



**RPRA**  
Resource Productivity  
& Recovery Authority

**2018  
BUSINESS PLAN**



**RPRA**  
Resource Productivity  
& Recovery Authority

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## Mission:

To promote and enforce accountability for the reduction and management of packaging and products.

## Vision:

A waste-free Ontario where all resources are reused and recycled.

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# 01

## INTRODUCTION

The Resource Productivity and Recovery Authority's (the Authority) mandate to play a key role in advancing a circular economy in Ontario came into effect in November 2016. Specifically, the Authority is mandated by the Government of Ontario to:

- Perform the duties and exercise 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
- Provide information to persons involved in activities that relate to resource recovery or waste reduction in Ontario and to the public about the RRCEA, the regulations and activities carried out under the Acts under which the Authority has powers or duties.

The duties and powers given to the Authority include:

- Overseeing industry funding organizations (IFOs) and industry stewardship organizations (ISOs) and the waste diversion programs they operate under the WDTA, including compliance by the organizations with their approved program plans and compliance by stewards with the rules for stewards established by the IFOs;
- Approving wind up plans developed by IFOs as directed by the Minister of the Environment and Climate Change (the Minister) and overseeing implementation of approved plans;
- Developing and maintaining an online data Registry to receive information reported from parties obligated to register with the Authority; and
- Ensuring compliance by obligated parties with their responsibilities as set in regulations to be implemented under the RRCEA.

The government's [Strategy for a Waste-Free Ontario: Building a Circular Economy](#) (the Strategy) sets out

Ontario's vision for a circular economy, guides the delivery of the Authority's mandate, and outlines the challenges we collectively face, including:

- Ontario is generating too much waste and not recycling enough;
- Little improvement to overall diversion has occurred over the last decade;
- The province faces increasing challenges managing its waste as landfills reach capacity; and
- Waste in landfills is a significant contributor to greenhouse gas emissions.

The Strategy sets out a vision in which waste is seen as a resource that can be recovered, reused and reintegrated. In a circular economy:

- The use of raw materials is minimized;
- The useful life of materials and other resources is maximized through recycling, reusing and reprocessing waste; and
- Product and packaging waste is minimized through better design and manufacturing.

The Strategy also creates an opportunity to drive economic benefits by fostering innovation and competition to:

- Create and expand the reuse, recycling and remanufacturing sectors;
- Reduce municipal costs for managing residential waste;
- Encourage businesses to design long lasting, reusable and easily recyclable products and packaging; and
- Incent business models based on extending a product's lifecycle.

# 02

## AUTHORITY OVERVIEW

### Our Role and Mandate

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

- The WDTA sets out the Authority's role overseeing the ongoing operation of current waste diversion programs and the orderly winding up of those programs and the industry funding organizations responsible for managing those programs.
- The RRCEA sets out the Authority's role in developing and maintaining a Registry and enforcing compliance with requirements by producers of products and packaging that result in waste, and others involved in waste diversion, including collectors, haulers, processors and other service providers. Producers will be held individually responsible and accountable for those materials currently managed under the WDTA as well as new materials designated by the Government of Ontario.

#### The Authority's key activities include:

- Overseeing producer performance against objectives set in RRCEA regulations by conducting compliance and enforcement activities;
- Overseeing the ongoing operation of current waste diversion programs operated by:
  - Industry funding organizations:
    - Stewardship Ontario for the Blue Box Program and the Municipal Hazardous or Special Waste (MHSW) Program;
    - Ontario Tire Stewardship (OTS) for the Used Tires Program (UTP); and

- Ontario Electronic Stewardship (OES) for the Waste Electronic and Electrical 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 their proprietary pressurized carbon dioxide containers;
- Developing and maintaining a Registry to register and receive information from regulated parties, monitor performance and report on Ontario's efforts to advance a circular economy.

### Organizational Structure

With the proclamation of the [Waste-Free Ontario Act, 2016](#) (WFOA) on November 30, 2016, the former Waste Diversion Ontario (WDO) was overhauled as the Resource Productivity and Recovery Authority, with responsibility to oversee programs continued under the WDTA and enforce compliance with regulations established under the RRCEA.

The Authority is an independent, not-for-profit corporation, governed by a skills-based Board of Directors<sup>1</sup>. 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 [Transitional Operating Agreement between the Authority and the Minister of the Environment and Climate Change](#).

The Minister of the Environment and Climate Change appoints five members to the Board of Directors,

<sup>1</sup>Additional information about board member qualifications can be found in Section 7 of the Transitional Operating Agreement. Board Director biographies and information about Board Committees are available on the Authority's website.

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including the initial Chair. The Board elects an additional six members to form the full 11-member Board of Directors. Within 30 days after the sixth member is elected, the Board elects a Chair.

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

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

### Relationship with the Government of Ontario

The Ontario Minister of the Environment and Climate Change has legislative oversight of the Authority and responsibility to table the Authority's annual

report to the Legislative Assembly. Roles and responsibilities of the Minister and the Authority are set out in a Transitional Operating Agreement.

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 Transitional Operating Agreement describes the means by which the Authority will provide French language services.

The Authority will develop and post its French Language Services Plan on its website and will use a combination of third-party French translation services and bilingual staff to meet its requirements.





# 03

## STRATEGIC PRIORITIES FOR 2018 TO 2020

### Strategic Priorities

The Authority has identified five strategic priorities for the period 2018 to 2020 to enable it to effectively support the government's Strategy:

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

### Key Assumptions

The Authority's 2018 Business Plan covers a three-year period from 2018 to 2020. In developing this plan, the Authority faced a number of inevitable uncertainties arising from implementation of the RRCEA. We have therefore based this plan on current direction from the Minister and a number of assumptions about possible future regulatory initiatives that would impact the Authority's activities. These assumptions are estimates and for the Authority's planning purposes only, and are not intended to presume any decisions not yet made or communicated by government. Throughout implementation of this plan and during development of our 2019 and subsequent business plans, the Authority will consult with government in order to update our assumptions and adjust our activities as required.

The primary assumptions relate to:

- Timing of waste diversion program wind up;
- Timing of initiatives described in the government's Strategy;

- Timing of designation of additional materials; and
- The number of obligated parties associated with each activity.

In 2018, as per the Minister's directions, the Authority will be reviewing and, if appropriate, approving and subsequently monitoring implementation of the OTS plan for winding up the UTP by December 31, 2018. Wind up of the OTS corporation will occur after the UTP has ceased operations.

For planning purposes, the Authority has assumed direction to wind up a second program in 2018 and another in 2019.

As outlined in the Strategy, the Minister has committed to introducing a Food and Organic Waste Framework. The Authority has assumed a requirement for parties to register with the Authority arising from the government's Food and Organic Waste Framework. The Authority has also assumed designation of additional materials under the RRCEA in 2019 and 2020.

The Strategy also outlined a review of Ontario Regulations 102/94, 103/94 and 104/94<sup>2</sup>, which set out requirements for Ontario's industrial, commercial and institutional (IC&I) sectors. The Authority has assumed requirements for parties to register with the Authority arising from these amendments.

The following chart sets out the assumptions on timing and number of registrants utilized for purposes of the 2018 Business Plan, which covers a three-year period through to 2020. These assumptions underpin the Authority's human resource plan and financial budgets, including compliance capacity needs and revenue and expense projections.

<sup>2</sup>Ontario Regulations 102/94 Waste Audits and Waste Reduction Work Plans; 103/94 Industrial, Commercial and Institutional Source Separation Programs; and 104/94 Packaging Audits and Packaging Reduction Work Plans under the [Environmental Protection Act, 1990](#).

## 03 | STRATEGIC PRIORITIES FOR 2018 TO 2020

Initiatives	Assumed Timeframe for Registration of Obligated Parties	Assumed Number of Obligated Parties
RRCEA Regulation for Used Tires	2018	30,000
RRCEA Regulations for 2 <sup>nd</sup> and 3 <sup>rd</sup> Transitioned Programs	2018 to 2019	
Ministry of the Environment and Climate Change (MOECC) Food and Organic Waste Framework	2019 to 2020	7,000
MOECC 3Rs Regulations Review Initiatives	2020	20,000
MOECC New Material Designations	2020	
<b>Total Assumed Number of Obligated Parties by 2020</b>		<b>57,000</b>

The timing of the wind up of the UTP is set out in the [Minister's direction to wind up this program and OTS dated February 17, 2017](#). Registration of parties obligated under a RRCEA Used Tires regulation is assumed to precede the December 31, 2018 date on which operations of the UTP must cease.

All other assumptions in the table above are conjecture and are subject to future decisions of the Minister of the Environment and Climate Change. Should these assumptions underestimate or overestimate the timing, frequency and/or scope of initiatives, the following activities, milestones and forecasts will be adjusted as required.

### Strategic Priority One: Transition of Waste Diversion Programs

#### Objectives

To support transition of current programs, the Authority will:

- Continue to oversee the four operating waste diversion programs and their associated IFOs prior to wind up;
- Continue to oversee the four industry stewardship plans until the associated waste diversion programs are wound up;
- Consult on, assess and, if appropriate, approve

wind up plans when submitted by IFOs as directed by the Minister;

- Monitor implementation of approved wind up plans to ensure:
  - Effective wind up of each program on the timeline established by the Minister;
  - Continuous and reliable services for residents; and
  - Seamless transition to individual producer responsibility under the RRCEA.

#### Activities and Milestones

##### Continued Oversight Under WDTA

- 2018 – 2020
  - Oversee waste diversion programs including:
    - Compliance with the WDTA and its regulations
    - Adherence to approved program plans
    - Performance against targets
    - Delivery of annual reports
  - Oversee ISPs as per plan agreements, including:
    - Compliance with the WDTA and its regulations
    - Adherence to approved stewardship plans
    - Performance against targets
    - Delivery of annual reports

## 03 | STRATEGIC PRIORITIES FOR 2018 TO 2020

- Review IFO budgets and their process to set steward fees in accordance with approved fee setting methodologies
- To support the Blue Box Program Plan:
  - Develop jointly with Stewardship Ontario an amended Blue Box Program Plan consistent with the Minister's directions to outline the first phase of transition of the Blue Box Program under the WDTA
  - Oversee Stewardship Ontario's consultation with stakeholders and Indigenous Peoples
  - Administer the Municipal Datacall including training, data verification and audit
  - Oversee the Continuous Improvement Fund
  - Administer the Canadian Newspapers Association and Ontario Community Newspapers Association in-kind advertising program

#### Wind Up Under WDTA

- 2018
  - Assess the OTS wind up plan due to the Authority by October 31, 2018, to wind up the UTP and the IFO including consulting with stakeholders
  - Oversee implementation of the approved wind up plan by OTS
- 2019 – 2020
  - Assess additional wind up plans submitted to the Authority as directed by the Minister
  - Oversee implementation of the wind up plans on the timelines established by the Minister

### Strategic Priority Two: Responsible Management of Data

#### Objectives

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

- Assess and monitor accuracy of data submitted by obligated parties
- Ensure secure data systems to protect private and commercially sensitive information
- Provide access to public information that is not private or commercially sensitive, as appropriate,

to enable businesses and residents to both assess and contribute to Ontario's progress toward a circular economy

- Analyze the data housed in the Registry to support the government's policy development and assessment of the effects of the Strategy
- Utilize the data housed in the Registry to inform a risk-based compliance strategy to hold obligated producers responsible and accountable for their products and/or packaging

#### Activities and Milestones under RRCEA and WDTA

- 2018 – 2020
  - Build and maintain a Registry to house historical WDO and program data as well as data submitted by obligated parties, including a public facing website/portal to provide information to the public
  - 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 Transitional Operating Agreement

#### Activities and Milestones under RRCEA

- 2018
  - Support registration of obligated parties under a RRCEA Used Tires Regulation
  - Support registration of obligated parties under a RRCEA regulation for the material being managed by the second program to receive direction from the Minister to wind up
- 2019
  - Support registration of obligated parties under a RRCEA regulation for the material being managed by the third program to receive direction from the Minister to wind up
  - Support registration of obligated parties arising from the government's Food and Organic Waste Framework
- 2020
  - Support registration of obligated parties arising from review of, and amendments to, the 3Rs Regulations
  - Support registration of obligated parties under RRCEA regulations for two additional designated materials



## 03 | STRATEGIC PRIORITIES FOR 2018 TO 2020

### Strategic Priority Three: Trusted Authority

#### Objectives

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

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

#### Activities and Milestones under RRCEA and WDTA

- 2018 – 2020
  - Develop and implement a risk-based compliance and enforcement strategy incorporating graduated measures
- 2018
  - Recruit and train inspectors and investigators
  - Develop compliance and enforcement policies, procedures and protocols, and business intelligence capabilities
  - Update the Authority's Memorandum of Understanding with MOECC's Investigations and Enforcement Branch to reflect the Authority's expanding compliance and enforcement capability

#### Activities and Milestones under RRCEA

- 2018
  - Establish the Registry support team to effectively respond to registrant inquiries and provide excellent customer service
  - Launch a communications strategy to educate registrants about their regulatory requirements and to provide information to the public
- 2019
  - Enhance the Authority's capabilities in data analytics and business intelligence in order to identify compliance and enforcement priorities consistent with a risk-based approach

### Strategic Priority Four: Accountability

#### Objectives

To be accountable, the Authority will:

- Comply with reporting requirements in the RRCEA, WDTA and the Transitional Operating Agreement
- Comply with the Information Sharing Protocol in the Transitional Operating Agreement
- Engage and consult with stakeholders broadly and openly on policy development and program delivery where appropriate
- Establish a culture of open dialogue, collaboration and responsible discourse

#### Activities and Milestones under RRCEA and WDTA

- 2018 – 2020
  - Provide the Minister with information prescribed in the Information Sharing Protocol in Schedule A of the Transitional Operating Agreement and as requested
  - Post all documents required to be posted on the Registry under the RRCEA, WDTA and Transitional Operating Agreement
  - Provide information on the Authority's Board and Committees on the website
  - Provide information to persons involved in activities that relate to resource recovery or waste reduction in Ontario and to the public about the Acts and the regulations
  - Continue to provide key communications in French
  - Undertake consultation with stakeholders on the development and any changes to the Authority's General Fee Setting Policy and fees or other charges
  - Establish one or more Stakeholder Working Groups to provide a forum to develop collaborative approaches and enhance regulatory compliance and enforcement
- 2018
  - Review the Authority's Transitional Operating Agreement with the Minister as required under RRCEA Section 28(4)
  - Begin providing services in French upon request

## 03 | STRATEGIC PRIORITIES FOR 2018 TO 2020

- Submit the Authority's 2017 Annual Report by June 1, 2018
- Hold a public Annual General Meeting in June 2018
- Submit the Authority's 2019 Business Plan ninety days before year end
- Establish and maintain an effective system for responding to public feedback and complaints received by the Authority related to performing its duties and exercising its powers under the Acts

### Key Activities and Milestones under WDTA

- 2018 – 2020
  - Undertake consultation with IFOs and stakeholders on any changes to the Authority's Interim Guide to Assist in Evaluating an Industry Funding Organization Wind Up Plan
  - Undertake consultation with stakeholders on wind up plans received from IFOs before consideration by the Authority Board for approval

### Strategic Priority Five: Organizational Sustainability

#### Key Objectives

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

- Develop an organizational culture based on professionalism, continuous improvement, integrity, accountability, respect and collaboration
- Develop organizational capacity based on principles of efficient and effective management and value-for-money
- Establish and administer a registration fee policy and fee rates that sustain the Authority's operations consistent with the principles set out in the General Fee Setting Policy Backgrounder
- Develop practices and procedures to ensure efficient and cost-effective management of the organization, including minimizing administrative burden on regulated parties
- Enhance governance practices to meet or exceed recognized best practices

### Key Activities and Milestones under RRCEA and WDTA

- 2018 – 2020
  - Support the Authority's internal operational culture through ongoing employee engagement and training
  - Build internal capacity for succession and to support development of a strong and resilient organizational culture
  - As terms of elected Board members expire, re-elect or replace directors to ensure the Board has a full eleven-member complement
- 2018
  - Recruit, hire and onboard inspectors, investigators and Registry support staff as required
  - Recruit, hire and onboard staff to support data analytics and communications functions to strengthen the Authority's Registry and compliance support services
  - Implement an accounting system integrated with the Registry in order to strengthen forecasting capability
  - Enhance financial and accounting systems to accommodate additional registrants
  - Develop and update operating manuals, policies and procedures to establish clear and consistent operating practices
  - Review governance policies and procedures when the full eleven-member board is in position
  - Review administrative policies and procedures
  - Undertake a review to ensure the Authority is in compliance with all applicable legislation
- 2019
  - Conduct a performance evaluation of each Board member

### Key Activities and Milestones under RRCEA

- 2018 – 2020
  - Review, expand and/or adjust fee rates as additional parties are obligated consistent with the General Fee Setting Policy

# 04 FINANCIAL PLAN

The key assumptions described in Section 3 inform the Authority's 2018 to 2020 financial plan. As such, the Authority's financial plan for this three-year period encompasses a high degree of uncertainty, particularly for the latter two years.

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

- Development of the Registry registrant relationship management system configuration including financial, reporting and analytics;
- Registry hardware implementation costs are amortized; and
- Registry expenses include migration of historical data, annual licensing costs and managed services and maintenance costs.

Components of the Authority's 2018 to 2020 financial plan include:

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

### Human Resources

The Authority's human resource capacity will be built up gradually between 2018 and 2020 as current waste diversion programs are wound up and the initiatives described in the Key Assumptions in Section 3 occur.

Critical positions will be required to support the Authority's Registry system, compliance and enforcement, financial administration and executive management functions:

- The Compliance and Enforcement and Registry Support team will be expanded gradually over the 2018 to 2020 period. Creating core capacity to support the first year of Registry operations will be the primary focus in 2018. As the number of

registrants increases in future years, a nimble, multi-faceted Compliance and Enforcement and Registry Support team is envisioned to support the following functions:

- Communicating clearly with regulated parties to support education, awareness and voluntary compliance;
- Providing customer service support to registrants;
- Monitoring compliance with the requirements to register, pay registration fees, file accurate and complete information, and meet prescribed performance objectives; and
- Undertaking graduated compliance and enforcement actions to ensure compliance with regulatory requirements outlined in the WDTA and RRCEA and associated regulations.
- When IFOs are directed to wind up waste diversion Programs, the WDTA team will focus on providing oversight of IFOs operations prior to and during the wind up process.
- The Information and Information Technology (I&IT) team will be strengthened to support users of the multiple applications that will make up the Registry system including registrant relationship management, integration of the financial accounting system, reporting, visualization and analytics. Additionally, the team will be responsible for the conversion of external data from IFO systems into the Authority's Registry and liaising with the Managed Services provider.
- The Authority will appoint a General Counsel to provide general legal services including:
  - Ensuring governance best practices by supporting the Board of Directors;
  - Managing external legal counsel;



## 04 | FINANCIAL PLAN

- o Providing legal advice to the Registrar and the Compliance and Enforcement and Registry Support team; and
- o Providing administrative and business law services to the organization.
- A Project Manager will be recruited to support the on-time and on-budget delivery of strategic initiatives.
- The Finance and Administration team will be enhanced with the addition of an HR Business Manager to ensure alignment between the organization's strategic objectives and its HR plan, including supporting recruitment, onboarding, retention, performance management and change management. A Financial Analyst will also be added to the team to respond to the increasing demands of financial reporting, budgeting and planning.
- The Communication and Stakeholder Relations team will be increased by one additional advisor to support the Authority's communications, consultations, and compliance functions.

The following table sets out the human resources anticipated to be in position by the end of 2017 as well as the human resources anticipated to be added in 2018 to 2020.

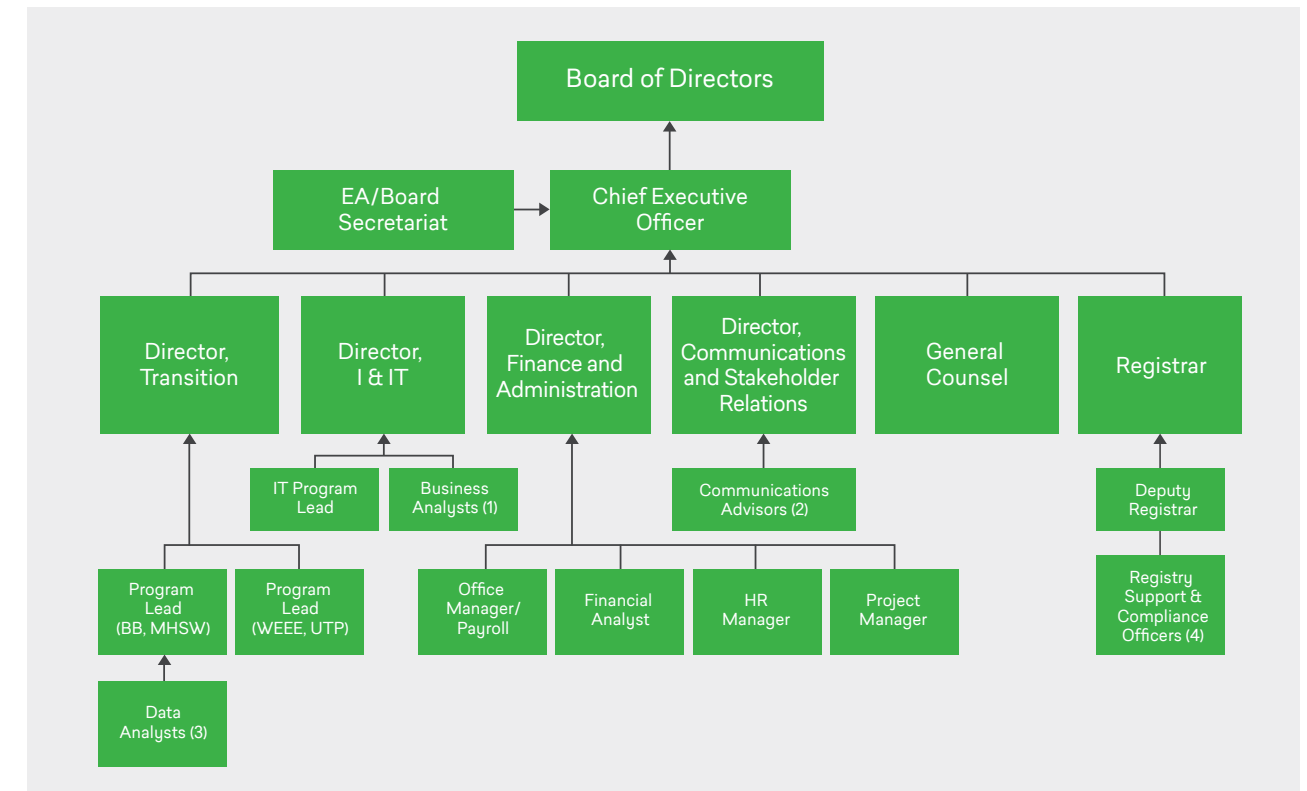
### Human Resources Plan 2018 to 2020

Team	Annual Full Time Equivalent Staff Positions			
	2017	2018	2019	2020
Compliance and Enforcement and Registry Support	.70	6.00	9.50	15.00
WDTA	7.00	6.00	4.50	3.00
I&IT	2.00	2.50	4.00	4.00
CEO/Board Secretariat/ EA, Legal	1.50	2.75	3.00	3.00
Finance and Administration	1.75	4.50	5.00	5.00
Communications and Stakeholder Relations	1.65	3.00	3.00	3.00
<b>Total Annual FTE</b>	<b>14.60</b>	<b>24.75</b>	<b>29.00</b>	<b>33.00</b>

## 04 | FINANCIAL PLAN

The following organizational chart illustrates the information from the Human Resources Plan for 2018.

### RPRA Administering RRCEA and WDTA 2018



### Revenues and Expenses

The Authority's 2018 to 2020 activities will be supported by revenues from two sources:

- Regulated organizations under the WDTA; and
- Regulated parties under the RRCEA or other Acts.

The estimated revenues from regulated organizations under the WDTA reflect the wind up assumptions included in Section 3 (Key Assumptions) and are derived through direct charges to IFOs and ISOs for WDTA-related expenses. The Authority will continue to recover its WDTA costs from IFOs and ISOs until wind up of the IFO program and IFO is complete.

The estimated revenues from regulated parties under the RRCEA and other Acts reflect additional registrants outlined in Section 3 (Key Assumptions) and are derived through registration fees paid by the obligated parties. For purposes of this forecast, it was necessary to make an assumption on the proportion of costs allocated to RRCEA that would be recovered through fees in each year and the proportion for which the line of credit would

be used. This assumption and the resulting RRCEA revenue amount in the following table are not indicative of future fees, which will be set by the Authority after consultation on the General Fee Setting Policy in 2017 and consultation on fee rates for those affected by future regulations as these regulations are established by MOECC.

The primary expense variances between the 2017 Budget and the 2018 Budget are related to the following:

- An increase in Payroll due to the need for additional human resources capacity;
- A decrease in Professional Fees reflecting reduced recruiting expenses;
- An increase in Office Expenses reflecting the Authority's expanded office space with amortization of leasehold improvements over the term of the lease; and
- A decrease in Extraordinary One-Time Professional Fees largely due to the completion of the OTS forensic procedures.



## 04 | FINANCIAL PLAN

The gradually increasing allocation of expenses to RRCEA reflects Registry system implementation and enhanced Compliance and Enforcement and Registry Support capacity.

The gradually declining allocation of expenses to WDTA reflects the wind up of the Used Tires Program in 2018 and the anticipated wind up of additional programs by 2020.

### RPRA Forecast of Revenue and Expenses

In Millions	Budget 2017	Forecast 2017	Draft Budget 2018	Forecast 2019	Forecast 2020
<b>Revenues</b>					
WDTA Revenues	\$ 6.16	\$ 5.69	\$ 6.38	\$ 5.16	\$ 3.63
RRCEA Revenues	\$ -	\$ -	\$ 1.40	\$ 2.40	\$ 5.00
<b>Total Revenues</b>	<b>\$ 6.16</b>	<b>\$ 5.69</b>	<b>\$ 7.78</b>	<b>\$ 7.56</b>	<b>\$ 8.63</b>
<b>Expenses<sup>1</sup></b>					
<b>Core Activities</b>					
Payroll <sup>2</sup>	\$ 2.36	\$ 1.98	\$ 3.46	\$ 4.12	\$ 4.62
Communications and Consultants	\$ 0.24	\$ 0.32	\$ 0.37	\$ 0.40	\$ 0.40
Office and Other Expenses <sup>3</sup>	\$ 1.01	\$ 0.87	\$ 1.26	\$ 1.35	\$ 1.46
Professional Firms to Support Core Activities <sup>4</sup>	\$ 0.93	\$ 0.72	\$ 0.73	\$ 0.64	\$ 0.36
<i>Sub-Total Core Activities</i>	\$ 4.53	\$ 3.88	\$ 5.82	\$ 6.51	\$ 6.84
<b>Other Activities</b>					
Extraordinary One-time Professional Fees <sup>5</sup>	\$ 7.7	\$ 0.67	\$ 0.36	\$ 0.27	\$ 0.25
Registry Development and Operation	\$ 1.24	\$ 0.52	\$ 2.39	\$ 1.98	\$ 1.70
Contingency	\$ 0.20	\$ 0.08	\$ -	\$ -	\$ -
<b>Total All Activities</b>	<b>\$ 6.74</b>	<b>\$ 5.15</b>	<b>\$ 8.56</b>	<b>\$ 8.76</b>	<b>\$ 8.79</b>
<b>Operating Surplus (Deficit)</b>	<b>\$ (0.57)</b>	<b>\$ 0.54</b>	<b>\$ (0.78)</b>	<b>\$ (1.20)</b>	<b>\$ (0.16)</b>
Reserve Contribution <sup>6</sup>	\$ 0.30	\$ 1.50	\$ 0.60	\$ 0.60	\$ 0.60
<b>Allocation</b>					
RRCEA	\$ 0.87	\$ 0.96	\$ 2.78	\$ 4.20	\$ 5.76
WDTA	\$ 6.16	\$ 5.69	\$ 6.38	\$ 5.16	\$ 3.63

#### Budget Notes

1. The Budget 2017 above reflects the same Total All Activities as presented in the 2017 Business Plan. The Communications and Consulting and the Office and Other Expenses are the result of a shift in expenses between the two categories for clarity of the 2017 expenses.
2. Includes full time and contract employees. Includes associated benefit and pension expenses.
3. Includes office lease and temporary space rental in 2017, leasehold improvement amortization, supplies, furnishings, insurance, printing, telephone, internet and computer hardware. Also includes Board remunerations and expenses as well as Municipal Datacall expenses.
4. Includes legal services, IT support, external audit services, HR recruitment services, and consulting contracts associated with the Authority's oversight of IFOs and ISOs.
5. Includes compliance policy and training, project management support, contract compliance, French translation, public consultation on Authority policy, IFO windup guidelines.
6. The forecasted reserve fund balance at the end of 2017 reflects a temporary acceleration in contribution to the reserve fund to offset later than projected charges to the IFOs and ISOs related to the Registry. The Authority Board took this step in mid-2017 to provide consistency with the Authority's 2017 budgeted expenses, which were previously provided to the IFOs and had been incorporated into 2017 IFO fees.

## 04 | FINANCIAL PLAN

### Line of Credit

A number of expenses allocated to RRCEA are deferred or amortized and will be recovered through registration fees paid in future years. A line of credit will be utilized to cover these expenses for cash flow purposes. A line of credit has been secured.

### Reserve Fund

The Transitional Operating Agreement stipulates that if contingency reserves are established that they not exceed 50% of the organization's annual operating costs. The Board has established a reserve fund policy consistent with this requirement.

### Risk

Risk is inherent in any business plan, in particular in one that covers a three-year horizon based on assumptions about government initiatives.

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

The key risks associated with the 2018 to 2020 business plan include:

- Key assumptions of government initiatives to wind up current waste diversion programs and additional registrants arising from the Food and Organic Waste Framework, review of the 3Rs Regulations and designations of additional materials;
- Timeline, cost estimates and functional scope of the Registry system project;
- Availability and recruitment of skilled human resources; and
- Future financing availability through a line of credit.

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

# 05

## PERFORMANCE MEASURES

The Authority sets strategic priorities, annual goals and performance targets in its annual business plan. The Authority reports on its performance against its goals in its annual report and at its public Annual General Meeting to ensure both transparency and accountability to its stakeholders and the public.

These measurable indicators are informed by the Authority's mandate, responsibilities and its strategic priorities, including some that are mandated by the Minister through the Transitional Operating Agreement, and are selected to be challenging but also achievable statements of planned results.

Performance measures in 2017, the first full year of the Authority's operations, focused on building the organization and were generally one-time start

up initiatives that do not allow for year-to-year comparisons or quantification. Similarly, those initiatives during the 2018 to 2020 business plan period focused on supporting the build out of the Authority may not readily lend themselves to quantifiable measures and may reflect activity-based measures to gauge progress rather than outcomes. As the organizational structure of the Authority is established and its programs mature, performance measures will be updated and stabilized to allow for year-to-year comparisons.

As noted previously, the strategic priorities are based on key assumptions that are subject to uncertainty. As such, the related performance measures are contingent on the realization of the key assumptions.

### Strategic Priority One: Transition of Waste Diversion Programs

Objective	Measure	2018 Target
Continued oversight of waste diversion programs	Development of amended Blue Box Program Plan with Stewardship Ontario, including consultations with stakeholders and Indigenous Peoples	Approval of Stewardship Ontario's amended-Blue Box Program Plan proposal by the Authority
Effective wind up	Approval of wind up plan consistent with the WDTA, Minister's direction, applicable regulations and the Authority's Wind Up Guidelines Oversee wind up as set out in approved wind up plan	Implementation as set out in approved wind up plan for the wind up of the Used Tires Program by December 31 Approval of wind up plan for second program directed to wind up by the Minister

## 05 | PERFORMANCE MEASURES

### Strategic Priority Two: Responsible Management of Data

Objective	Measure	2018 Target
Responsible parties registered	Percentage of responsible parties registered	90% of brand holders formerly registered with OTS register with the Authority by deadline
Registrants submit required data	Completeness of data reported by registrants	Respond to all substantiated instances of non-compliance within 30 days
Protection of private and commercially sensitive data	Security of private and commercially sensitive information	Compliance with Access and Privacy Code and RRCEA and WDTA provisions on confidentiality of information

### Strategic Priority Three: Trusted Authority

Objective	Measure	2018 Target
Establish straightforward registration process for registrants	Registrant survey results on ease of use	General satisfaction in level of effort required in registration process among Registrants as determined through a survey
Foster a level playing field for parties obligated under RRCEA	Response time to take compliance and enforcement actions against non-compliant parties	Respond to all substantiated instances of non-compliance within 30 days

## 05 | PERFORMANCE MEASURES

### Strategic Priority Four: Accountability

Objective	Measure	2018 Target
Comply with reporting requirements in the RRCEA, WDTA and the Transitional Operating Agreement	Reporting requirements outlined in the RRCEA, WDTA and Transitional Operating Agreement	2017 Annual Report submitted by June 1, 2018 Public Annual General Meeting held in June 2018 2019 Business Plan submitted 90 days before year end
Engage and consult broadly with stakeholders	Completed consultations and stakeholder feedback	Complete consultation on wind up plan for second program to receive wind up direction with positive stakeholder feedback Establish one Stakeholder Working Group with positive feedback from members

### Strategic Priority Five: Organizational Sustainability

Objective	Measure	2018 Target
Ensure fee policy and fee rates that sustain the organization	Total Revenue Total Reserve Contribution	Cost recovery and contribution to Reserve consistent with Reserve Fund Policy
Establish an organizational culture based on professionalism, continuous improvement, integrity, accountability, respect and collaboration	Employee engagement survey results.	Increase over 2017 baseline results