 of this Business Plan and are derived through registration fees, costs, and other charges. RRCEA costs, including the current year’s Registry amortization will be recovered through fees and other charges in each year. Registry capital costs are amortized over 10 years and recovered through annual fees over the ten-year period. Certain expenses for programs under development could be deferred and recovered in future periods. Annual fees 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.

The Authority will continue to operate under a strong accountability framework that includes robust governance oversight, procurement policies, and effective cost controls. Recognizing that not all expenses are predictable, the plan includes a general \$0.2 million contingency to handle unexpected overages, mitigate risks associated with uncertain assumptions and ensure organizational sustainability.

Estimated Registry development expenditures are

based on Registry requirements outlined in published regulations, and, for the HWP, the requirements outlined by the ministry. These estimates are preliminary based on the limited information available regarding the expected household hazardous or special materials regulation and the Blue Box regulation under the RRCEA. Actual budgets will be determined based on final regulations and competitive procurement processes, which may result in variances to budgeted amortization expenses.

The primary factors resulting in the increase between the 2020 Budget and the 2021 Budget are related to the following:

- An increase in payroll due to the full-year cost implications of recruitment that occurred during 2020 and additional 2021 staffing requirements, including salary and benefits, staff expenses and professional development;
- An increase in Registry system amortization and loan interest associated with utilization of credit facilities to support Registry development; and
- An increase in Reserve contributions consistent with the Authority’s Reserve Fund Policy and organizational best practices.

The additional I&IT staff will result in cumulative Registry savings over the 3 years of the 2021-2023 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.

The gradually declining allocation of expenses to WDTA reflects the wind up of the Used Tires Program on December 31, 2018, the anticipated wind up of Ontario Tire Stewardship in 2021, wind up of the Batteries Program on June 30, 2020, wind up of the WEEE Program on December 31, 2020 followed by the anticipated wind up of Ontario Electronic Stewardship in 2021, and wind up of the MHSW Program on June 30, 2021.

2021 Business Plan

|                                        | Actual | Budget <sup>1</sup> | Forecast | Budget | Forecast | Forecast |
|----------------------------------------|--------|---------------------|----------|--------|----------|----------|
|                                        |        |                     |          | 2021   | 2022     | 2023     |
| Revenues                               |        |                     |          |        |          |          |
| Cost recovery                          |        | 10.61               | 9.88     | 9.53   | 13.85    | 14.54    |
| Reserve contribution <sup>2</sup>      |        | 0.60                | 0.60     | 0.90   | 0.90     | 0.90     |
| Start-up cost recovery <sup>3</sup>    | –      | 0.09                | 0.09     | 0.09   | 0.09     | 0.09     |
| Deferred recovery <sup>4</sup>         | –      | –                   | –        | –      | 0.83     | 0.78     |
|                                        |        |                     |          | 10.53  | 15.67    | 16.32    |
| Expenses                               |        |                     |          |        |          |          |
| Salaries and benefits <sup>5</sup>     |        | 5.14                | 4.45     | 5.13   | 5.79     | 6.30     |
| Communications                         |        | 0.37                | 0.17     | 0.27   | 0.31     | 0.31     |
| Amortization <sup>6</sup>              |        | 1.21                | 0.78     | 1.67   | 2.98     | 3.52     |
| Board compensation and related expense |        | 0.38                | 0.36     | 0.29   | 0.30     | 0.33     |
| Rent                                   |        | 0.80                | 0.82     | 0.85   | 0.87     | 0.89     |
| Telephone and internet                 |        | 0.11                | 0.11     | 0.11   | 0.12     | 0.13     |
| Loan interest                          |        | 0.52                | 0.14     | 0.37   | 0.46     | 0.62     |
| Other operating <sup>7</sup>           |        | 0.57                | 0.42     | 0.61   | 0.63     | 0.65     |
| Professional fees <sup>8</sup>         |        | 1.18                | 1.33     | 1.22   | 1.20     | 1.11     |
| Registry                               |        | 1.12                | 1.03     | 1.16   | 1.00     | 0.50     |
| Contingency                            | –      | 0.30                | 0.30     | 0.20   | 0.20     | 0.20     |
|                                        |        |                     |          | 11.88  | 13.85    | 14.54    |
|                                        |        |                     |          |        |          |          |
|                                        |        |                     |          |        |          |          |
|                                        |        |                     |          |        |          |          |
|                                        | –      |                     |          |        |          |          |
|                                        | –      | –                   | –        | –      |          |          |
|                                        |        |                     |          |        |          |          |
|                                        | –      | –                   | –        |        | –        | –        |
|                                        |        |                     |          |        |          |          |

Budget Notes

<sup>1</sup> The 2020 Budget varies from the Draft 2020 Budget Total All Activities in the 2020 Business Plan due to costs savings realized as a result of delays in the finalization of RRCEA regulations, which allowed the Authority to defer Registry expenses and planned hiring.

<sup>2</sup> The Budget reserve contribution increases from the 2020 Budget consistent with the Authority’s reserve policy, which sets the reserve at 50% of the Authority’s annual operating budget.

<sup>3</sup> Start-up costs recovery includes a portion of the \$0.9 million of 2016 and 2017 RRCEA start-up costs for which recovery was deferred.

<sup>4</sup> Deferred costs include direct and shared expenses related to new materials or mandate prior to operationalizing the Registry for the material or the digital reporting service for the new mandate. The deferred costs will be recovered in subsequent years.

<sup>5</sup> Salaries and benefits include all full-time and contract employees, including associated benefits.

<sup>6</sup> Amortization includes the amortization of estimated Registry development costs and other capital expenditures.

<sup>7</sup> Other operating expenses include office supplies, insurance, bank charges, staff expenses and Municipal Datacall maintenance expenses.

<sup>8</sup> Professional fees include external legal services, external audit services, HR recruitment services, contracted compliance and training, and consulting.

Credit Facilities

The assumed increase in utilization of the credit facilities during the 2021-2023 period is related to financing the Registry development costs, which are amortized as an intangible asset. The credit facilities will be used to cover these expenditures for cash flow purposes and to enable equitable distribution of common costs across all material groups. The annual amortized costs of the Registry will be recovered through annual registration and transaction 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 2021 through 2023 are consistent with the Board policy.

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 key risks associated with the 2021–2023 Business Plan include:

- Assumptions about government decision making, in particular assignment of new materials or mandates under the RRCEA;
- Assumptions about the trajectory of the COVID-19 pandemic and its broader economic impact;
- Assumptions about the number of registrants under a household hazardous or special materials regulation and a Blue Box 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, fulfill 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.

Tracking Results

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 open Annual Public Meeting to ensure transparency and accountability to its stakeholders and the public. The Authority’s 2019 performance against its 2019 objectives was published in its 2019 Annual Report, which is available on the Authority’s [website](#). The Authority’s 2020 performance against its 2020 objectives will be reported on in its 2020 Annual Report, which will be published and posted to the Authority’s website by June 1, 2021.

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. While the

Strategic Priorities have not changed, certain 2021 measures and targets differ from the published 2020 measures and targets either because new measures and targets have been added to reflect the development and evolution of the Authority’s compliance programs, or they have been revised to reflect changes in government direction.

Some of the Authority’s performance measures in 2021 continue to focus on supporting the build out of the Registry and/or digital reporting service, 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                                                                                                                                                                                                                                         | 2021 Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Continued oversight of waste diversion programs | Effective and efficient operation of Municipal Hazardous or Special Waste Program, and Blue Box Program                                                                                                                                         | IFOs/ISOs operate in compliance with WDTA requirements<br>Respond within 7 days to complaints<br>Initiate action within 7 days for substantiated non-compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Effective wind up of IFO programs and IFOs      | Implementation of approved OTS Wind-Up Plan for the UTP Program and implementation of approved OES Wind-Up Plan for the WEEE Program and implementation of approved Stewardship Ontario wind-up plans for the MHSW Program and Blue Box Program | Ensure disposition of OTS surplus funds as per Minister’s directions, resolution of all outstanding financial and tax matters and dissolution of OTS.<br>Effective monitoring and response to any program disruption during implementation of approved MHSW Program Wind-Up Plan as the program is wound up on June 30, 2021 and transitioned to individual producer responsibility on July 1, 2021<br>Effective monitoring and response to any program disruption during implementation of approved Blue Box Program Wind-Up Plan once plan is approved by the Authority no later than December 31, 2020<br>Effective monitoring and response to any program disruption during implementation of approved WEEE Program Wind-Up Plan as the program is wound up on December 31, 2020 and transitioned to individual producer responsibility on January 1, 2021 and OES is wound up in 2021 |

Strategic Priority Two: Responsible Management of Data

| Objective                                                            | Measure                                                                                                                                                                                                                                                            | 2021 Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop and maintain Registry to fulfill organizational mandate      | Develop Registry functionality consistent with Batteries Regulation, Electrical and Electronic Equipment Regulation, Hazardous or Special Materials Regulation and Minister’s directions on Registry and Digital Reporting Service for the Hazardous Waste Program | Implement Registry functionality on budget and on time in accordance with Board project approvals and consistent with the Batteries Regulation, Electrical and Electronic Equipment Regulation and Ministry requirements for the Registry and digital reporting service for the HWP<br>Initiate Registry development in accordance with Board project approvals for municipal hazardous or special materials following release of RRCEA regulation                                                                                            |
| Registrants submit required data                                     | Completeness of data reported by registrants                                                                                                                                                                                                                       | Initiate action within 7 days for substantiated non-compliance<br>Inspect 80% of producer accounts representing 80% of the total weight reported by Tires, Batteries, and EEE producers respectively                                                                                                                                                                                                                                                                                                                                          |
| Responsible parties registered                                       | Percentage of responsible parties registered                                                                                                                                                                                                                       | 90% of MHSW Program stewards formerly registered with Stewardship Ontario and Industry Stewardship Organizations who are obligated under a RRCEA regulation for municipal hazardous or special materials register with Authority by deadline<br>Individually engage with 90% of MHSW Program stewards formerly registered with Stewardship Ontario and Industry Stewardship Organizations who are obligated under a RRCEA regulation for municipal hazardous or special materials in order to support compliance with regulatory requirements |
| Protection of confidential, personal and commercially sensitive data | Security and privacy of confidential, personal and commercially sensitive information                                                                                                                                                                              | Compliance with RRCEA and WDTA provisions on confidentiality of information and Authority’s Access and Privacy Code                                                                                                                                                                                                                                                                                                                                                                                                                           |

Strategic Priority Three: Trusted Authority

| Objective                                                                                          | Measure                                                                                | 2021 Target                                                                                                                                                    |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RPRRA viewed as a responsive, unbiased, cost-effective organization focused on enabling compliance | Third-party stakeholder perception and awareness survey                                | Establish baseline for newly obligated stake-holders and tire stakeholders 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 7 days to complaints<br>50% of free rider cases closed within 9 months<br>Respond within 30 days to substantiated non-compliance                |

Strategic Priority Four: Accountability

| Objective                                                                         | Measure                                                                    | 2021 Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Comply with reporting requirements in the RRCEA, WDTA and the Operating Agreement | Reporting requirements outlined in the RRCEA, WDTA and Operating Agreement | 2020 Annual report submitted by June 1, 2021<br>Annual Public Meeting held in June 2021<br>2022 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<br>Completion of consultations on mandatory Registry Procedures required in the Batter-ies Regulation and Electrical and Electronic Equipment Regulation with level of participant satisfaction at or above consultation survey results for mandatory Registry Procedures for the Tires Regulation |

Strategic Priority Five: Organizational Sustainability

| Objective                                                                                                                                            | Measure                            | 2021 Target                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Set fees, costs and other charges that sustain the organization                                                                                      |                                    | Recovery of costs without significant deficit or surplus consistent with approved budget<br>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 baseline established in the 2019 employee engagement survey                                                             |



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