

Ontario's Transition to a New Framework

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Ontario's historic EPR framework

- Industry Funding Organizations (IFO) – sometimes called a Producer Responsibility Organization in other jurisdictions – operate approved Program Plans
 1. Stewardship Ontario – Blue Box Program Plan and Municipal Hazardous or Special Waste Program Plan
 2. Ontario Electronics Stewardship – Waste Electrical and Electronic Equipment Program Plan
 3. Ontario Tire Stewardship – Used Tire Program Plan
- Stewards (producers) required to report and pay fees to IFOs in order to discharge their obligations
- IFOs contract with service providers (collectors, haulers and recyclers) to achieve the requirements in the approved Program Plans
- Oversight body with no regulatory powers monitored the IFOs operations (steward rules, fee setting, etc.)

The problem

- Waste increasing – looming landfill crisis, plastics challenge
- Diversion rate stalled over last ten years
- No incentive to innovate – no performance requirements
- Municipalities frustrated at plateau in recovery rates – tax burden
- Lack of verified, accurate data on performance
- Weak regulatory oversight, including lack of enforceable performance targets
- Lack of choice for the producers
- IFOs were price setters to the service providers
- Lack of competition and innovation

The solution

Emerging political consensus on the need for reform. All-party support for circular economy initiative. Market-driven approach to achieve public interest outcomes.

Resource Recovery and Circular Economy Act, 2016 (RRCEA)

- Establishes RPRA
- Enables new Extended Producer Responsibility through regulations

Waste Diversion Transition Act, 2016 (WDTA)

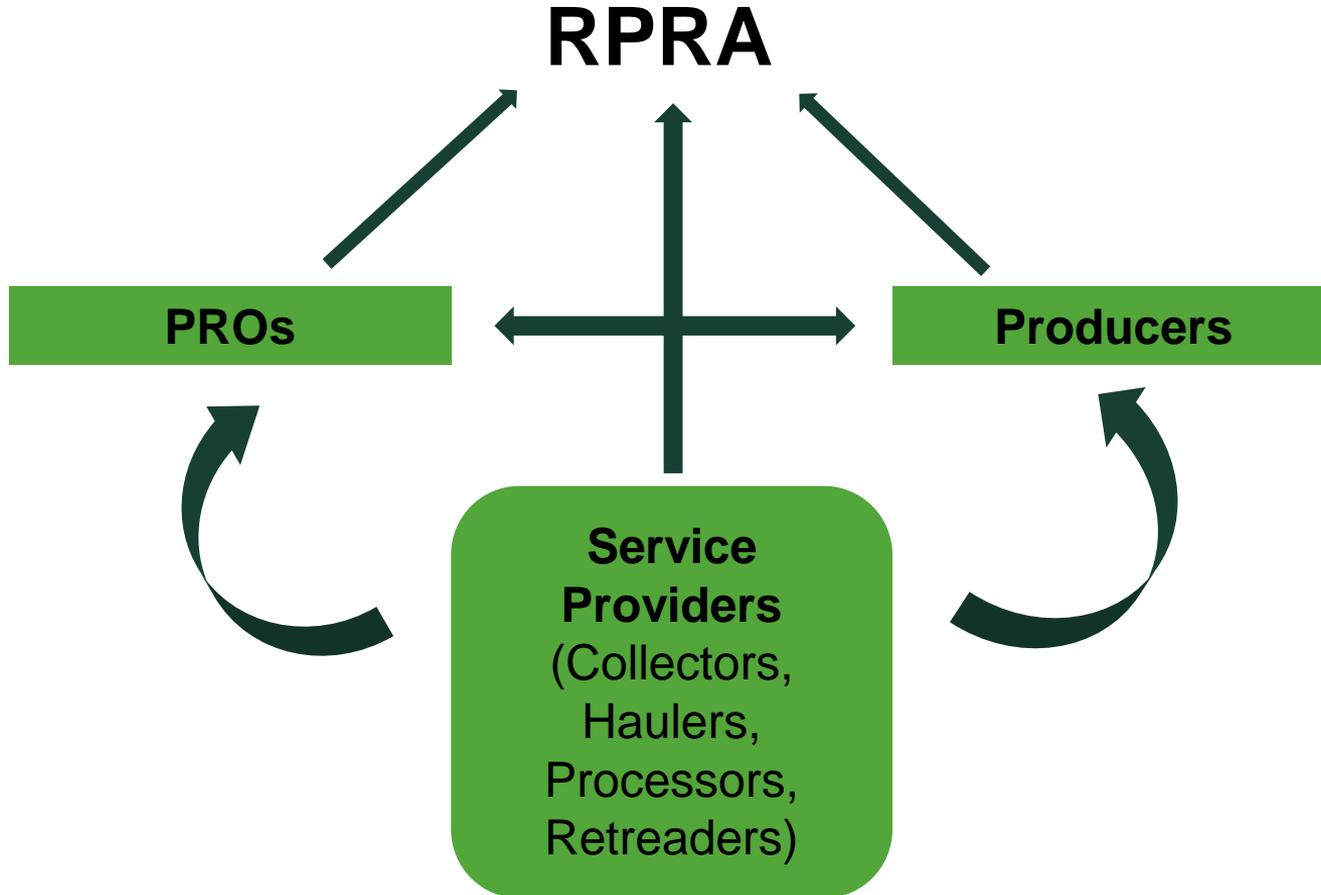
- Empowers RPRA to oversee existing programs
- Provides for wind up of these programs with RPRA oversight and transition to RRCEA

Objectives of the RRCEA

- **Higher recovery rates**, less to landfill and incineration
- **Jobs and innovation** in waste management sector
- **Competition** for waste management and compliance services
- **Market driven** solutions to achieve targets – non-prescriptive regulation
- **Accurate, verified data** on performance and other regulatory objectives

Key differences in the frameworks?

- Each producer is individually responsible for meeting requirements
- Producers free to determine how to meet requirements
- Competitive market for purchase of resource recovery services replaces statutory monopoly IFOs
- Private companies compete (PROs and service providers) to provide services to producers to assist them meet their requirements
- RPRA is an empowered regulator with powers to enforce compliance



How is the Authority governed?

- Administrative Authority – independent from Government
- Accountable to Minister per legislation and Operating Agreement
- Skills based board – Minister appoints 5 of 11; Ministry observer
- Financed through fees charged to obligated parties
 - Currently fees are applied to producers; could be broadened in future
 - No government funding
- Activities triggered by regulations and Minister's directions

The Authority's Mandate

- **Oversee existing waste diversion programs** and the IFOs that operate them
- **Oversee orderly wind up of the programs** and IFOs as directed by the Minister
- **Establish and operate a registry** for obligated parties to register and report information as required by regulation (main tool in achieving compliance mandate)
- **Undertake compliance** and enforce requirements of Regulations (e.g., consumer education, collection systems, and performance targets)
- **Provide information to the Minister** to support policy decisions
- **Provide information to the public** about Ontario's progress in diverting waste and resource recovery

Compliance and Enforcement

- Compliance team has typical powers of a provincial regulator
 - Inspections and audits
 - Investigations
 - Compliance orders
 - Administrative penalty orders; amounts to be set in regulation (Deputy Registrar and Registrar only)
 - Prosecution
- Primary approach to compliance is through communications (Comminutions for Compliance)
 - The Authority is a Modern Regulator
 - High degree of compliance is being achieved with no compliance orders being issued

The status so far

Tires transitioned to RRCEA on January 1, 2019 with five PROs operating today

Batteries transitioned on July 1, 2020 with three PROs operating today

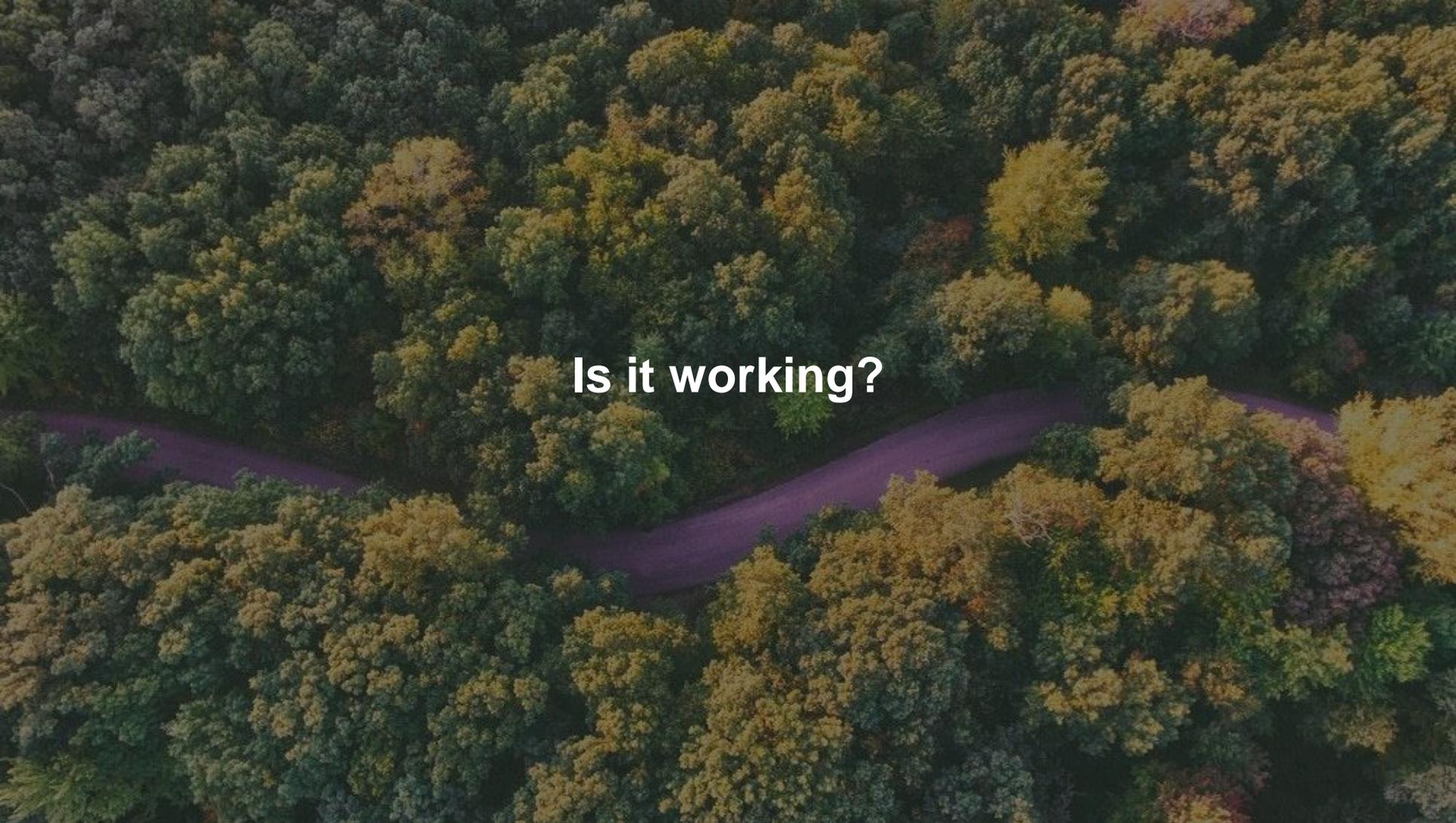
EEE transitioned on January 1, 2021 with 14 PROs competing for producers (vast majority of those PROs have producer clients to date)

Municipal Hazardous or Special Waste to transition on July 1, 2021

Blue Box to transition January 2023 and December 2025

Early challenges with multiple PROs

- Producers are now operating in a different framework and need time to adapt (e.g., find a PRO or establish their own system)
- PROs (and the overall market) need time to understand the requirements and how to establish a system that achieves those requirements
- Market adaptation takes time and service providers need to get used to competing for business from PROs – not a one stop shop or a fixed price from one IFO
- The Authority does not dictate how the systems or markets should work – The Authority educates and acts if a system is not meeting the requirements. It takes time for the market to understand the Authority's role.
- Communication challenges anticipated around public education and communication (e.g., communicating the common collection system and with municipalities reducing their role in recycling programs)
- Use of compliance bulletins and procedures to ensure standards/consistency in reporting

An aerial photograph of a dense forest with a winding path. The trees show a mix of green and yellowish-green, suggesting early autumn. The path is a light brown color and curves through the forest. The text "Is it working?" is overlaid in white, bold font in the center of the image.

Is it working?

Thank you!



RPRA
Resource Productivity
& Recovery Authority

