



**RPRA**

Resource Productivity  
& Recovery Authority



**ANNUAL  
REPORT  
2022**

# OUR VISION AND MISSION



## 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.

**Cover photo:** Employees at the Miller Waste Systems Newmarket Material Recovery Facility conduct quality control on Blue Box materials, removing unsuitable items from a conveyor belt that's part of a multi-stage mechanic separation system.

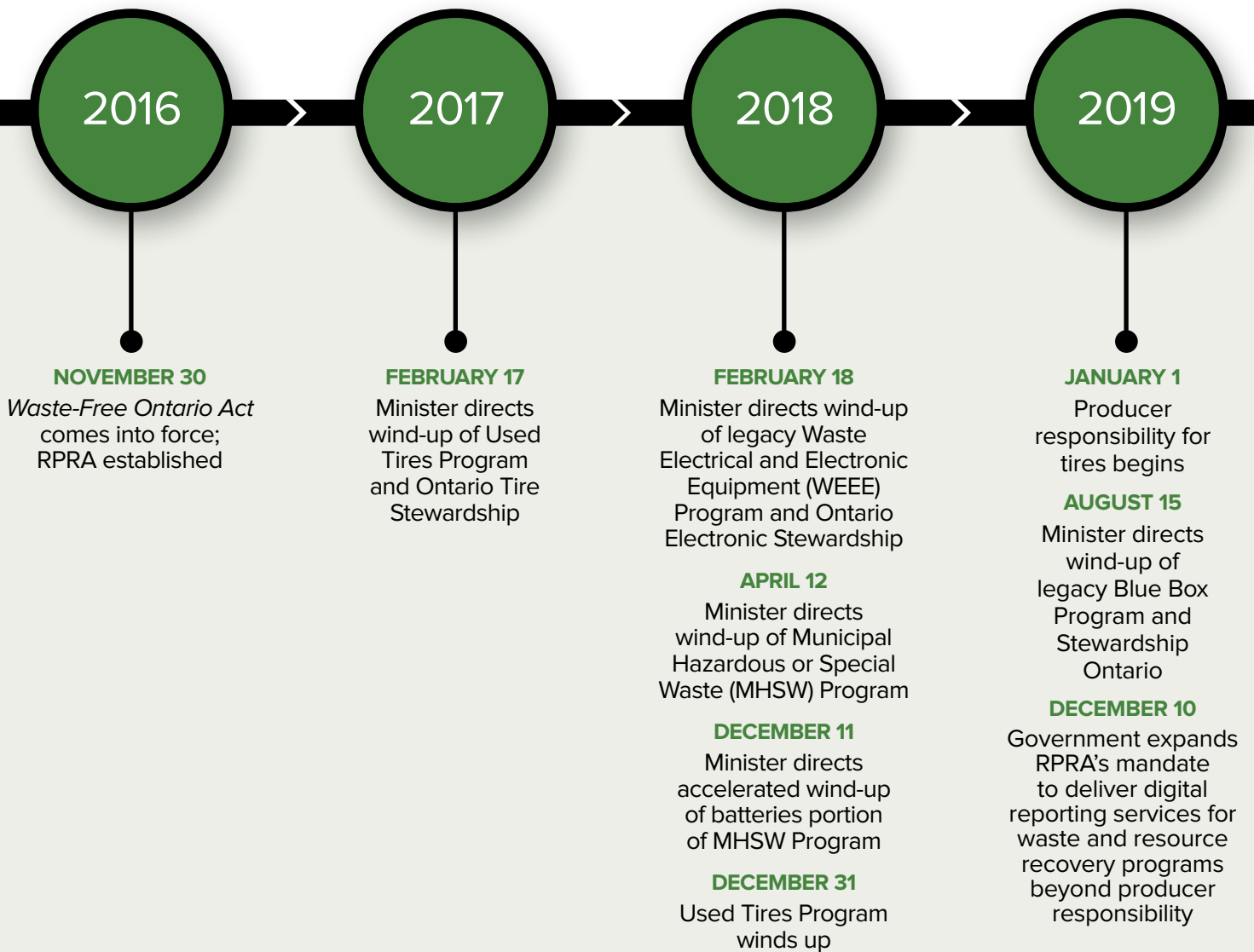
All photos in this report were taken on location at Ontario material processing facilities where resources regulated under the *Resource Recovery and Circular Economy Act, 2016* are recovered, repurposed or recycled.

All images photographed by **Jason George** | [www.jasongearge.com](http://www.jasongearge.com)  
Design by **deLine & Co.** | [www.delineandco.com](http://www.delineandco.com)

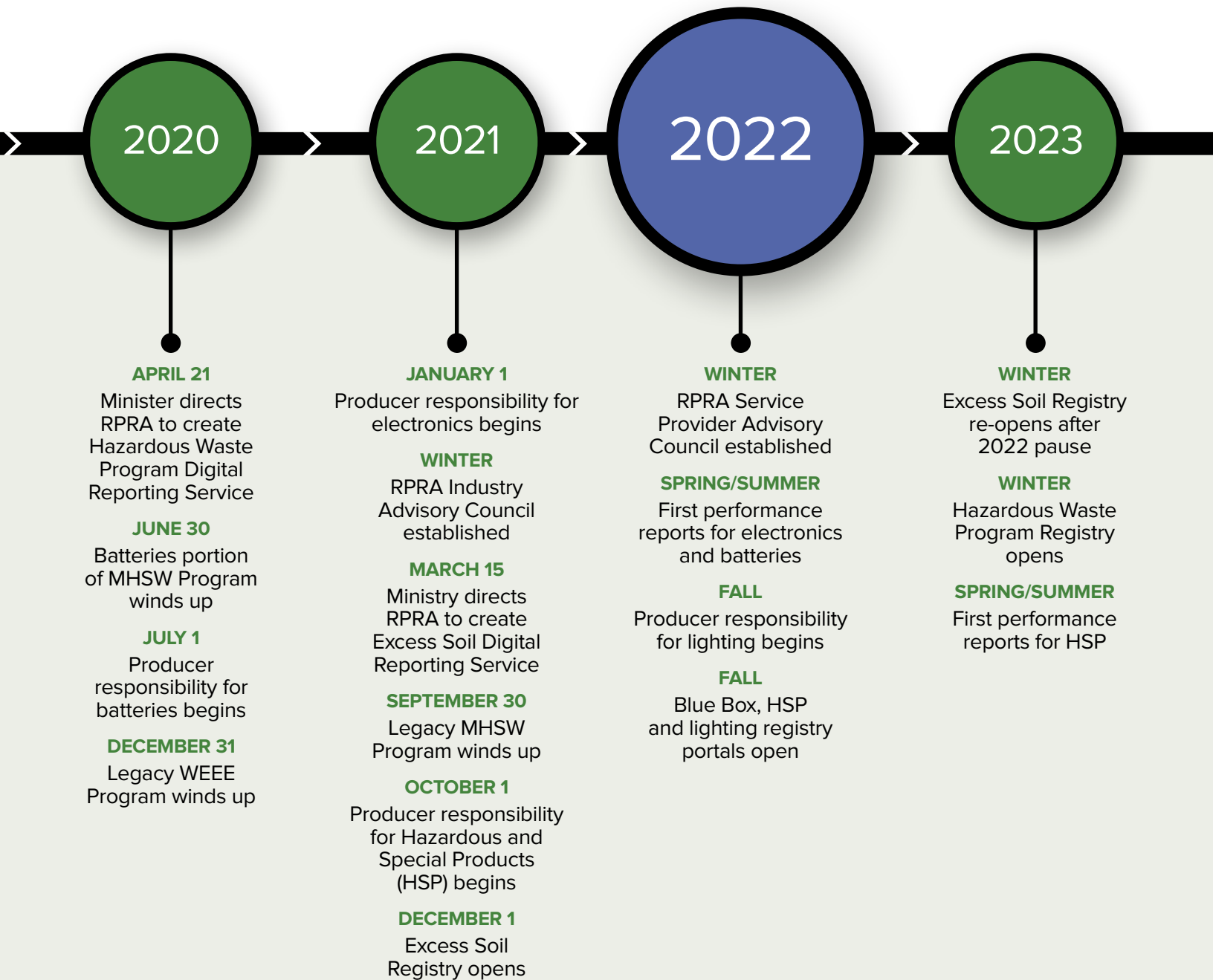
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## Towards a waste-free tomorrow



## Towards a waste-free tomorrow





Feliciano Chatto, a production associate, takes apart computer drives at a Quantum Lifecycle Partners electronics recycling facility.

## Key Acronyms

<b>EEE</b>	Electrical and Electronic Equipment	<b>OTS</b>	Ontario Tire Stewardship
<b>EPA</b>	<i>Environmental Protection Act</i>	<b>PRO</b>	Producer Responsibility Organization
<b>HSP</b>	Hazardous and Special Products	<b>RPRA</b>	Resource Productivity & Recovery Authority
<b>HWP</b>	Hazardous Waste Program	<b>RRCEA</b>	<i>Resource Recovery and Circular Economy Act, 2016</i>
<b>ITT/AV</b>	Information technology, telecommunications, and audio-visual equipment	<b>SO</b>	Stewardship Ontario
<b>MECP</b>	Ministry of the Environment, Conservation and Parks	<b>UTP</b>	Used Tires Program
<b>MHSW</b>	Municipal Hazardous or Special Waste	<b>WDTA</b>	<i>Waste Diversion Transition Act, 2016</i>
<b>OES</b>	Ontario Electronic Stewardship	<b>WEEE</b>	Waste Electrical and Electronic Equipment

## Moving together towards a circular economy

**R**PRA worked closely with stakeholders in 2022 to administer a growing number of new programs. Guided as always by objectives set by the Minister of the Environment, Conservation and Parks, the RPR team supported businesses, municipalities and First Nations as they engaged with our registry and compliance programs throughout the year.

By the end of 2022, the registry had the functionality needed to enable producers and service providers for the Tires, ITT/AV, Batteries, Lighting, Hazardous and Special Products, and Blue Box programs to fulfill their producer responsibility regulatory requirements to register and report.

RPR expanded its operations in 2022 to deliver two digital reporting services for regulatory programs run by the ministry: the Excess Soil Registry, and a registry for liquid industrial and hazardous waste (HWP Registry). These registries are the first such systems to be developed in Canada. They support regulations that safeguard Ontario's environment under the *Environmental Protection Act* (EPA) by enabling online tracking and reporting on the movement of hazardous and liquid industrial waste, and excess soil.

In 2022 RPR continued to collaborate with businesses, municipalities, and First Nations to fulfill our mandate. Through numerous formal consultations, stakeholder working groups and many other informal engagements, RPR sought to understand the needs of all our stakeholders.

The Board and staff engaged throughout the year with our Service Provider Advisory Council (established in 2022 under direction by the Minister) and Industry Advisory Council. Both councils



provided perspectives that supported development of the 2023 strategic priorities and the 2023-25 business plan, as well as RPR's fee-setting methodologies, and plans for publicly reporting information and metrics on resource recovery and compliance.

RPR continues to benefit from engagement with Minister Piccini and his staff, and the Minister's support for realizing the aims of

the *Resource Recovery and Circular Economy Act, 2016* (RRCEA). We value our continuing partnership to achieve environmental protection and economic outcomes for Ontario.

The RPR Board of Directors has diverse regulatory, financial, legal, IT and stakeholder relations expertise along with industry experience, all of which contributed to its effective oversight, support, and guidance to RPR management in 2022. A key focus is to ensure ongoing and increasing accountability and transparency in RPR's operations and decision-making.

On behalf of the Board, I want to thank the RPR team, Minister Piccini, ministry staff, municipal and industry stakeholders, and First Nations, for their dedicated work to support our collective goals of accelerating Ontario's shift towards a circular economy and protecting Ontario's environment.

A stylized handwritten signature in black ink, appearing to read 'R. Poirier'.

**ROBERT POIRIER**  
Chair

## Delivering compliance, service, and accountability

**R**PRRA is Canada's first and only regulator with powers to both ensure that regulated businesses meet their responsibilities under producer responsibility laws, and to collect, verify and publish data on Ontario's progress toward a circular economy.

We also have a mandate to deliver two trail blazing digital registries to track excess soil, and liquid industrial and hazardous waste.

In recognition of RPRRA's growing mandate and following consultation with our two advisory councils, we revised the strategic priorities that guide our work to focus on four areas:

1. **Public reporting:** In 2022, we had access to more data on the supply and management of materials regulated under the RRCEA, which enabled us to expand our public reporting on resource recovery information reported to our registries.
2. **Registry services:** With all planned registry portals launched as of the end of 2022, RPRRA is now focused on enhancing the accessibility and efficiency of our registry services and continuing to meet registrant needs.
3. **Compliance:** With five producer responsibility regulations now in force, RPRRA's goal is to deliver an effective compliance program within a risk-based compliance framework to achieve economic and environmental outcomes for Ontario.
4. **Accountability and sustainability:** As an organization that delivers public services and is entirely funded by producer fees, RPRRA is committed to remaining an accountable, transparent and sustainable organization that achieves value for money.

The growth in RPRRA's mandate in 2022 necessitated



growth in our budget and staff complement. As the year progressed, we learned more about what it takes to support businesses, municipalities, and First Nations as they transition to new regulatory and reporting requirements. We ended 2022 with both expenses and revenue below what we forecasted in 2021.

I had the pleasure of welcoming three new executives to RPRRA in 2022: Lorella Hayes, Chief

Financial and Administrative Officer; Lisa Innes, Chief Information Officer; and Mary Cummins, Registrar. All have brought fresh thinking to our leadership team.

I am grateful to the Chair of RPRRA's Board of Directors, Robert Poirier, and all of our directors for their insights, thoughtful questions, and rigorous oversight over the past year.

I am also grateful for the collaborative spirit shown by the Minister and his staff as we implemented new regulations and directions, and continued to provide information and insights to support evidence-based decision making by government.

Finally, RPRRA greatly benefitted from the input of stakeholders throughout 2022. They provided valuable information and insights that helped us launch successful registry services and operate effective compliance programs. We'll continue to seek engagement and collaboration from all stakeholders and the ministry as we work together to administer Ontario's environmental protection laws and enforce the RRCEA.

**FRANK DENTON**  
Chief Executive Officer



## Adapting to serve registrant needs

**R**PRA strengthened the compliance and registry team in 2022 to meet the needs of our expanding community of registrants.

By the end of the year, our team of 27 compliance and registry support officers had engaged in over 40,000 unique interactions with registry users to help them register and report, and understand their regulatory requirements. The

team also undertook verifications and inspections, and analyzed data to monitor the marketplace and assess compliance priorities.

Our 2022 stakeholder perception survey gave us valuable insights into how we can improve our services to better support registrants. While the majority of our registrants rated their experiences with our frontline staff as positive, we also heard that there is room for improvement in our communications and responsiveness. We will undertake a user experience review of our website and communications to make sure our messages are easily accessed, understood, and are getting to those who need them.

One of our revised strategic priorities for 2023 is to publish reliable and useful information about our programs. Following extensive consultations on public reporting last year, we have begun further enhancing our public reporting on resource recovery information via our website. We are also developing an approach to publishing information on our compliance activities, so we are transparent on how compliance resources are being deployed.

The scope and nature of our compliance activities are expanding and changing as our compliance program matures. In 2022 we initiated a project to



enhance our approach to risk-based compliance. Applying our resources based on risk assessment is key to tackling our current backlog of cases. We also began work on an engagement strategy to support First Nations communities in transitioning to producer responsibility.

While the compliance tool we reach for first and most often continues to be communication,

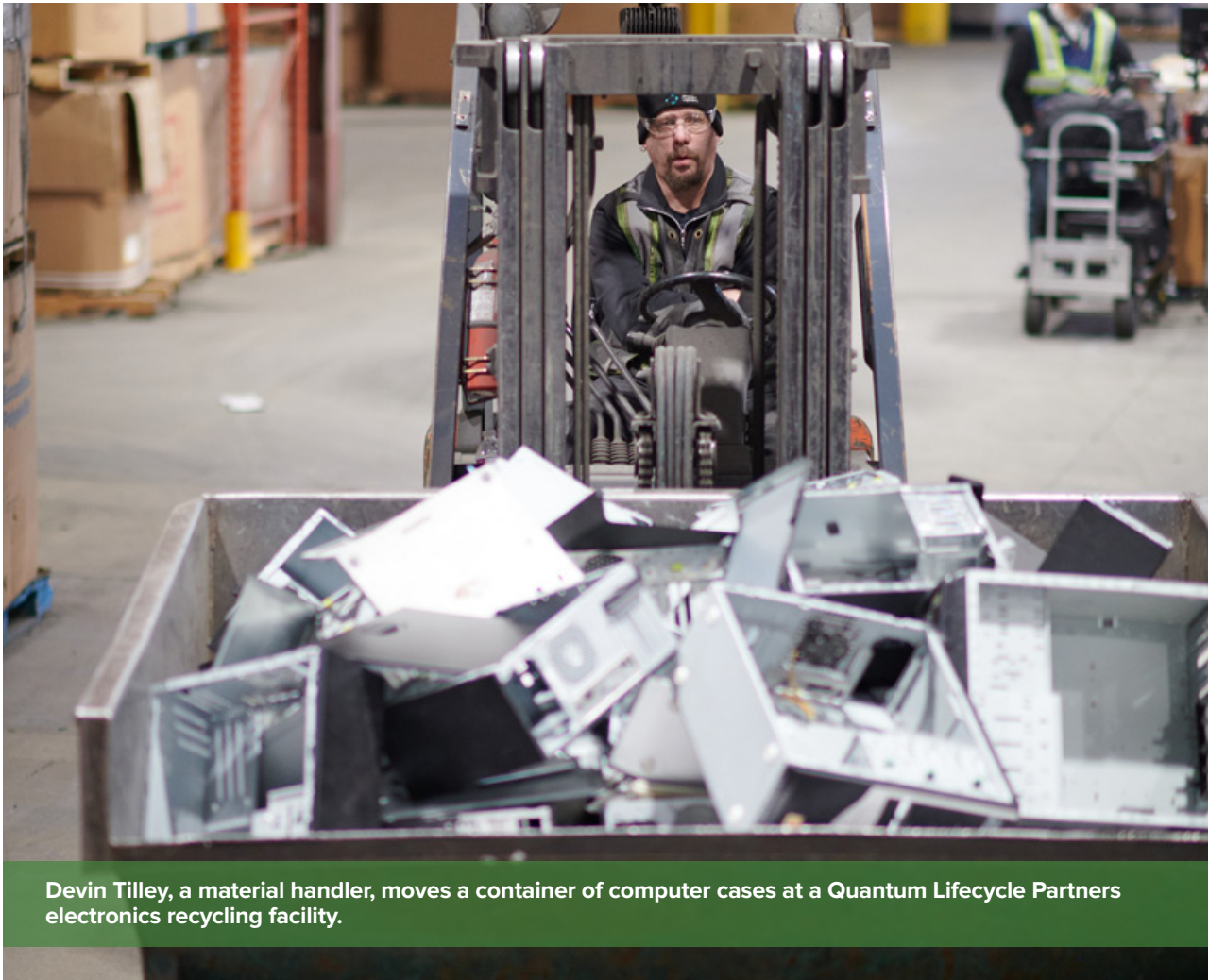
enforcement actions are important when registrants do not comply. The Administrative Penalties Regulation passed at the end of 2022 gives us the power to issue monetary penalties to obligated parties who are noncompliant with the province's circular economy laws.

Many people supported me in my first year as Registrar. I am grateful to my compliance and registry team for their dedication; their commitment to advancing Ontario's circular economy is inspiring. I also want to thank the ministry team for their knowledge and continued collaboration as we implement our mandate. Finally, I want to acknowledge and thank my executive colleagues and the Board for their advice and support throughout the year.

A handwritten signature in black ink, appearing to read 'Mary Cummins', with a long horizontal line extending to the right.

**MARY CUMMINS**

Registrar



Devin Tilley, a material handler, moves a container of computer cases at a Quantum Lifecycle Partners electronics recycling facility.

## About RPRA

### Mandate

RPRA was established by the Government of Ontario in November 2016 as the regulator responsible for implementing legislation to transition Ontario's waste diversion programs to a new producer responsibility regulatory framework. Under this new framework, individual producers are operationally and financially responsible and accountable for the products and packaging they sell into Ontario's market when consumers are finished using them.

RPRA enforces the requirements of the [Waste Diversion Transition Act, 2016 \(WDTA\)](#) and the [Resource Recovery and Circular Economy Act, 2016 \(RRCEA\)](#) and their associated regulations. In

2019, RPRA's mandate was expanded to include the delivery of digital reporting services on behalf of the Ontario government for programs beyond producer responsibility operating under the [Environmental Protection Act \(EPA\)](#).

Under the WDTA, RPRA is responsible for:

- Overseeing legacy product stewardship programs until their complete wind up. This includes overseeing industry funding organizations and industry stewardship organizations and monitoring the waste diversion programs they operate. In 2022, RPRA continued to oversee the legacy Blue Box Program. Other legacy stewardship programs for Tires, Batteries, Waste Electrical and Electronic

## RPRA enforces circular economy laws, builds and operates registries, and reports on resource recovery and compliance activities.

Equipment (WEEE) and Municipal Hazardous or Special Waste (MHSW) wound up operations between 2018 and 2021.

- Approving wind-up plans and overseeing the wind up of Industry funding organizations and the programs they operate as directed by the Minister. In 2022, RPRA continued to oversee the liquidation of Ontario Tire Stewardship, which operated the Used Tires Program until it wound up on December 31, 2018. RPRA also continued to oversee the liquidation of Ontario Electronic Stewardship, which operated the WEEE Program until it wound up on December 31, 2020. RPRA also continued to oversee the transition of the legacy Blue Box Program and the implementation of the final steps of the approved MHSW Wind Up Plan by Stewardship Ontario.
- Administering the annual municipal Datacall to compile information to determine the legacy Blue Box system cost and set the Blue Box steward funding obligation. RPRA published the final complete Datacall Report for the legacy Blue Box Program run by Stewardship Ontario in early 2023.
- Undertaking compliance actions including conducting inspections, issuing monetary penalties, and undertaking prosecutions to enforce the requirements of the WDTA and its associated regulations.

Under the RRCEA, RPRA is responsible for:

- Establishing, operating, and maintaining a public registry to support the new producer responsibility regulatory framework for the collection and management of designated materials, by allowing producers of designated materials under the RRCEA and their service providers to register and report as required by the regulations.
- Establishing, operating, and maintaining an Excess Soil Registry and a registry for hazardous and liquid industrial waste to track information related to

these programs.

- Undertaking compliance actions for producer responsibility programs, including conducting inspections, issuing compliance orders and monetary penalties, and undertaking prosecutions to enforce the requirements of the RRCEA and its associated regulations.
- Providing information to the public about resource recovery or waste in Ontario.
- Providing information to the Minister of the Environment, Conservation and Parks to support ministry decision-making.

Under the WDTA and RRCEA, the Minister of the Environment, Conservation and Parks has legislative oversight of RPRA. An [operating agreement](#) between the Minister and RPRA details the roles and responsibilities of the two parties. Like other Ontario administrative authorities, RPRA finances its operations through fees and charges to its regulated parties on a cost-recovery basis. RPRA receives no funding from the Government of Ontario.

### Governance and Executive Management

RPRA is governed by a skills-based Board of Directors comprised of 11 members. The Board is responsible for RPRA's overall strategic direction and ensuring it delivers on its mandate. The Board is accountable to the Minister through the Chair for RPRA's delivery of its mandate and responsibilities under the WDTA, RRCEA, EPA and operating agreement with the Minister. Minutes of Board meetings are [posted to RPRA's website](#) one week after they are adopted by the Board as part of its commitment to transparency and as required by the Minister.

The Minister appoints five members to the Board of Directors and the Board elects an additional six members. The Board elects its officers in the positions of Chair, Vice-Chair, Secretary and Treasurer. The Minister also has the ability to appoint the Board Chair.



Blue Box materials arrive at a Miller Waste Systems material recovery facility.

## Board of Directors

<b>Robert Poirier</b>	Chair	Re-elected 2021
<b>Tom Wright</b>	Vice-Chair	Re-appointed January 2021
<b>Mary Shenstone</b>	Secretary until May 2022*	Re-elected November 2020
<b>Ken Kawall</b>	Treasurer	Re-elected July 2020
<b>Saqib Cheema</b>	Director	Re-elected November 2021
<b>Tanweer Gilani</b>	Director	Appointed January 2021
<b>Andrea Nemtin</b>	Director	Re-elected November 2022
<b>Rajesh Sharma</b>	Director	Re-elected November 2022
<b>Jeffrey Steiner</b>	Director	Appointed March 2021
<b>Marnie Silver</b>	Director	Appointed May 2021
<b>Janet Clark</b>	Director	Appointed January 2022

\*RPRA staff member Andrea Abraham was appointed Corporate Secretary in May 2022.

Board members are remunerated for the performance of their duties at rates aligned with per diems set out in the Ontario Public Service Agencies & Appointments Directive for part-time appointees to regulatory agencies.

The per diem rates for members in 2022 were as follows:

**Chair** – \$744

**Vice-Chair** – \$583

**Director** – \$472

Total Board remuneration in 2022 was \$338,875.87.

## Committees



### **Audit and Risk Committee**

Assists the Board in fulfilling its oversight responsibilities with respect to the corporation's standards of integrity and behaviour, reporting of financial information, risk management oversight, and management control practices.



### **Finance and Technology Committee**

Ensures effective oversight on behalf of the Board of RPRA's financial and technology assets. This committee oversees the preparation of the annual business plan, operating and capital budgets, and general financial resources management. The committee is also responsible for ensuring that management has adequate and effective policies and procedures for financial reporting and for monitoring and reviewing financial performance and internal controls.



### **Governance, Regulatory, and Stakeholder Affairs Committee**

Addresses governance issues related to the effective functioning of RPRA, its Board and Board Committees. This committee is responsible for oversight on behalf of the Board of corporate governance processes, the policies and protocol of the Board, Directors' Code of Conduct and Conflict of Interest, and Board and Board Committee evaluations. It is also responsible for oversight of the organization's compliance with the RRCEA, WDTA and operating agreement with the Minister including delivery of the compliance and enforcement function within the context of the Registrar's independent decision-making responsibility.



### **Human Resources Committee**

This Committee oversees human resources management and ensures the adequacy and effectiveness of human resources policies and procedures.



## Executive management team

<b>Frank Denton</b>	Chief Executive Officer
<b>Mary Cummins</b>	Registrar
<b>Noah Gitterman</b>	General Counsel & Chief of Strategic Initiatives
<b>Wilson Lee</b>	Chief of Programs & Public Affairs
<b>Lorella Hayes</b>	Chief Financial and Administration Officer
<b>Lisa Keegan Inness</b>	Chief Information Officer

RPRA has six officers comprised of Board members, executives and RPRA staff:

<b>Robert Poirier</b>	Chair
<b>Tom Wright</b>	Vice-Chair
<b>Ken Kawall</b>	Treasurer
<b>Mary Shenstone</b>	Corporate Secretary until May 2022
<b>Andrea Abraham</b>	Corporate Secretary beginning May 2022
<b>Frank Denton</b>	CEO
<b>Mary Cummins</b>	Registrar

Members of the Board and employees of RPRA are subject to the Code of Conduct and other governance policies, which are available on [RPRA's website](#). Biographies, contact and other [additional information](#) about the Board of Directors and Executive Management Team are also available on the website.

## Industry advisory councils

RPRA works with two advisory councils, made up of regulated parties and industry experts: the Industry Advisory Council and Service Provider Advisory Council, both established under ministerial direction.

### 2022 Industry advisory council

#### Co-chairs

<b>Carol Hochu</b>
<b>Tom Wright</b>

#### Organization

Tire and Rubber Association of Canada
Vice-Chair of RPRA's Board of Directors

#### Organization

<b>Canadian Beverage Association</b>
<b>Retail Council of Canada</b>
<b>Food, Health &amp; Consumer Products of Canada</b>
<b>Canadian Consumer and Special Products Association</b>
<b>Electronic Products Stewardship Canada</b>
<b>National Electrical Manufacturers Association</b>
<b>Tire and Rubber Association of Canada</b>
<b>Canadian Federation of Independent Businesses</b>
<b>News Media Canada/ Ontario Community Newspapers Association</b>
<b>Global Automakers of Canada</b>
<b>Electro-Federation of Canada</b>

#### Representative

Shane Buckingham
Sebastian Prins
Michelle Saunders
Simon Kinsman
Shelagh Kerr
Stephen Gordon
Carol Hochu
Julie Kwiecinski
Paul Deegan / Cameron Gordon
Andrew Mackinnon*
Cherith Sinisac

\*Andrew Mackinnon was replaced by Brock Roseborough in spring 2023



Tires are sorted and stacked at an Emterra Group tire recycling facility.

## 2022 Service provider advisory council

### Co-chairs

<b>Paulina Leung</b>
<b>Tom Wright</b>

### Organization

Emterra Group
Vice-Chair of RPRA's Board of Directors

### Organization

<b>Emterra Group</b>
<b>Association of Municipalities of Ontario</b>
<b>Loop Recycled Products</b>
<b>Raw Materials Company</b>
<b>City of Toronto</b>
<b>Quantum Lifecycle Partners</b>
<b>Ontario Tire Dealers Association</b>
<b>Ontario Waste Management Association</b>
<b>Waste Connections of Canada</b>
<b>Northumberland County</b>
<b>Region of Peel</b>
<b>GFL Environmental</b>

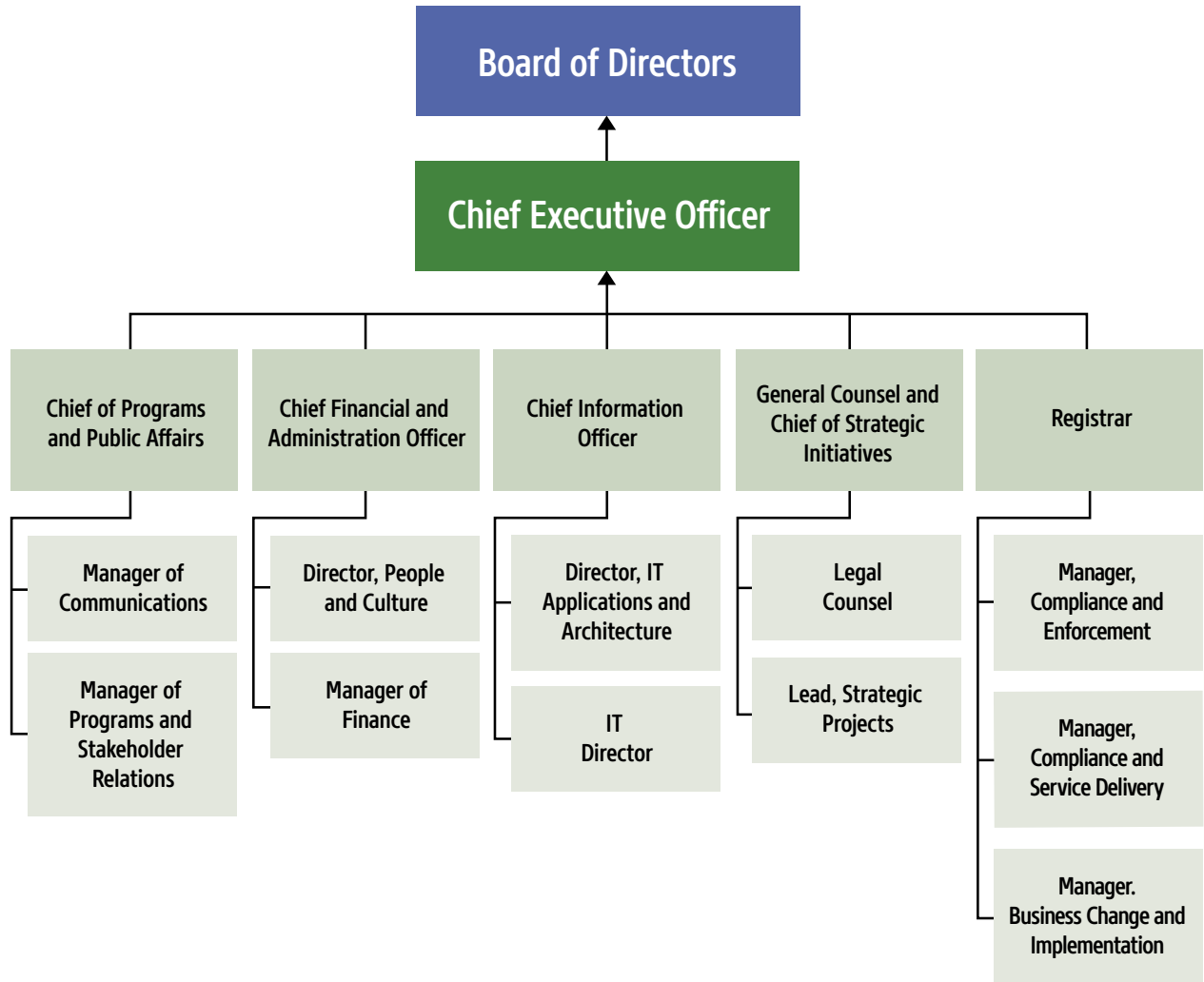
### Representative

Paulina Leung
Dave Gordon
Josh Wiwcharyk
James Ewles
Annette Synowiec
Clayton Miller
Adam Moffat
Ashley De Souza
Izzie Abrams
Adam McCue
Norm Lee
Nicole Willett



## Human resources

RPRA's organizational structure in 2022 is set out in the chart below:



RPRA's staff complement at the close of 2022 was 67.5 full-time equivalents (FTEs) compared to 53.5 FTEs at the close of 2021. RPRA's growth occurred primarily in the compliance and registry support and communications functions, in order to support the development, launch and delivery of the HWP Registry, provide services and support to producers and service providers, and ensure compliance with the five RRCEA regulations now wholly or partially in force.

## The year in review

In 2022 RPRA focused on scaling up our producer responsibility programs, developing registry portals, and launching new compliance and digital reporting programs, all of which are central to RPRA's mandate. In 2022, RPRA launched the following registry projects or programs:

- Blue Box registry portal
- Hazardous and Special Products (HSP) registry portals
- Hazardous Waste Program (HWP) Registry and mobile app for liquid industrial and hazardous waste
- Lighting Program

Delivering overlapping complex information technology projects challenged the organization's capacity, but through effective project and staff management all three registry projects for the Blue Box, HSP and HWP programs were delivered on time and on budget. RPRA's strong partnerships with ministry staff, industry, and technology vendors contributed to the success of these projects.

### Hazardous Waste and Excess Soil registries

The HWP Registry is the first of its kind in Canada and RPRA's largest registry project to date. It was built to accommodate tens of thousands of users and hundreds of thousands of transactions annually. The migration of users from the legacy Hazardous Waste Information Network (HWIN) system to the new registry required extensive engagement and communications. RPRA ensured users participated in the design of the system and were made aware of the changes as far in advance as possible.

The HWP Registry and mobile app first opened on November 15, 2022, to allow users to register and set up their accounts so they could begin submitting manifests on January 1, 2023. The transition went smoothly, and the uptake of the new system was a success for RPRA, the ministry, and industry users. User feedback on the development process, system functionality and useability, and training and learning support has been positive.

RPRA received two directions on the Excess Soil Registry in 2022. In April, the Government of Ontario temporarily suspended the registration and reporting requirements under the On-Site and Excess Soil Regulation, effectively

suspending the requirement for obligated parties to use the registry. In December, the government confirmed that the temporary suspension would be lifted effective January 1, 2023 following the finalization of amendments to the regulation.

### Advisory councils and registrant survey

Since RPRA was first established in November 2016, the organization has remained committed to stakeholder engagement and consultation in order to support the transition of the waste management sector to Ontario's new producer responsibility regulatory framework. In 2022, the Minister directed RPRA to formally establish the Service Provider Advisory Council to complement the Industry Advisory Council that was established in 2021, also at the Minister's direction. These councils provide a formal venue for RPRA stakeholders to engage the senior leadership team and Board of Directors on a broad range of topics. This past year, the councils provided valuable feedback on the development of the 2023 budget, including RPRA's strategic priorities, plans for public reporting of resource recovery and compliance information, and performance measures.

RPRA also benefitted from direct feedback from our registrants through our registrant survey, which we issue annually through an independent third-party research firm. The results from the 2022 survey provided important perspectives from the businesses that use our registry systems, engage with our frontline staff, and use our communications materials to understand their regulatory requirements. The survey results identified areas for improvement, including the clarity of our communications and our responsiveness and accessibility. These are all areas of service delivery that we will focus on throughout 2023 to better support registrants.

### Blue Box Program transition progress

The transition of the Blue Box Program is gaining momentum as the first tranche of municipalities prepare to exit the legacy program on July 1, 2023, and producers prepare to assume full responsibility for the system under the RRCEA. In 2022 RPRA continued to work closely with Stewardship Ontario to implement the RPRA Board-approved wind-up plan. RPRA and Stewardship Ontario staff focused on mitigating

RPRA scaled up communications and outreach to Blue Box producers, PROs and municipalities in 2022, readying all stakeholders for the first group of communities to transition to the new program starting July 1, 2023.



Chris Latour, a process sorter and quality controller, stands among compacted bales of Blue Box materials at a Miller Waste Systems material recovery facility.

any conflicts of interest and secured data to ensure no unfair advantage was gained by any parties operating under the new regulatory framework.

While the programs and public affairs team focused on the transition of the legacy Blue Box Program, RPRA's compliance and registry team was focused on scaling up RPRA's program to implement the new Blue Box Regulation. RPRA worked closely with the ministry and PROs to ensure system readiness for July 1, 2023, when one third of municipalities participating in the legacy Blue Box Program begin transitioning to the new producer responsibility regulatory framework. RPRA and the ministry also worked together to develop new communications to Blue Box registrants to help them understand their obligations under the new regulation and prepare the new collection and management system for Blue Box materials.

#### **Growing our team and looking ahead**

RPRA's staff complement has grown incrementally along with its legislated mandate, which now includes implementing five producer responsibility regulations and operating two online registries under the EPA for hazardous waste and excess soil, as well as continuing to oversee the wind up of legacy programs under the WDTA. RPRA grew by 14 full-time equivalents in 2022, increasing its total to 67.5, with most of that growth in compliance and registry support and communications. The expanded team helps to service the needs of registrants in RPRA's producer responsibility programs, as well as those who interact with the excess soil and HWP registries. The HWP Registry is expected to receive 250,000 manifests annually filed by tens of thousands of users.

With no new material designations under the RRCEA or directions to develop additional online registries anticipated for 2023, staff are focusing on stabilizing operations, optimizing business processes, and implementing the recommendations and planned actions produced by reviews of the following areas:

- Technology and cybersecurity
- IT delivery governance model
- Risk based compliance framework
- Data governance
- Key performance measures
- External benchmarking of total rewards offerings
- Diversity, equity and inclusion strategy and action plan

A review of our cost allocation methodology and fee model, prompted in part by stakeholder feedback, was completed by an external party in spring 2022.

The review concluded that RPRA's cost allocation methodology and fee model are reasonable and aligned with our fee setting principles, and recommended no immediate changes while programs continue to transition and stabilize. The review presented RPRA with an opportunity to reassess our cost allocation methodology by incorporating more quantitative cost drivers. The revised methodology was used to allocate costs for 2022 and 2023 program fees. 2023 fees were set for the first time before the year to which they would apply, with the exception of fees for producers of HSP materials, which RPRA continued to consult on throughout the first half of 2023.

RPRA will continue to focus on enhancing program delivery to continue ensuring value for money in its operations and expenditures, while fulfilling its legislated mandate to support the Ontario government's circular economy strategy.

#### **Communications highlights**

The RPRA website is the primary hub for information about resource recovery in Ontario for the public, municipalities, First Nations and the businesses RPRA regulates. In 2022, we made changes to our website to make it easier for users to access and search for information, and to make information clearer. The changes included creating a new page for [public reporting on resource recovery information](#). In 2023 this page will become part of a new section of the website focused on public reporting on compliance activities as well as resource recovery information to ensure registrants, stakeholders and the public understand the progress Ontario is making in advancing its circular economy.

Throughout 2022, RPRA project teams worked closely with ministry staff and industry partners to prepare registrants for the opening of the new HWP Registry, and the Blue Box, HSP, and Lighting registry portals. Communications activities to support these portal launches and associated reporting requirements included targeted emails, webinars, posting answers to commonly asked questions, and the development of guides and training resources – all designed to ensure that registrants had the knowledge required to meet their regulatory obligations. Since its inception, RPRA has leveraged communications to support voluntary compliance, which has earned us trust from our registrant communities. It has also contributed to our

## In 2022, RPRA engaged stakeholders through consultations, surveys, advisory councils, and project working groups. The feedback we obtained informed all aspects of our work.

cost-effectiveness by reserving compliance resources for targeting willfully non-compliant parties, rather than those who are non-compliant because they didn't know about or correctly understand their obligations.

RPRA hosted seven public webinars to help stakeholders better understand the HWP Registry and the transition from paper-based manifesting to digital. Three of the sessions were designed to introduce the registry and help affected parties understand the change from the legacy HWIN system to RPRA's digital registry and mobile app. Subsequent sessions were targeted by role towards waste carriers, receivers, and generators. RPRA created a comprehensive library of resources to help users navigate the online system and complete registration and reporting activities, including step-by-step instructions, how-to videos, simulations or practice scenarios, quick reference guides, and a printable pamphlet that summarized what was changing and the key actions for users. These activities were in addition to ongoing workshops and testing sessions throughout 2022 to get feedback from key industry and ministry users as the new system was being developed.

We hosted two webinars as part of our ongoing learning series, Understanding Ontario's New Blue Box Regulation. The first webinar clarified amendments to the Blue Box Regulation made by the Ontario government in April 2022. The second provided a walkthrough of the Blue Box registry portal and outlined the key steps that producers need to take to complete their supply reports. In August, RPRA hosted a webinar to help lighting producers understand their new requirements under the Electrical and Electronic Equipment Regulation. All webinar recordings and slides are available on the [Learning Series Events](#) page of RPRA's website.

### Stakeholder engagement and consultation

The ongoing transition of legacy waste diversion

programs to the producer responsibility regulatory framework under the RRCEA and the introduction of new online registries for excess soil and liquid industrial and hazardous waste require RPRA to know and understand the perspectives of its registrants and stakeholders.

In 2022, RPRA engaged stakeholders extensively through consultations, surveys, advisory councils, and project working groups. The feedback we obtained informed all aspects of RPRA's work, including reducing administrative burden where possible, demonstrating value for money, enhancing the user-friendliness of our technology platforms, and aligning with existing business processes.

### Advisory councils

RPRA engaged with both the Industry Advisory Council and Service Provider Advisory Council on RPRA's business planning processes in 2022, including the revision of our strategic priorities and performance measures for 2023. The councils also shared considerable feedback on public reporting.

In response to that feedback, RPRA launched a formal consultation on how to enhance public reporting on resource recovery and compliance activities which attracted the most feedback of all consultations held since 2016.

Consistent with the feedback from the advisory councils, we heard a strong desire from stakeholders for RPRA to enhance its public reporting in a number of areas, including:

- Publish more market-related data to better inform the operations and structure of the emerging resource recovery markets.
- Provide more analysis of program performance and Ontario's circular economy.
- Publish data and information and analysis more frequently.

With the capacity to handle 250,000 hazardous waste shipments per year, the HWP Registry is RPRA's largest and most complex registry project to date.



Joel Stewart, a Team Leader at an Aevitas Inc. industrial wastewater treatment facility, hoses down the receiving area.

- Explore how the granular data sets that are currently available for the legacy Blue Box Program through the annual Datacall can be preserved under the new Blue Box Regulation.
- Report on compliance activities.

Stakeholders told us that public reporting is critical to business success in the growing resource recovery sector. Producers said it’s important for benchmarking against other jurisdictions; municipalities require it to assess sufficiency of accessibility; producer responsibility organizations require it to better understand the market and competition; and the public requires information on the progress of Ontario’s transition to a circular economy.

In response to the comments submitted during the consultation, RPRA created a dedicated public reporting section on our website to report on compliance activities and resource recovery information, which now includes a dedicated [Compliance Orders and Administrative Penalties](#) page. In early 2023 we established an internal working group to coordinate the implementation of enhancements to public reporting. The working group developed an action plan in 2023 based on the feedback received through the consultation and is now focused on implementation.

**Registrant surveys**

RPRA has conducted registrant surveys through an independent third party since 2019 (the survey was deferred in 2020 because of the start of the COVID-19 pandemic). The table below shows the types of surveys deployed and the programs surveyed by year.

Year	Baseline Survey	Tracking Survey
2019	Tires	N/A
2021	ITT/AV, Batteries	Tires
2022	Blue Box, HSP	Tires, Batteries, ITT/AV
2023 (planned)	HWP, Excess Soil, Lighting	Tires, Batteries, ITT/AV, BB, HSP

Respondents to the 2022 survey affirmed that we are fulfilling our legislated mandate and that our frontline compliance and registry team is well regarded for their knowledge, professionalism, and the support they provide to registrants. Respondents also indicated that registry portals work well and are user-friendly, identified the need for RPRA to be more responsive and

accessible, and wanted communications to be clearer.

This feedback is incorporated into decision-making about a number of initiatives currently underway, including a review of our communications strategies to make sure RPRA’s messages are being heard, a user experience assessment of the RPRA website to make it more navigable and accessible, and the development of service level standards to ensure responsive and timely service delivery.

Details of the 2022 survey, as well as past survey results, will be made available on RPRA’s website.

**Consultations**

RPRA consults frequently with registrants and stakeholders to ensure our operations are as effective as possible and that our registries accommodate user needs. Formal consultations held in 2022 are listed below, but in addition staff meet with stakeholders one-on-one throughout the year on everything from RPRA fees to registry procedures. During the development and build of new registry projects, RPRA engages with future users and stakeholders through the establishment of working groups, as well as in smaller forums or one-on-one.

RPRA’s formal consultations are based on OECD (Organization for Economic Cooperation and Development) principles. RPRA held eight formal consultations in 2022:

**1. Blue Box Program wind-up plan: revised fee setting methodology**

Between January 21 and February 4, 2022, RPRA consulted on Stewardship Ontario’s proposal to simplify the fee-setting methodology for Blue Box Program stewards during the program’s transition period between 2023-2025. RPRA’s consultations followed Stewardship Ontario’s consultation on the revised fee-setting methodology between December 1, 2021 and January 13, 2022.

**2. Review of the batteries and ITT/AV supply data verification procedures**

Beginning in the fall of 2021 and continuing into early 2022, RPRA consulted on the principles and methodologies used in the batteries and ITT/AV supply data verification procedures, which aim to reduce burden for registrants while achieving regulatory outcomes. The consultation was held in two phases. During the first, RPRA

consulted with producers, producer responsibility organizations and their verifiers on the principles and methodologies used in the procedures from September 9 to October 9, 2021. During the second phase, RPRRA consulted on the draft procedures to gather additional feedback from stakeholders from January 10 to February 18, 2022.

### 3. Proposed 2022 RRCEA program fees

From March 10 to April 25, 2022, RPRRA consulted on the proposed 2022 RRCEA program fees for producers and revised General Fee-Setting Policy. RPRRA hosted two webinars which were attended by close to 300 people.

### 4. Development of the hazardous and special products supply data verification procedure

Beginning in June 2022, RPRRA consulted on the hazardous and special products supply data verification procedure, which aimed to reduce registrant burden while achieving regulatory outcomes. As part of the consultation, RPRRA hosted a webinar which was attended by over 60 people.

### 5. Enhancing public reporting of resource recovery data and RPRRA compliance activities

Between June 22 and August 5, 2022, RPRRA consulted on enhancing public reporting of resource recovery data and RPRRA compliance activities. RPRRA engaged directly with its two advisory councils as well as six stakeholder groups to gather feedback on the proposal.

### 6. Proposed use of Ontario Electronic Stewardship (OES) residual funds to offset RRCEA program fees for ITT/AV producers

From August 10 to September 2, 2022, RPRRA consulted on a proposal to transfer an interim amount of OES residual funds to RPRRA to offset 2023 RRCEA program fees for ITT/AV producers, and sought feedback on how the remaining residual funds could be applied to reduce future fees for ITT/AV producers once OES completes its liquidation. RPRRA hosted a webinar which was attended by approximately 30 stakeholders. This consultation supplemented multiple previous consultations on the disposition of OES residual funds. Additionally, RPRRA consulted directly with a number of key stakeholders to ensure all perspectives were heard.

### 7. Continuous Improvement Fund windup plan amendment proposal

Between October 4 and November 4, 2022, the Continuous Improvement Fund (CIF) and RPRRA consulted on CIF's proposal to wind up early and transfer approximately \$10M to the Association of Municipalities of Ontario to undertake activities to support municipalities on transition-related issues. CIF and RPRRA staff hosted three joint presentations to discuss the proposal. Two additional sessions were scheduled on October 26 and 28, 2022, in response to feedback received during the consultation process.

### 8. Proposed 2023 RRCEA program fees and fees for the Excess Soil Registry and Hazardous Waste Program Registry

RPRRA consulted on proposed fees for the Hazardous Waste Program and Excess Soil registries and RRCEA programs from September 26 to November 21, 2022. RPRRA hosted five webinars attended by a total of over 630 people.

For more information about these consultations, including consultation reports detailing feedback received and how RPRRA considered feedback, see our [past consultations webpage](#).

### Complaints

RPRRA's operating agreement with the Minister of the Environment, Conservation and Parks requires annual reporting on how complaints related to its activities were addressed. RPRRA is committed to having an accessible, fair, transparent, and straightforward process in place when a complaint is received about RPRRA or an individual acting on behalf of RPRRA.

At the direction of the Minister, RPRRA published a [Formal Public Complaints and Requests For Clarifications Policy](#) in 2021, which updated the previous Public Complaints Policy. The revised policy is posted on RPRRA's website and details how a member of the public can submit a complaint related to service delivery and staff conduct, or make a formal request for clarification about RPRRA activities.

Complaints related to compliance and enforcement are handled through procedures outlined in the WDTA and RRCEA. Complaints related to privacy are addressed through RPRRA's Access and Privacy Code.

RPRRA received no complaints in 2022 under the Formal Public Complaints and Requests For Clarifications Policy.



RPRA has leveraged communications to support voluntary compliance, which has earned trust from our registrant communities and contributed to our cost-effectiveness.



Workers sort tires at an Emterra Group tire recycling facility.



## In 2023, RRPA is focusing on stabilizing operations and optimizing business processes to reduce registrant burden and enhance effectiveness.

### Delivery of French language services

Consistent with its statutory obligations and requirements outlined in its operating agreement with the Minister of the Environment, Conservation and Parks, RRPA is committed to ensuring its services, communications and responses to public inquiries are available in French.

RRPA's [French Language Services Plan](#) details how RRPA meets its legislated requirements to provide services in French. In addition to translating key corporate and compliance documents into French, RRPA employs bilingual compliance and registry officers and communications advisors to provide services in French, and when necessary uses a third-party service that offers on-demand simultaneous French translation.

In 2022 RRPA received no requests for simultaneous French translation services or requests to have materials translated into French. Bilingual compliance and registry staff interacted with stakeholders in French in 62 instances in 2022.

RRPA will continue to review its French Language Services Plan to meet its legislated requirements.

### By-Laws, policies and procedures

RRPA's operating agreement with the Minister requires RRPA to annually outline any changes to its by-laws and policies. In 2022, the following by-laws and policies were introduced or updated:

- The Code of Conduct was amended in February 2022 to reinforce that RRPA conducts its financial affairs in a responsible and transparent manner with due regard for the public interest, and to set out more clearly RRPA's approach to conflicts of interest.
- The General Fee Setting Policy was revised in May 2022, to update the objectives and principles that RRPA applies in setting fees under the RRCEA, based on a third-party review

and feedback from consultation.

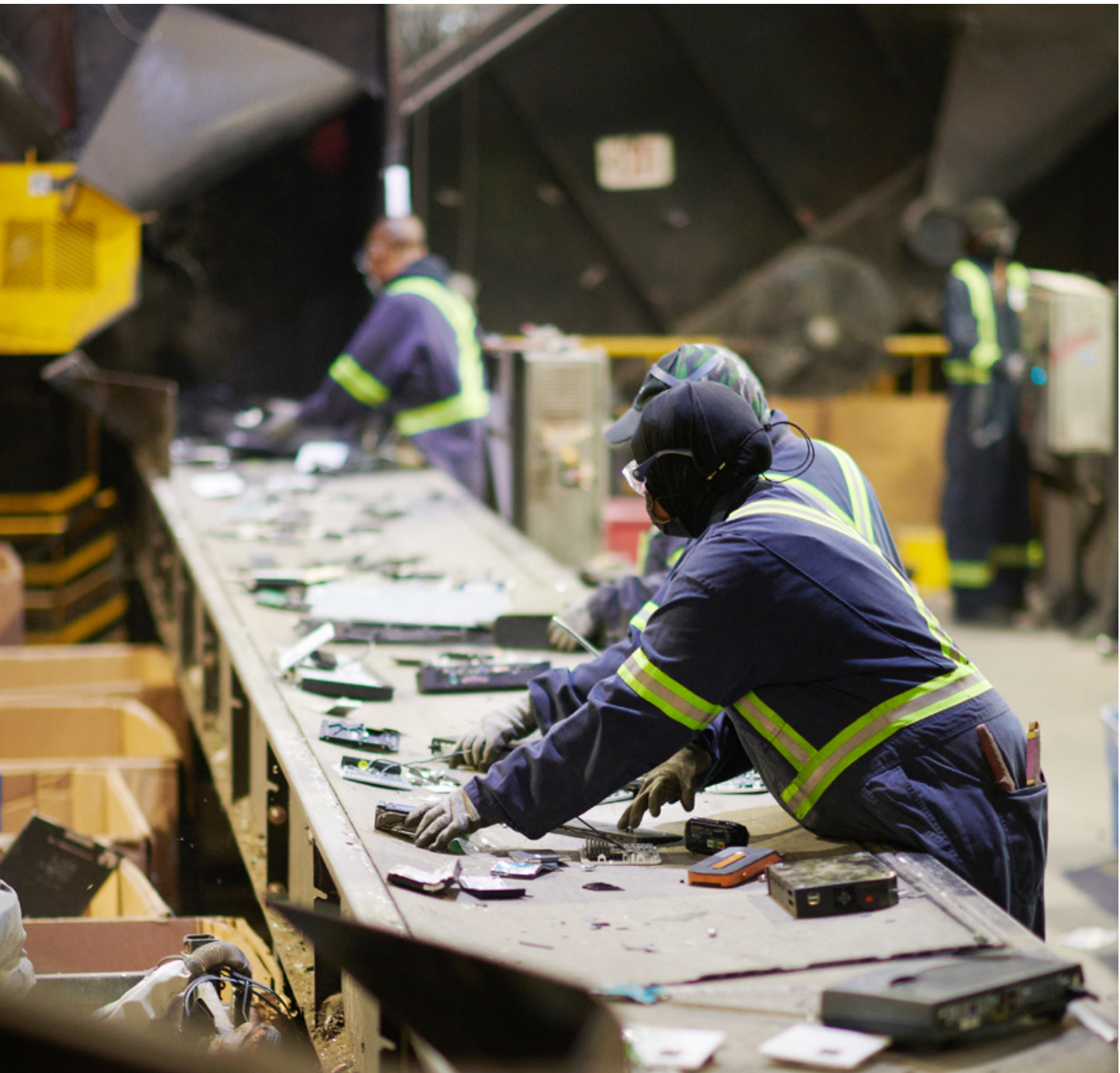
- The Cost Allocation Methodology was revised in May 2022 to reflect the use of more quantitative inputs and allow for more precise allocations.
- The Financial Management and Controls Policy was amended in May 2022 to reflect changes to the Cost Allocation Methodology, current executive titles and revised responsibilities, and to clarify use of contingency reserve funds.
- The Governance Charter was amended in May 2022 to reflect changes to RRPA's Board committee structure and to reduce duplicative effort and clarify roles, particularly between the Finance and Technology and Audit and Risk Committees. It was further revised in September 2022 to provide for the reporting of any workplace violence, bullying and harassment to the Human Resources Committee.
- The Delegation of Authority Policy was amended in May 2022 to give approval authority to the CEO for elements of the Human Resources Manual that are not related to benefits and compensation. It was further amended in November 2022 to reflect revised RRPA policies.
- The Travel, Meal and Hospitality Expense Policy was amended in August 2022 to update reimbursement rates based on an analysis of other regulatory authorities.
- The Investment Policy was revised in August 2022 to reflect current executive titles.
- The Enterprise Risk Policy was developed and approved in September 2022, setting out RRPA's guiding principles, risk appetite and risk governance, as well as roles and responsibilities for risk oversight.
- The Procurement Policy was amended in September 2022 for housekeeping reasons and



Faisal Kaba empties paint into vats at the Loop Recycled Products paint recycling facility.

- to provide additional guidance around when signed agreements are required.
  - The Information Security Policy was adopted in September 2022, providing a high-level overarching policy that defines and documents RPRA's statement of intent, principles, and approach to effective security risk management.
  - The Whistleblower Policy was amended in November 2022 to reflect current executive titles.
- By-laws, policies, and procedures that are subject to public disclosure are available on the [Corporate Documents](#) page of RPRA's website.

RPRA's frontline staff fielded over 45,000 inquiries to help registrants understand and comply with their regulatory requirements.



Workers conduct quality control at a Quantum Lifecycle Partners electronics recycling facility.

## Compliance, enforcement and registry services

### Overview

RPRA's compliance and registry team is responsible for enforcing the requirements of the RRCEA and the WDTA and their associated regulations. RPRA takes a risk-based approach to compliance, which is outlined in [RPRA's Risk-Based Compliance Framework](#).

The Registrar assesses risk and implements appropriate education, communication, and enforcement activities to maximize compliance while minimizing burden on businesses. These activities always include proactive education and awareness, and may also include:

- Inspection and audit
- Communication to address non-compliance
- Compliance order
- Administrative penalty order
- Prosecution

The compliance and registry team increased in size in 2022 by almost 40% to 28.3 full-time equivalent staff to provide registrant support and to service the registry's 14 portals, nine of which launched in 2022. Compliance staff also continued to enforce five producer responsibility regulations, and registry support staff provided direct support to users of the Hazardous Waste and Excess Soil registries.

RPRA developed and introduced a new service delivery and operating model for the expanding team, which included the introduction of an external call centre vendor to provide additional support. RPRA's service delivery and operating models will continue to evolve in 2023 along with the development of service delivery standards and performance measures for service delivery.

In 2022, RPRA continued to support businesses in complying with the Hazardous and Special Products (HSP), Blue Box, Batteries, Electrical and Electronic Equipment (EEE), and Tires regulations. Compliance and Registry staff also helped lighting producers, who registered with RPRA for the first time in fall 2022,

understand the requirements of the EEE Regulation, and supported those producers in submitting their supply data. The growing roster of programs required additional staff in the first quarter of 2023 to ensure timely and effective service delivery across all programs.

Compliance staff verified all high priority producer accounts in the Tires, Batteries, and Information Technology, Telecommunications and Audio-Visual equipment (ITT/AV) programs for completeness, and developed inspection plans for the Blue Box and HSP programs. Staff also verified all high priority performance reports from Producer Responsibility Organizations, tires, batteries, and ITT/AV for completeness and developed inspection plans. Inspections in all programs save Lighting, which launched in 2022, are ongoing in 2023.

Towards the close of 2022, the Ontario government finalized the Administrative Penalties Regulation issued under the RRCEA. The regulation gives RPRA the power to issue monetary penalties for contraventions of the RRCEA and its associated regulations, effective January 1, 2023. Under the RRCEA, all compliance orders and administrative penalties issued by RPRA's Registrar or Deputy Registrar are required to be publicly disclosed. A [new webpage](#) was created on RPRA's website to present this information, along with guidelines to the Administrative Penalties Regulation.

RPRA published supply reports for the ITT/AV and Batteries programs for the first time in 2022, posting them to the [resource recovery reports](#) page of the RPRA website. Supply and performance reports for the Tires program were also posted on the website in 2022. Supply reports for the Blue Box, HSP and Lighting programs were published for the first time on the website in the first half of 2023.

The annual deadlines for supply and performance reports are listed below:

Regulation/material	Deadline for annual supply and performance reports	Year first performance reports due
Tires	May 31	2020
Batteries	April 30	2022
ITT/AV	April 30	2022
HSP	July 31	2023
Lighting	April 30	2024
Blue Box	May 31	2024

**Batteries**

Producer responsibility requirements under the RRCEA for single-use and rechargeable batteries came into effect on July 1, 2020. As of December 31, 2022, over 185 battery producers were registered with RPRA.

Battery producers, or producer responsibility organizations (PROs) acting on their behalf, are required under the regulation to establish and operate a battery collection and management system, and to report on this system to RPRA.

In April 2022, RPRA’s Registrar initiated an inspection of the battery collection system following a contractual dispute between Call2Recycle, a battery PRO, and Raw Materials Company Inc., a battery processor. The dispute had led to a significant reduction of used battery collection sites in Ontario. RPRA’s inspection focused on confirming that the required number of sites were operational, and that batteries from any sites that were closed were processed within three months of being collected. The Registrar issued three additional statements between October 2022 and February 2023 with updates on the continuing inspection.

At the close of 2022, 84% of registered battery producers had reported their supply data, representing 90% of batteries supply reported in 2021. Additional information on the 2022 supply reports for the Batteries Program is available on the [Public Reporting section of RPRA’s website](#). RPRA continues to monitor batteries collection and management systems for compliance with the regulation.

As of December 31, 2022, RPRA had identified 137 potential free riders to be brought into compliance with the Batteries Regulation.

**ITT/AV**

Producer responsibility requirements for ITT/AV under the EEE Regulation came into effect on January 1, 2021. As of December 31, 2022, over 195 ITT/AV producers were registered with RPRA.

Producers, or PROs acting on their behalf, are required to establish and operate a collection and management system and report on this system to RPRA. RPRA staff monitored collection and management systems and worked with PROs to achieve compliance with the regulation.

At the close of 2022, 79% of registered ITT/AV producers had reported their supply data, representing 107% of ITT/AV supply reported in 2021.

As of December 31, 2022, RPRA had identified 430 potential free riders to be brought into compliance with the requirements of the regulation.

Additional information on 2022 supply reports and 2021 performance reports for the ITT/AV Program can be found on the [Public Reporting section of RPRA’s website](#).

In fall 2021 RPRA began consulting with stakeholders on the batteries and ITT/AV supply data verification procedure. In February 2022, phase two of the consultation concluded, and in May 2022 the final procedure was posted. Based on the feedback received and information gathered, RPRA made the following decisions:

- Develop one combined procedure for batteries and ITT/AV to make reporting efficient.
- Create two producer categories – small and large – to make reporting more cost-effective and efficient.
- All producers were required to submit a one-time supply data verification report in 2022.
- Starting in 2023, only large producers, as defined in the procedure, are required to submit a verification report and small producers are subject to inspections.

**Lighting**

In preparation for the launch of the Lighting Program on January 1, 2023, RPRA worked closely with the lighting industry to ensure all producers and service providers were aware of their requirements under the RRCEA. Because Lighting is a non-legacy producer responsibility program, RPRA undertook market research and analysis to identify and engage

## RPRA’s goal is to deliver an effective compliance program within a risk-based compliance framework to achieve economic and environmental outcomes for Ontario.

with businesses new to producer responsibility for lighting in Ontario. More than 90% of lighting producers identified through industry associations were directly engaged, and all but one of the 40 high priority lighting producers were registered. As of December 31, 2022, a total of 60 lighting producers had registered with RPRA.

The registry portal for the Lighting Program was built in 2021 and opened to registrants for the first time in October 2022.

As of December 31, 2022, RPRA had identified three potential free riders for compliance action.

Additional information about 2022 supply reports for the Lighting Program can be found on the [Public Reporting section of RPRA’s website](#).

### Tires

2022 was the fourth year of operations for the Tires Program under Ontario’s producer responsibility regulatory framework outlined in the Tires Regulation. There were over 485 tire producers registered with RPRA at the end of 2022.

As of December 31, 2022, RPRA had identified 128 potential free riders to be brought into compliance with the Tires Regulation.

Throughout 2022, RPRA’s compliance and registry team engaged with tire PROs and the producers they represent to ensure their collection and management obligations were being met. The compliance and registry team identified shortfalls in the shared public collection system and required each PRO to submit a compliant system on behalf of the producers they represent.

The five PROs submitted four separate collection systems, which were determined to be non-compliant with the regulatory requirements. RPRA issued compliance orders in spring 2023 to compel immediate action to address the non-compliance.

Compliance orders are posted to [RPRA’s website](#).

At the end of 2022, 78% of registered tire producers had reported their supply data, representing 81% of tires reported in 2021.

Additional information about 2022 supply reports and 2021 performance reports for the Tires Program can be found on the [Public Reporting section of RPRA’s website](#).

### HSP

2022 was the second year of operations for the HSP Program. Producer responsibility requirements for HSP came into effect on October 1, 2021. There were over 215 HSP producers registered with RPRA as of December 31, 2022.

As of December 31, 2022, RPRA had identified 430 potential free riders to be brought into compliance with the HSP Regulation.

Registry support staff helped HSP producers report their supply into new customized portals for HSP materials (seven in total). The table below shows the percentage of producers that had submitted supply reports by December 31, 2022:

HSP material	Percent of registered producers who had submitted reports by December 31, 2022
Automotive materials	73%
Pesticides	83%
Mercury-containing devices	80%
Fertilizers	83%
Paints, coatings and solvents	77%
Pressurized containers	84%
Refillable propane containers	93%

Additional information about 2022 supply reports for the HSP Program can be found on the [Public Reporting section of RPRA’s website](#).

HSP producers will submit performance reports for the first time to RPRA in summer 2023.

### Blue Box

The transition of the Blue Box Program to full producer responsibility under the RRCEA required active and ongoing monitoring by the compliance and registry team throughout 2022. The team worked closely with producers, industry associations, PROs and MECP to ensure the new system will be ready on July 1, 2023, when the first group of municipalities and First Nation communities exit the legacy system to participate in the new producer-run program.

RPRAs engagement in monitoring the transition process provided critical insights during the operationalization of the new regulation by producers, service providers, RPRAs, and the ministry. This process has required new relationships to be established, new business models and operational processes to be adopted, and new communications channels to be opened. When clear evidence was identified that the new framework required adjustments, the [ministry amended the regulation](#), changing producer responsibilities for collection with the aim of ensuring the system functioned effectively.

Under the amended regulation, producers are responsible for providing Blue Box collection to every eligible source in Ontario. PROs representing producers that supply more than 66% of Blue Box material tonnage were required to submit a report on how they will operate the Blue Box collection system. A report was submitted in July 2022 by two PROs – Ryse and Circular Materials – that outlined their intention to work together to operate the Blue Box collection system. In January 2023, Circular Materials and Ryse announced the execution of a system access agreement to operate a common collection system. Compliance staff receive reports on system readiness for each municipality on an ongoing basis.

Throughout 2022, RPRAs staff also supported Blue Box producers to submit their 2022 supply reports into the new Blue Box registry portal. 2022 was the second year Blue Box producers were required to submit supply reports. There were over 1,160 Blue Box producers registered with RPRAs as of December 31, 2022.

By the end of 2022, RPRAs had identified 397 potential free riders to be brought into compliance with the Blue Box Regulation.

Also, 83% of registered Blue Box producers had reported

their supply data, representing 96% of the weight of Blue Box materials reported in 2021.

Additional information about 2022 supply reports for the Blue Box program can be found on the [Public Reporting section of RPRAs website](#).

### Enforcement initiatives

RPRAs compliance staff undertook inspection and audit activities and other compliance initiatives in 2022 to ensure compliance with the regulatory requirements and support a competitive marketplace for resource recovery. There were 155 substantiated instances of non-compliance in 2022, of which 86 were resolved within the year. Instances of non-compliance include any failure to comply with a provision of the RRCEA and its regulations.

RPRAs staff carried out various campaigns and compliance plans to identify obligated businesses not yet registered (free riders) and was successful in identifying 1,162 potential free riders across all programs.

RPRAs compliance staff also used their inspection powers, undertaking major inspections of aspects of the Batteries and Tires programs in 2022 to ensure compliance with the collection system requirements outlined in the RRCEA and the Batteries and Tires regulations. The inspection initiatives were the subject of multiple registrar statements issued throughout 2022. Battery producers and their largest PRO were compelled to take mitigating steps that were successful in returning the battery collection system to a state of current compliance. Based on the inspections undertaken in 2022, tire PROs and producers were issued compliance orders in spring 2023 to compel immediate mitigating steps that are pending resolution.

The compliance and registry team also began a multi-year project to develop and implement a more refined risk assessment methodology and related policies and procedures to enhance RPRAs risk-based compliance framework. The framework assists compliance staff in taking an evidence-based approach to prioritizing compliance cases and is required under RPRAs operating agreement with the Minister. The outcome of this project will be the standardization of risk assessment, which will support staff decision-making by allowing compliance and registry officers to proactively identify and mitigate emerging risks to Ontario's recycling system.



**Registry support overview**

Under its legislated mandate, RPRA is required to develop and operate a public registry to register obligated parties and receive reports. The purpose-built registry system provides the foundation for operationalizing the government’s regulations for producer responsibility programs, liquid industrial and hazardous waste, and excess soil. It enables obligated parties to register and for their waste diversion and waste movement activities to be monitored to ensure Ontario’s environmental laws are being followed.

By the close of 2022, RPRA’s registry system had 12 separate operational portals for producer responsibility programs: one each for the Tires, ITT/AV, Batteries, Lighting and Blue Box programs, and seven for each HSP Program material category (paints, coatings and solvents; pressurized containers; pesticides; mercury-containing devices; automotive materials; refillable propane containers; and fertilizers). RPRA also operates the Excess Soil Registry and a registry for liquid industrial and hazardous waste (HWP Registry) to support the ministry’s compliance programs for these materials.

Registry support staff responded to a record number of registrant inquiries in 2022; engaged in the rollout of education and outreach campaigns to support businesses in understanding their regulatory requirements; and participated in the development and launch of the HWP Registry, and the Blue Box and HSP registry portal projects. Common inquiries from regulated parties included requests for clarification on visible fee requirements for ITT/AV and batteries, information regarding newly obligated materials, reporting deadlines, and RPRA’s fees consultations.

The Registrar used information gathered through interactions with regulated parties to develop compliance bulletins and educational materials, as well as continuously improve the registry portals, RPRA’s website, and email communications.

**Interactions**

Emails (inbound and outbound)	37,681
Incoming calls	2,814
Outgoing calls	4,589
<b>Total interactions</b>	<b>45,084</b>

**Excess Soil Registry**

In March 2021, the Minister of the Environment, Conservation and Parks directed RPRA to establish

and maintain a digital reporting service for excess soil under the On-Site and Excess Soil Management Regulation, which came into effect on January 1, 2022. The Excess Soil Registry enables regulated persons to comply with registration and notice filing requirements outlined in the regulation.

The Excess Soil Registry successfully launched on December 1, 2021. In April 2022, the ministry announced that it would implement a temporary suspension of certain provisions of the Excess Soil Regulation until January 1, 2023, including the requirement for regulated persons to register and report via the registry. The Excess Soil Registry remained open for users to voluntarily register and report throughout 2022.

In December 2022, the government finalized amendments to the Excess Soil Regulation that removed the soil reuse planning requirements for some projects.

In January 2023, the temporary pause was lifted and requirements to report excess soil activity through the Excess Soil Registry under the amended Excess Soil Regulation came into effect.

As of March 1, 2023, there were 444 Excess Soil registrants.

**HWP Registry**

The HWP Registry opened for registration in November 2022, and electronic manifesting launched on January 1, 2023.

With the capacity to handle 250,000 hazardous waste shipments per year, the HWP Registry is RPRA’s largest and most complex registry project to date, involving intensive development and staged deployments with multiple vendors and industry working groups. The project’s success depended on unprecedented internal and external coordination of business and IT elements, sustained engagement with industry and the ministry, and ongoing efforts to adjust and improve project management techniques and strategies. The result is a user friendly electronic manifesting system for regulated wastes delivered for lower cost and in less time than earlier government assessments had estimated would be possible.

As of March 1, 2023, there were 12,760 HWP registrants.

## Winding up legacy waste diversion programs

### Overview

Under the *Waste Diversion Transition Act, 2016* (WDTA), RPRA is responsible for overseeing the operation and wind up of Ontario's legacy recycling programs and transitioning them to the province's producer responsibility regulatory framework.

In 2022 RPRA oversaw the operation of one waste diversion program under the WDTA: the Blue Box Program operated by Stewardship Ontario (SO). The legacy Blue Box Program will transition to full producer responsibility under the RRCEA between July 1, 2023 and December 31, 2025, and SO will be liquidated soon after.

The Used Tires Program operated by Ontario Tire Stewardship was the first legacy program to transition to the RRCEA on December 31, 2018. This was followed by the Batteries portion of the Municipal Hazardous or Special Waste (MHSW) Program, operated by SO, on June 30, 2020; and the transition of the Waste Electrical and Electronic Equipment Program, operated by Ontario Electronic Stewardship, on December 31, 2020. The remainder of the MHSW Program operated by SO and industry stewardship organizations transitioned on September 30, 2021. Both Ontario Tire Stewardship and Ontario Electronic Stewardship continued to undergo liquidation in 2022.

The organizations that operate under the WDTA are required to submit an annual report to RPRA that provides detailed information on program performance as applicable, and financials.

### Blue Box Program

The Blue Box Program ensures paper and packaging made of paper, glass, plastic and/or metal is collected from residences in approximately 250 participating municipalities and First Nation communities across Ontario.

SO is the industry funding organization that contributes 50% of the total cost of operating the Blue Box Program on behalf of stewards of packaging and printed paper (brand owners, franchisors or first importers). As of December 31, 2022, there were 1,797 registered

stewards with SO. Municipalities, recycling associations and First Nations operate the residential collection and material management services and fund the remaining costs of these services. Information about SO's operation of the Blue Box Program can be found in [Appendix A](#) of this report.

Participating communities report their Blue Box activities including tonnage and financial data annually to RPRA as part of the Datacall. A total of 736,380 tonnes of Blue Box materials were recycled in 2021, a decrease of 2.7% from 2020, and the program achieved a recovery rate of 53.3%. The provincial residential diversion rate remained largely stable, decreasing by 0.4% in 2021 to 49.1%. The 2021 Datacall reporting indicates stronger commodity markets have led to an increase in revenue for participating communities, and a decline in total net costs when compared to 2020.

The 2021 Datacall is the last complete report that includes all communities that participate in the legacy Blue Box Program before communities begin to transition to the new producer responsibility regulatory framework on July 1, 2023.

The most recent [Datacall Report can be found on RPRA's website](#).

RPRA also worked closely with staff at the Continuous Improvement Fund (CIF) to implement the RPRA-approved CIF Wind-Up Plan. The CIF is funded through the Blue Box Program to improve the efficiency and effectiveness of Ontario municipal Blue Box programs. In 2022, RPRA and CIF staff considered a proposal from the Association of Municipalities of Ontario (AMO) to wind up the CIF early and transfer approximately \$10M in residual funds to AMO. The funds would be used to support municipalities in transitioning to Ontario's producer responsibility regulatory framework. RPRA approved the proposal on the condition that municipalities would be given the option of claiming their share of the \$10M rather than have it transferred to AMO. The proposal was subsequently withdrawn and staff at CIF and RPRA continue to work towards CIF wind-up at the end of 2023.

## RPPRA has overseen the transition of three legacy waste diversion programs, and continues to oversee the transition of the Blue Box program to the producers responsibility framework.

### **Municipal Hazardous or Special Waste Program**

The MHSW Program ceased operating on September 30, 2021, and the subject materials were designated under the RRCEA on October 1, 2021. Remaining program residual funds were disbursed to stewards in June 2022. The MHSW Program is anticipated to be formally terminated by the Minister in 2023. No liquidation proceedings of SO, the program's industry funding organization, have been undertaken to date because SO will continue to operate the Blue Box Program until December 31, 2025. Information about MHSW wind-up activities in 2022 can be found in SO's annual report in [Appendix A](#) of this report.

### **Waste Electrical and Electronic Equipment Program**

The Waste Electrical and Electronic Equipment Program operated by Ontario Electronic Stewardship (OES) ceased operations on December 31, 2020 and transitioned to the RRCEA on January 1, 2021. Deloitte Restructuring Inc. is the court-appointed liquidator overseeing the dissolution of OES. OES's activities in 2022 continued to focus on the resolution of outstanding financial and tax matters. Once resolved, the OES liquidator will implement the remaining steps described in the approved wind-up plan, dissolve the corporation, which will allow the Minister to formally terminate the program. Information about OES's activities in 2022 can be found in [Appendix B](#) of this report.

### **Used Tires Program**

The Used Tires Program operated by Ontario Tire Stewardship (OTS) under the WDTA ceased operations on December 31, 2018, as directed by the Minister. Grant Thornton Ltd. is the court-appointed liquidator overseeing the dissolution of OTS. OTS's activities in 2022 continued to focus on the resolution of outstanding financial and tax matters. Once these are resolved, the OTS liquidator will implement the

remaining steps described in the approved wind-up plan and dissolve the corporation, which will allow the Minister to formally terminate the program. Information about OTS's activities in 2022 can be found in [Appendix C](#) of this report.

### **The Beer Store**

The Beer Store is a privately-owned chain of retailers selling beer in Ontario. The Beer Store collects beer containers and packaging sold in its stores and administers the Ontario Deposit Return Program, which allows for the collection of alcoholic containers sold outside its stores, including wine, spirits, beer, and coolers. While this is not a waste diversion program overseen by RPPRA, the WDTA requires The Beer Store's annual report to be provided to RPPRA and made public to support transparency in The Beer Store's public reporting.

In 2022, The Beer Store reported collecting over 1.5 billion containers, diverting 128,557 tonnes of recyclable material as part of The Beer Store Program, and 91,415 tonnes as part of the Ontario Deposit Return Program. According to The Beer Store's 2022 annual report, the return rate of recyclable material in the Ontario Deposit Return Program was 74%, while the return rate for containers sold at The Beer Store was 79%. The Beer Store Annual Report can be found in [Appendix D](#) of this report.

Good governance and prudent financial management ensures RPRa delivers effective programs.



Jeff Mead takes a sample from a treatment vat at an Aevitas Inc. industrial wastewater treatment facility.

## RPRA’s performance

**R**PRA submits a business plan to the Minister of the Environment, Conservation and Parks in October of each year that sets out its strategic priorities for the following three years, annual goals and performance targets. In its annual report and at its annual public

meeting, RPRA reports on its progress towards meeting the performance targets set for the previous year. The tables below outline RPRA’s strategic objectives and targets as set out in the [2022 business plan](#), and progress toward achieving those targets.

### Strategic priority one Transition of waste diversion programs

Objective	Target	2022 Performance	Comments
Continued oversight of waste diversion programs	Stewardship Ontario operates in compliance with WDTA requirements	Achieved	RPRA staff closely monitored Stewardship Ontario to ensure compliance with all WDTA requirements, including the commitments and conditions in the approved wind-up plans for the MHSW and Blue Box programs.
	Respond within 7 days to complaints	Achieved	No complaints were received.
	Initiate action within 7 days for substantiated non-compliance	Achieved	No non-compliances by industry funding organizations or industry stewardship organizations were substantiated requiring actions within 30 days.
Effective wind-up of industry funding organization programs and industry funding organizations	Oversee disposition of Ontario Tire Stewardship surplus funds as per Minister’s directions, and dissolution of Ontario Tire Stewardship following resolution of all outstanding financial and tax matters	Delayed	In 2022, Ontario Tire Stewardship continued to be overseen by Grant Thornton LLP, the appointed liquidator. Final disposition of surplus funds and formal dissolution of Ontario Tire Stewardship could not be completed in 2022 due to an ongoing Canada Revenue Agency claim filed by the liquidator.
	Oversee dissolution of Ontario Electronic Stewardship following resolution of all outstanding financial and tax matters	Delayed	In 2022, Ontario Electronic Stewardship continued to be overseen by Deloitte Restructuring Inc., the appointed liquidator. Ontario Electronic Stewardship dissolution could not be completed in 2022 due to an outstanding Canada Revenue Agency claim filed by the liquidator.

### Strategic priority one Transition of waste diversion programs (continued)

Objective	Target	2022 Performance	Comments
Effective wind-up of industry funding organization programs and industry funding organizations	Oversee distribution of final MHSW surplus funds to Industry Stewardship Organizations and stewards	Delayed	Final distribution of surplus funds was not completed in 2022 because the MHSW Program had not yet been formally terminated. Formal termination is anticipated to occur in Q2 2023.
	Effective monitoring and response to any program disruption during implementation of approved Blue Box Program Wind-Up Plan	Achieved	The Blue Box Program operated smoothly in 2022 with no disruptions and compliant with the requirements of the approved wind-up plan.

### Strategic priority two Responsible management of data

Objective	Target	2022 Performance	Comments
Develop and maintain registry to fulfill organizational mandate	Initiate registry development project for Blue Box in accordance with Board project approvals and consistent with requirements in the Blue Box Regulation	Achieved	This target was exceeded with completion of the Blue Box registry portal in 2022.
	Initiate registry development project for Hazardous and Special Products (HSP) in accordance with Board project approvals and consistent with requirements in the Hazardous and Special Products Regulation	Achieved	This target was exceeded with the completion of the HSP registry portal in 2022.
	Consult and engage with stakeholders and the ministry to scope and initiate phase 2 of the Excess Soil Registry project in accordance with Board project approvals	Delayed	This initiative was postponed in agreement with the ministry due to the pause in mandatory registration and notice filing requirements under the Excess Soil Regulation in 2022.

Strategic priority two Responsible management of data (continued)

Objective	Target	2022 Performance	Comments
Develop and maintain registry to fulfill organizational mandate	Complete the development of the digital reporting service and registry for the Hazardous Waste Program (HWP) consistent with the Minister's directions to have the service go live January 1, 2023 and consistent with the General Waste Management Regulation in accordance with Board project approvals	Achieved	The HWP Registry was completed on time and on budget, and launched for electronic manifesting on January 1, 2023.
Registrants submit required data	Initiate action within 7 days for substantiated non-compliance	Achieved	All substantiated cases of non-compliance were actioned within 7 days.
	Initiate inspection of all high priority producer annual supply reports submitted in the Tires, Batteries, Information Technology and Audio-Visual Equipment (ITT/AV), Hazardous and Special Products and Blue Box programs	Achieved	All high priority producer accounts in Tires, Batteries, and ITT/AV were verified for completeness. Inspection plans for HSP and Blue Box have been developed, and the inspection work will continue into 2023.
	Initiate inspection of all high priority annual performance reports submitted in the Tires, Batteries and EEE programs	Achieved	All high priority performance reports in the Tires, Batteries, and ITT/AV programs were verified for completeness.
Responsible parties registered	Individually engage with 90% of potential lighting producers as identified through available membership lists from relevant industry associations for the material category and register high priority lighting producers by deadline.	Achieved	More than 90% of identified lighting producers were individually engaged in 2022, and 39 out of 40 high priority lighting producers registered in late 2022.

Strategic priority two Responsible management of data (continued)

Objective	Target	2022 Performance	Comments
Protection of confidential, personal, and commercially sensitive data	Compliance with RRCEA and WDTA provisions on confidentiality of information, and RPRA's Access and Privacy Code	Achieved	RPRA operated in full compliance with the Access and Privacy Code and RRCEA and WDTA provisions on confidentiality of information. RPRA defined and implemented an overarching IT security policy, established a security roadmap, and implemented a number of security projects in 2022.
Public reporting	Engage stakeholders on the design and timing of public reporting under the RRCEA and report on the performance of the Tires Program, Batteries Program, and the ITT/AV portion of the EEE program, consistent with performance reporting requirements in the respective regulations	Achieved	RPRA consulted on public reporting in 2022. Public reporting efforts were overhauled in 2022 and an internal working group was established to implement additional enhancements in 2023.  Performance reports for the Tires and ITT/AV programs were published to RPRA's website in 2022 consistent with the regulations.  A performance report for the Batteries Program was postponed due to inspection of the Batteries Program collection and management system.
	Enhance RPRA's website to make information about Ontario's circular economy more accessible to the public	Achieved	The backend of the RPRA website was rebuilt in 2022 to make it more configurable and navigable. The rebuild also included revisions to the information architecture to make information more accessible and searchable for users.



Strategic priority three Trusted authority

Objective	Target	2022 Performance	Comments
RPRAs viewed as responsive, unbiased, cost-effective organization focused on enabling compliance	Conduct surveys of newly obligated RRCEA and EPA registrants and broader stakeholders to establish a baseline against which future perception and awareness surveys can be measured, including a gap analysis in the initial survey to develop a preliminary understanding of RPRAs reputation and performance	Achieved	In 2022, RPRAs undertook its first surveys of HSP and Blue Box registrants to establish a baseline for future performance measurement, including a gap analysis. Surveys of Excess Soil and HWP registrants were delayed until 2023 to allow registrants an opportunity to use the newly built registries and interact with RPRAs frontline staff.
	Tracking survey results of Tires Program registrants and stakeholders at or higher than 2021 results	Achieved	RPRAs undertook a tracking survey of registrants in the Tires Program in 2022 and registrants rated their perception of RPRAs performance 6.69 (out of 10), compared with 6.56 in 2021.
Foster a level playing field for parties obligated under RRCEA	Respond within 7 days to complaints	Achieved	All complaints were responded to within 7 days.
	High priority free-rider cases closed within 9 months	Achieved	All high priority free rider cases were closed within nine months of being substantiated or have been escalated for enforcement.
	Respond within 30 days of substantiated non-compliance	Achieved	All substantiated non-compliances were responded to within 30 days.

## Strategic priority four Accountability

Objective	Target	2022 Performance	Comments
Comply with reporting requirements in the RRCEA, WDTA and the operating agreement with the Minister	2021 annual report submitted by June 1, 2022	Achieved	The 2021 annual report was submitted on June 1, 2022.
	Annual public meeting held in June 2022	Achieved	The annual public meeting was held on June 30, 2022.
	2023 business plan submitted by October 2, 2022	Achieved	The 2023 business plan was submitted on October 1, 2022.
Engage and consult broadly and openly with stakeholders	Completion of consultations and approval of 2022 program fees with level of participant satisfaction at or above consultation survey results for consultation on 2021 fees	Achieved	<p>Consultations on 2022 RRCEA program fees were held between March and April 2022.</p> <p>Participants rated the consultation 3.5 out of 5, the same as the 2021 consultation on fees.</p>
	Completion of all other formal consultations with level of participant satisfaction at or above aggregate survey results for formal consultations in 2021	Achieved	<p>In 2022, RPRA conducted 5 formal consultations that included a stakeholder satisfaction survey. (RPRA convened a total of 12 consultations in 2022, with five facilitated through direct engagement where surveys could not be anonymized, and two launched in 2022 but concluded in 2023.)</p> <p>The aggregate survey score for formal consultations in 2022 was 3.8 out of 5, which is the same as 2021 aggregate score.</p>

**Strategic priority five** Organizational efficiency and sustainability

Objective	Target	2022 Performance	Comments
Set fees and other charges that sustain the organization	Recovery of costs without significant deficit or surplus, consistent with the approved budget	Achieved	RPRAs 2022 operating expenses and other amounts utilized (reserve recovery, RRCEA start up recovery and HST) were 7% lower than the 2022 budget.
	Contribution to reserve consistent with reserve fund policy	Achieved	The contribution to reserve of \$0.9M in 2022 is consistent with the budgeted contribution. The balance in the operating reserve as a percentage of expenses declined to 43% as of December 31, 2022, compared to 46% as of December 31, 2021. The reserve balance is less than 50% of operating expenses and in compliance with the reserve fund policy.
Establish an inclusive organizational culture free from harassment and based on professionalism, continuous improvement, integrity, accountability, respect, and collaboration	Level of engagement at or above levels established in the 2019 employee engagement survey	Missed	Overall scores for the survey resulted in an average of 78% favourable, which is slightly below 2019's 80% favorable results.
Operate based on principles and practices that will ensure efficient and effective management and value-for-money	Undertake an organizational review to support cost-efficient delivery of operations	Achieved	RPRAs engaged both internal resources and external experts on a number of focused reviews to enhance service delivery.
	Undertake a review of performance measures to strengthen key performance indicators	Achieved	RPRAs undertook a review of its performance measures, resulting in the adoption of 13 new measures, which will be reported on through future annual reports and the RPRAs website.

# Financials

December 31, 2022

## Management discussion and analysis

### Revenues

RPRA operates on a cost-recovery basis and is authorized through its legislated mandate to set and charge fees:

- Sections 34 and 41 of the WDTA allow RPRA to recover costs from industry funding organizations and industry stewardship organizations associated with RPRA's oversight of waste diversion programs operated by industry funding organizations and industry stewardship organizations and the winding up of those programs.
- Section 41 of the RRCEA authorizes RPRA to levy fees and charges for the purposes of cost recovery for activities related to the performance of its duties and exercise of its powers under the RRCEA or any other act.

RPRA had total revenues of \$14.2M in 2022 compared to revenues of \$11.8M in 2021. The increase was required to offset higher operating costs related to RPRA's expanded mandate and scope of responsibilities, which includes administering six producer responsibility programs under the RRCEA – the last of which launched in late 2022 (Lighting) – and two additional registries, one for excess soil and one for the Hazardous Waste Program (HWP).

Eighty-five percent, or \$12.1M, of RPRA's revenues are cost recoveries from registrants who were obligated to register or report to RPRA under the Tires, Electrical and Electronic Equipment, Batteries, Hazardous and Special Products or Blue Box regulations, or who reported through the Excess Soil Registry on a voluntary basis. In 2022, no cost recovery revenue related to HWP expenses was budgeted for or recognized, because RPRA does not bill for a registry program until the registry is in operation. Billings for HWP began on January 1, 2023 – the HWP Registry's official launch date. The remainder of RPRA's 2022 revenues, which totaled \$2.1M, were obtained through fees to industry funding organizations and industry stewardship organizations under sections 34 and 41 of the WDTA to finance RPRA's activities related to the oversight of the wind up of waste diversion programs that are or were operated by these organizations.

As the RRCEA programs mature and WDTA programs and their associated funding organizations wind

up, RPRA anticipates that its costs recovered under sections 34 and 41 of the WDTA will continue to decline towards zero, at which point all costs will be recovered under section 41 of the RRCEA.

### Operating expenses

RPRA's overall expenses increased 26% to \$14.7M in 2022 from \$11.7M in 2021 due to RPRA's expanded mandate, which increased from four programs in 2021 to eight in 2022: six registry and compliance programs under the RRCEA, and the HWP and Excess Soil registry programs. As a result, there were commensurate increases in 2022 expenses relating to full time employees, information technology, registry support, compliance, communication, amortization, and loan interest.

Key areas where expenses increased in 2022 over 2021 include the following:

- Registry intangible capital costs, net of amortization, increased by \$12.7M – from \$9.6M in 2021 to \$22.3M in 2022 – to support the system's ongoing expansion to include new registry portals, and because of new additions to assets under construction for the Hazardous and Special Products and Blue Box programs and the HWP Registry. The increase in the value of the intangible assets resulted in an increase in amortization of the registry assets and associated loan interest expenses in 2022 and 2023.
- Higher salary and benefit expenses were incurred due to growth in full-time equivalent (FTE) positions on the compliance, information technology and finance teams – from 53.5 as of December 2021 to 67.5 as of December 2022.
- Higher information technology- and registry-related support costs were incurred. To support the development of the new registry portals, software licensing costs, professional services and supports, registry managed services, and one-time registry implementation operating costs.
- Higher costs were incurred to prepare compliance procedures.
- Total board compensation and related expenses

RPRA monitors risks and assesses our exposure and mitigation plans to ensure we are ready for unexpected challenges.



Julie Ilagan, an information technology asset disposition technician, tests computer monitors at a Quantum Lifecycle Partners facility where IT equipment is refurbished and packaged for reuse.

in 2022 was \$364,820 compared to \$349,490 in 2021. In 2022, directors claimed a total of \$324,098 in remuneration per diems, compared to \$300,645 in 2021. Other board-related expenses consist of statutory employer contributions, board meetings, board education and other meeting related expenses.

RPRA allocates its operating expenses as follows:

- To industry funding organizations and industry stewardship organizations if the expenses are associated with only the WDTA.
- To the producer responsibility registry programs under the RRCEA if the expenses are associated with only the resource recovery programs.
- To the HWP and Excess Soil registry programs (digital reporting services) under the RRCEA if the expenses are associated with only the digital reporting services programs.
- To both the WDTA and RRCEA programs for shared or indirect costs using cost allocation methods, which are based on data intended to reflect estimates of the cost drivers for that expense.

The financial statements include a schedule of RRCEA costs by program, and a schedule of WDTA costs by program.

#### **Unbilled fees receivable (deferred revenue)**

As outlined in note 6 of the financial statements, as of December 31, 2022, RPRA had an overall net shortfall in revenue billed to producers and other obligated parties totalling \$1.83M, or 14.5% of 2022 RRCEA expenses. This included a billing shortfall related to the Excess Soil Registry of \$1.98M and was offset by \$0.15M (or 1% of 2022 actual RRCEA expenses) billed to all producers in excess of revenues required.

An unbilled receivable balance of \$2.8M as of December 31, 2022 exists for the Tires, Lighting, HSP, and Excess Soil programs and indicates that these programs billed less than their share of costs and amounts utilized. The ITT/AV, Batteries and Blue Box programs billed more than their share of costs and amounts utilized and the excess is reflected in the balance sheet as deferred revenue in the amount of \$0.96M as of December 31, 2022. During the 2024 fee setting process, RRCEA fee rates will be adjusted up or down to account for

excess amounts billed (deferred revenue) or shortfalls in amounts billed (unbilled fees receivable) in 2022.

#### **Variance to 2022 budgeted revenue requirement**

The 2022 budgeted revenue requirement was \$18.4M (comprised of WDTA and RRCEA expenses of \$17.4M, and reserve and RRCEA start-up expense recovery of \$991K). The actual costs incurred and amounts utilized in 2022 were \$17.1M, or 7% less than the budgeted revenue requirement. The amounts utilized include actual WDTA and RRCEA operating expenses incurred, reserve recovery, RRCEA start up deficit recovery, and amounts utilized for the implementation of the Canada Revenue Agency ruling regarding HST.

#### **Operating reserve and net assets**

RPRA's operating reserve policy sets the maximum amount of the reserve at 50% of RPRA's annual operating costs. As outlined in RPRA's financial management and control policy, a sufficient and appropriate reserve balance is required to provide the cash flow necessary to maintain ongoing operations, and to serve as an internal source of funds in case of unbilled cost recoveries, unanticipated declines in revenues, or other non-recurring expenses. For 2022, \$0.9M was budgeted as a contribution to the reserve, increasing the balance from \$5.4M to \$6.3M. While the balance of RPRA's reserve increased by \$0.9M, the balance as a percentage of expenses declined to 43% as of December 31, 2022, compared to 46% as of December 31, 2021.

RPRA's net assets consist of the reserve, and a planned RRCEA deficit that will be recovered in future years.

The excess of expenses over revenues in 2022 was \$0.43M, consisting of the HWP deficit of \$1.42M, less the RRCEA start up recovery of \$0.09 and the reserve recoveries of \$0.9M. RPRA's total net assets on December 31, 2022 were \$3.3M. The net assets as a percentage of the 2022 annual operating expenses declined to 23% compared to 32% of 2021 annual operating expenses.

#### **Cash flows and liquidity**

At the end of 2022, RPRA had a negative working capital position (current assets minus current liabilities) of \$13.5M, compared to a positive working capital position of \$1.0M at the end of 2021, driven by increased bank indebtedness to support the Hazardous and Special

Products, Blue Box and HWP Registry programs' capital builds, and the delayed collection of the operating costs for the Excess Soil and HWP registries. Cash and short-term investments were \$6.7M at the end of 2022 compared to \$1.6M at the end of 2021. RPRA's cash position as of December 31, 2022 was substantially higher than 2021 due to the timing of the disbursement of amounts owing to vendors, lower resource recovery receivables compared to last year, and utilization of lines of credit to fund unbilled costs from the Excess Soil and HWP registries.

As of December 31, 2022, RPRA had drawn \$3.6M from its operating lines of credit to support the unbilled Excess Soil and HWP costs, which will be recovered through fees in 2023, 2024, and 2025. The cash balance, net of the amount drawn from lines of credits, amounted to \$3.1M as of December 21, 2022, compared to \$1.6M as of December 31, 2021.

### Bank indebtedness

As of December 31, 2022 RPRA had drawn \$18.3M from credit facilities to support its working capital requirements in the amount of \$3.6M and \$14.7M to finance the cost of building registry infrastructure.

- (i) RPRA has a total of \$10M available in operating credit facilities at Prime less 0.75% with a Canadian bank for:
  - Ongoing working capital requirements and general corporate purposes with a limit of \$5.0M
  - To finance the forecast working capital needs related to the start up of the HWP Registry (up to a \$2.9M limit)
  - To finance the forecast working capital needs caused by the temporary suspension of regulatory requirements related to the Excess Soil Registry (up to a \$2.1M limit)

These lines of credit will be repaid as fees are collected for 2023 to 2026.

- (ii) RPRA has a total of \$26.25M in available supplementary operating credit facilities with the same bank and at the same interest rate to finance the cost of building the registry projects required by RPRA's mandate, or to finance working capital requirements related to these builds. The total amount drawn on these operating credit facilities as of December 31,

2022 was \$14.7M, of which \$9.6M relates to the HWP and Excess Soil registries, and \$5.1M relates to the Hazardous and Special Products and Blue Box programs and foundational enhancements. As of December 31, 2021, RPRA had utilized \$1.9M for the HWP and Excess Soil registries.

The loan financing for registry builds in progress is shown as a current liability (i.e., a line of credit) until it is converted into a term loan facility, at which time the loan will be shown as a long-term liability. Repayment begins on a set schedule and at fixed interest rates for the lifetime of the loan. The conversion occurs when a registry build is completed. The bank indebtedness for the registry infrastructure builds for the Hazardous and Special Products and Blue Box programs, and the Excess Soil and HWP registries is expected to convert to long-term liabilities on or before June 30th, 2023.

### Long term debt

During 2022 RPRA repaid \$0.9M of the principal owing on term loans, resulting in total long-term debt of \$8.5M as of December 31, 2022. The two 10-year term loans relate to the building of the Tires, Batteries, ITT/AV and Lighting program portals, and foundational elements of the registry. The term loans bear interest at 2.35% and 2.795%, which was determined when RPRA drew on those loans in 2021.

RPRA continues to have committed term loans of up to \$26.25M available with the same bank to replace the supplementary operating credit facilities upon completion of registry builds. The \$26.25M in supplementary credit facilities and committed term loans is the total amount available, not the total estimated amount required. After converting the credit facilities for the registry infrastructure builds for the Hazardous and Special Products and Blue Box programs, and the Excess Soil and HWP registries to term loans, and after considering planned investments in the 2023 to 2025 business plan, it is estimated that approximately \$7.0M of these credit facilities will be unused. However, the total cost and number of registry projects, which depend on the total number of materials designated under the RRCEA in the future and any future minister's directions, as well as future registry enhancement needs, is unknown at this time. All registry projects require Board approval and bank approval based on each RRCEA regulation or minister's



direction prior to accessing financing. All bank debt is secured by a general security agreement.

### Principal risks and uncertainties

RPRA 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 objectives. RPRA monitors its risks and continually assesses its exposure and mitigation plans to ensure its risk mitigation strategies support organizational resilience.

The key risks associated with RPRA's operations include:

- Uncertainty about the timing of the wind-up of current waste diversion programs under the WDTA.
- Uncertainty about potential revisions to regulations under the RRCEA, the timelines to implement changes in regulations, and impacts to fees and compliance operations.
- Uncertainty about expected numbers of registrants arising from the designation of additional materials under the RRCEA or additional ministerial directions.
- Uncertainty about timing of collections, volume of regulated material supplied by obligated entities, and volumes reported into the Excess Soil and HWP registries.
- Challenges recruiting and retaining skilled staff.

### HST

As of January 1, 2023, RPRA began collecting 13% HST on all fees at the time of fee payment. The Canada Revenue Agency ruled that RPRA must charge HST on its fees. In late December 2022 RPRA amended and reissued invoices that were issued prior to January 1, 2023. They were amended to indicate that 13% HST was paid. HST paid for invoices prior to January 1, 2023 was remitted to CRA and reflected as amounts utilized to determine unbilled fees receivable (deferred revenues).

### Outlook for 2023

Revenue for RPRA's 2023 operations, including reserve and RRCEA start-up recoveries, is budgeted at \$24.8M, compared to \$18.4M budgeted for 2022. In 2023, RPRA is also budgeting to recover \$1.1M in fees to recover part of the HWP deficit and delayed fees

deriving from the Excess Soil Registry.

Operating expenses are budgeted at \$23.5M compared to \$14.7M actual expenses incurred in 2022 (\$17.4M in expenses were budgeted for 2022). The increase in budgeted revenue and expenses is being driven by the need for additional resources to support the growth in mandated programs, and the growth in the number of registrants from approximately 3,600 to over 22,000. The budget includes planned increases in FTEs – primarily frontline staff to support registrants in navigating new regulations and associated portals, including the new Lighting, Hazardous and Special Products, Blue Box and Excess Soil program portals that launched in late 2022, and the HWP Registry that launched January 1, 2023.

The increase in registry builds in fiscal 2022 will lead to increased amortization and interest costs for the new portals going live, along with higher prime lending rates. An increase in IT support and software costs will also be required to manage both new and existing programs. The majority of the budget increase is allocated to new programs. RPRA maintains cost and quality control processes and procedures to assess and track the necessity, efficiency and efficacy of expenditures.

Liquidity from working capital, cash management, and the utilization of credit facilities will be closely monitored during 2023. Specifically, RPRA will monitor the volumes and timing of cash receipts related to its RRCEA programs, especially since some uncertainty exists during the first full year of operations for the HWP and Excess Soil registries as of January 1, 2023. The bank indebtedness to support the completed registry builds will be converted to term loans in 2023.

# Financial statements

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## Resource Productivity and Recovery Authority

Year ended December 31, 2022

## Independent auditor's report

**May 24, 2023**

To the Board of Directors of Resource Productivity and Recovery Authority

**Opinion**

We have audited the financial statements of Resource Productivity and Recovery Authority (the Authority), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Resource Productivity and Recovery Authority

Year ended December 31, 2022

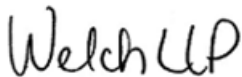
### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



#### Welch LLP

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

Year ended December 31, 2022

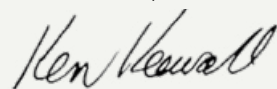
### Statement of financial position

Assets	Notes	2022	2021
<b>Current assets</b>			
Cash		\$ 6,688,540	\$ 1,556,991
Accounts receivable	3	1,936,335	3,050,357
Government remittances receivable		661,596	–
Current portion of unbilled fees receivable	6	1,480,454	1,929,771
Prepaid expenses		230,271	228,224
		10,997,196	6,765,343
<b>Deposits</b>		95,860	95,860
<b>Tangible capital assets</b>	4	1,100,034	1,402,559
<b>Intangible assets</b>	5	22,296,055	9,581,898
<b>Unbilled fees receivable</b>	6	1,322,279	–
		<b>\$ 35,811,424</b>	<b>\$ 17,845,660</b>
<b>Liabilities and net assets (deficit)</b>			
<b>Current liabilities</b>			
Bank indebtedness	7	\$ 18,293,485	\$ 1,870,746
Accounts payable and accrued liabilities		4,321,723	1,712,438
Government remittances payable		–	201,701
Deferred revenue	6	964,494	386,661
Current portion of long-term debt	8	926,313	914,100
		24,506,015	5,085,646
<b>Long-term debt</b>	8	7,567,580	8,494,590
<b>Deferred leasehold inducements</b>	9	394,853	493,567
		<b>32,468,448</b>	<b>14,073,803</b>
<b>Net assets (deficit)</b>			
WDTA		–	–
RRCEA	10	(2,968,534)	(1,639,653)
Contingency reserve - internally restricted		6,311,510	5,411,510
		<b>\$ 3,342,976</b>	<b>\$ 3,771,857</b>
		<b>\$ 35,811,424</b>	<b>\$ 17,845,660</b>

Approved on behalf of the Board of Directors of Resource Productivity and Recovery Authority:



Robert Poirier, Chair



Ken Kawall, Treasurer

See accompanying notes

## 11 FINANCIALS

### Resource Productivity and Recovery Authority

Year ended December 31, 2022

## Statement of operations

Year ended December 31, 2022

	Note	WDTA	RRCEA	Total
<b>Revenue</b>				
Cost recovery		\$ 2,003,410	\$ 11,244,729	\$ 13,248,139
Reserve fees		144,000	756,000	900,000
Start-up costs recovery		–	91,842	91,842
Other		–	–	–
		<b>2,147,410</b>	<b>12,092,571</b>	<b>14,239,981</b>
<b>Expenses</b>				
Salaries and benefits	12	1,212,415	5,797,951	7,010,366
Information technology and registry		134,813	2,816,043	2,950,856
Professional fees		243,504	484,612	728,116
Rent	9	150,208	719,781	869,989
Amortization of tangible capital assets	4	83,295	270,707	354,002
Amortization of intangible assets	5	13,913	1,081,111	1,095,024
Other operating	11	55,388	251,175	306,563
Board compensation and related expenses		85,840	278,981	364,821
Communications		24,034	157,335	181,369
Compliance and registry support		–	217,144	217,144
Loan interest	7&8	–	590,612	590,612
		<b>2,003,410</b>	<b>12,665,452</b>	<b>14,668,862</b>
<b>Revenue over expenses (expenses over revenue)</b>		<b>\$ 144,000</b>	<b>\$ (572,881)</b>	<b>\$ (428,881)</b>

See accompanying notes

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

Year ended December 31, 2022

### Statement of operations

Year ended December 31, 2021

WDTA	RRCEA	Total
\$ 3,175,096	\$ 7,600,791	\$ 10,775,887
288,000	612,000	900,000
–	91,842	91,842
–	–	–
<b>3,463,096</b>	<b>8,304,633</b>	<b>11,767,729</b>
1,999,145	3,819,640	5,818,785
128,482	1,853,714	1,982,196
448,843	420,511	869,354
262,137	557,041	819,178
111,966	237,927	349,893
12,705	774,684	787,389
67,053	219,685	286,738
111,837	237,653	349,490
32,762	108,228	140,990
–	98,625	98,625
166	178,420	178,586
<b>3,175,096</b>	<b>8,506,128</b>	<b>11,681,224</b>
<b>\$ 288,000</b>	<b>\$ (201,495)</b>	<b>\$ 86,505</b>

## 11 FINANCIALS

### Resource Productivity and Recovery Authority

Year ended December 31, 2022

## Statement of changes in net assets

Year ended December 31, 2022	WDTA	RRCEA (note 10)	Contingency reserve - internally restricted	Total
Net assets (deficit), beginning of year	\$ –	\$ (1,639,653)	\$ 5,411,510	\$ 3,771,857
Excess of revenue over expenses (expenses over revenue)	144,000	(572,881)	–	(428,881)
Allocation of reserve fees	(144,000)	(756,000)	900,000	–
Net assets (deficit), end of year	\$ –	\$ (2,968,534)	\$ 6,311,510	\$ 3,342,976

Year ended December 31, 2021	WDTA	RRCEA (note 10)	Contingency reserve - internally restricted	Total
Net assets (deficit), beginning of year	\$ –	\$ (826,158)	\$ 4,511,510	\$ 3,685,352
Excess of revenue over expenses (expenses over revenue)	288,000	(201,495)	–	86,505
Allocation of reserve fees	(288,000)	(612,000)	900,000	–
Net assets (deficit), end of year	\$ –	\$ (1,639,653)	\$ 5,411,510	\$ 3,771,857

See accompanying notes



# 11 FINANCIALS

## Resource Productivity and Recovery Authority

Year ended December 31, 2022

### Statement of cash flows

	2022	2021
<b>Cash flows from (used in) operating activities</b>		
Excess of revenue over expenses (expenses over revenue)	\$ (428,881)	\$ 86,505
<b>Adjustments for:</b>		
Amortization of tangible capital assets	354,002	349,893
Amortization of intangible capital assets	1,095,024	787,389
Amortization of deferred leasehold inducements	(98,714)	(98,713)
	<b>921,431</b>	<b>1,125,074</b>
<b>Changes in non-cash working capital components:</b>		
Accounts receivable	1,114,022	(1,643,271)
Unbilled fees receivable	(872,962)	795,859
Prepaid expenses	(2,047)	(136,636)
Deposits	–	14,634
Accounts payable and accrued liabilities	2,609,285	750,569
Government remittances receivable	(661,596)	–
Government remittances payable	(201,701)	183,226
Deferred revenue	577,833	386,661
	<b>3,484,265</b>	<b>1,476,116</b>
<b>Investing activities</b>		
Additions to capital assets - net	(51,477)	(69,217)
Additions to intangible assets	(13,809,181)	(4,227,959)
	<b>(13,860,658)</b>	<b>(4,297,176)</b>
<b>Financing activities</b>		
Increase (decrease) in bank indebtedness	16,422,739	(6,119,809)
Advances of long term debt	–	9,660,362
Principal payments on long term debt	(914,797)	(251,672)
	<b>15,507,942</b>	<b>3,288,881</b>
<b>Increase in cash</b>	<b>5,131,549</b>	<b>467,821</b>
<b>Cash, beginning of year</b>	<b>1,556,991</b>	<b>1,089,170</b>
<b>Cash, end of year</b>	<b>\$ 6,688,540</b>	<b>\$ 1,556,991</b>

See accompanying notes

## Notes to the financial statements

### 1. Nature of operations

On November 30, 2016 the Resource Productivity and Recovery Authority (the Authority) was proclaimed as part of the Waste-Free Ontario Act, 2016.

The Authority is responsible for operating a registry to receive and store information, providing information to the public in accordance with an Access and Privacy Code, oversight of industry funding organizations and industry stewardship plans continued under the Waste Diversion Transition Act, 2016 (WDTA), oversight of the winding up of programs operated by the industry funding organizations, and compliance and enforcement of the Resource and Circular Economy Act, 2016 (RRCEA) and the WDTA. Under the RRCEA, RPR also operates digital reporting services for programs that originated under the Environment Protection Act (EPA).

The Authority is a not-for-profit organization and is not subject to income taxes.

### 2. Significant accounting policies

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Fund accounting

The Authority's activities are reflected in the following funds:

- WDTA Fund: Reports the revenue and expenses related to operations under the WDTA.
- RRCEA Fund: Reports the revenue and expenses related to operations under the RRCEA.

A portion of funds have been internally restricted by the Board of Directors of the Authority to be used to provide for unexpected contingencies.

#### Revenue recognition

The Authority follows the deferral method of revenue recognition. Revenues are derived through fees charged to registrants under section 41 of the RRCEA, to industry funding organizations (IFOs) under section 33 (5) of the WDTA, and fees charged to industry stewardship organizations (ISOs) under section 41 of the WDTA. The fees are set to cover the Authority's related operating costs and to provide a reserve for contingencies. Revenue is recognized when the amount of revenue can be measured reliably, collection is probable, and the costs incurred or to be incurred can be measured reliably.

Amounts billed greater than related allocated expenses for the year are recorded as deferred revenues. Amounts billed less than the related allocated expenses for the year are recorded as unbilled fees receivable. This is largely due to the timing and volume of supply data reporting by RRCEA participants. The unbilled fees are receivable under the RRCEA and will be recovered when related amounts are invoiced and received.

#### Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets commencing on the date when the assets are placed into service. The estimated useful lives are as follows:

Computer software	3 years
Computer equipment	3 years
Office equipment and furniture	5-7 years
IT infrastructure and networks	5-10 years
Leasehold improvements	Over the term of the lease

#### Intangible assets

Intangible assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets commencing on the date when the assets are placed into service. The estimated useful lives are as follows:

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

### Notes to the financial statements

Year ended December 31, 2022

## 2. Significant accounting policies (continued)

Registry foundation and systems	3-10 years
Registry tires	10 years
Registry information technology, telecommunications, audio-visual (ITT/AV), lighting, and batteries	10 years
Registry excess soil	10 years
Registry Hazardous Special Products (HSP)	10 years
Registry Blue Box	10 years

### Impairment

The Authority tests for impairment whenever there are indicators of possible impairment. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds fair value. There were no impairment indicators for tangible capital or intangible assets in 2022 or 2021.

### Deferred leasehold inducements

Deferred leasehold inducements represent the reimbursement by the lessor of landlord restricted expenditures for leasehold improvements made by the Authority as inducements to enter into a new long-term lease agreement. Deferred leasehold inducements are amortized on a straight-line basis over the term of the lease.

### Financial instruments

The Authority measures its financial instruments assets and liabilities at fair value. The Authority subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable. The Authority has not designated any financial assets or financial liability to be measured at fair value.

### Allocation of direct and indirect expenses

The Authority oversees programs under the WDTA and RRCEA. Under the RRCEA, RPRA operates two kinds of programs: resource recovery programs and digital reporting services. The costs of each program include personnel costs and other expenses that are directly related to overseeing the program. The Authority also incurs a number of indirect and shared costs that are common to the administration and operation of the Authority and each of its programs. Indirect and shared costs are allocated between WDTA and RRCEA Programs in accordance with multiple allocation methods, which are based on data that intends to reflect an estimate of the cost drivers of that particular expense. The cost drivers and percentage rates are determined as part of the annual budget and fee setting process.

RRCEA Program's share of indirect and shared costs are allocated in accordance with the following methodology adopted by the Board of Directors of the Authority:

- i) indirect and certain shared costs that are needed for the overall organization's health and operations, including overhead expenses are allocated equally among programs or by weighted program; and
- ii) shared service expenses that are variable based on volume of activity and are incurred to centrally deliver direct services to all or some of RPRA's Programs are allocated using cost drivers that are intended to reflect an estimate of activity. Cost drivers include a program's share of total number of obligated producers, a program's share of total number of obligated registrants, average of cost drivers relating to specific programs driving that shared expense, and an average of various cost drivers.

Expenses begin to be allocated to an RRCEA Program during the year that RPRA starts the registry project for the program. Once an allocation of costs to a Registry Program is triggered, cost allocations depend in part on whether a Registry Program is active or under development.

WDTA share of indirect costs are allocated in accordance with the following methodology adopted by the Board of Directors of the Authority:

- i) 50% of indirect costs are shared equally among programs; and
- ii) the remaining 50% of indirect costs are allocated based on the program's direct costs, excluding Datacall and InKind program administration.
- iii) The WDTA share of the reserve fees is allocated among the WDTA programs based on each program's proportionate share of total WDTA indirect (or shared) expenses.

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

### Notes to the financial statements

Year ended December 31, 2022

#### 2. Significant accounting policies (continued)

Further, Industry Stewardship Plans (ISPs) are allocated a portion of the program's share of i) and ii) based on the relative proportion of the program's budget for the ISP material.

##### Use of estimates

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the reporting period. Estimates are primarily used in determining the useful lives of tangible capital assets and intangible assets, accrued liabilities, and the allocation of expenses. Actual results could differ from those estimates.

#### 3. Accounts receivable

Accounts receivable consists of the following:

	2022	2021
RRCEA registrants	\$ 1,503,193	\$ 2,113,311
Stewardship Ontario - Blue Box	278,976	609,591
Ontario Tire Stewardship - used tires	58,451	92,993
Ontario Electronic Stewardship - waste electrical and electronic equipment	45,345	96,340
Automotive Materials Stewardship - industry stewardship plan - automotive materials	14,096	31,403
News Media Canada	12,819	4,009
Stewardship Ontario - municipal hazardous or special waste	11,745	43,699
Product Care Association - industry stewardship plan - paint and coatings	7,182	26,135
Stewardship Ontario - Continuous Improvement Fund	2,919	616
Product Care Association - industry stewardship plan - pesticides, solvents and fertilizers	1,474	5,333
Sodastream Canada	135	135
Leasehold inducement	-	26,792
	<b>\$ 1,936,335</b>	<b>\$ 3,050,357</b>

#### 4. Tangible capital assets

Tangible capital assets consist of the following:

	2022		2021	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer software	\$ 3,764	\$ 3,764	\$ 3,764	\$ 3,764
Computer equipment	291,229	192,793	247,235	139,511
Office equipment and furniture	276,592	170,136	276,593	130,864
IT infrastructure and networks	262,570	195,952	262,570	149,119
Leasehold improvements	1,570,646	742,122	1,570,646	534,991
	<b>2,404,801</b>	<b>\$ 1,304,767</b>	<b>2,360,808</b>	<b>\$ 958,249</b>
Less: accumulated amortization	(1,304,767)		(958,249)	
	<b>\$ 1,100,034</b>		<b>\$ 1,402,559</b>	

The Authority disposed of fully amortized computer equipment with a cost of \$9,650 (2021 - \$27,164).

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

### Notes to the financial statements

Year ended December 31, 2022

#### 5. Intangible assets

Intangible assets consist of the following:

	2022		2021	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Registry foundation and systems	\$ 6,049,047	\$ 1,674,955	\$ 5,188,677	\$ 1,116,352
Registry tires	2,148,644	958,699	2,148,644	747,497
Registry ITT/AV, Lighting and Batteries	1,326,589	187,933	1,326,589	55,273
Registry excess soil	1,043,945	113,094	1,043,945	8,700
Registry Hazardous and Special Products (HSP)	2,438,035	60,950	–	–
Registry Blue Box	1,088,599	27,215	–	–
Registry under construction	11,224,042	–	1,801,865	–
	<b>25,318,901</b>	<b>\$ 3,022,846</b>	<b>11,509,720</b>	<b>\$ 1,927,822</b>
Less: accumulated amortization	(3,022,846)		(1,927,822)	
	<b>\$ 22,296,055</b>		<b>\$ 9,581,898</b>	

#### 6. Unbilled fees receivable and deferred revenue

The unbilled fees receivable and deferred revenue relating to the RRCEA programs are made up as follows:

	Tires	ITT/AV & Batteries	Lighting	HSP	Blue Box	Excess Soil	2022 Total
Balance, beginning of year	\$ (174,824)	\$ 615,692	\$ –	\$ 660,368	\$ (211,837)	\$ 653,711	\$ 1,543,110
Revenue billed	(1,760,988)	(3,855,622)	(454,744)	(2,542,281)	(4,350,209)	(229,083)	(13,192,927)
Utilized during the year	1,971,815	2,872,462	1,047,190	2,072,779	3,965,020	1,558,790	13,488,056
Balance, end of year	36,003	(367,468)	592,446	190,866	(597,026)	1,983,418	1,838,239
Less: deferred revenue	–	367,468	–	–	597,026	–	964,494
Less: current portion of unbilled fees receivable	36,003	–	592,446	190,866	–	661,139	1,480,454
Long-term portion of unbilled fees receivable	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 1,322,279	\$ 1,322,279

On April 21, 2022, the Ministry of the Environment, Conservation and Parks announced the temporary suspension of the registration and reporting requirements under the Excess Soil Regulation until January 1, 2023. This suspension resulted in a delay in collecting fees for the Excess Soil program. The Excess Soil unbilled fees receivable are expected to be recovered over the next 3 years.

Amount utilized during the year includes cost recovery of expenses, reserve contribution, start-up costs recovery and amounts utilized for amounts owing to CRA for HST payable.

#### 7. Bank indebtedness

The Authority has revolving and supplementary operating credit facilities that bear interest at a floating rate equal to prime rate, minus 0.75% per annum, with a Canadian bank. All bank debt is secured by a general security agreement. The amounts drawn on these operating credit facilities as at December 31, 2022 are \$18,293,485 (2021 - \$1,870,746).

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

### Notes to the financial statements

Year ended December 31, 2022

#### 7. Bank indebtedness (continued)

Operating credit facilities consist of the following:

	Note	2022	2021
<b>Credit facilities for registry infrastructure and set up costs for:</b>			
HWP & Excess Soil, limit of \$13.10 million	(i)	\$ 9,575,365	\$ 1,870,746
HSP, limit of \$6.25 million	(i)	2,784,428	–
Blue Box, limit of \$6.90 million	(i)	2,288,415	–
<b>Credit facility for operating costs for:</b>			
Excess Soil, limit of \$2.10 million	(ii)	1,846,435	–
<b>Credit facility for start up operating deficit for:</b>			
HWP, limit of \$2.90 million	(ii)	1,798,842	–
<b>Credit facility for ongoing working capital requirements and</b>			
general corporate purposes, limit of \$5.00 million		–	–
		<b>\$ 18,293,485</b>	<b>\$ 1,870,746</b>

(i) Credit facilities for registry infrastructure and set up costs are due upon project completion no later than June 30, 2023 or at a date to be mutually agreed upon.

(ii) Credit facilities for Excess Soil and HWP operating costs are due no later than December 31, 2025 and December 31, 2026 respectively.

#### 8. Long-term debt

The Authority has available committed Term Loans of up to \$26.25 million, with the same bank as disclosed in note 7, to replace the supplementary operating credit facilities when certain milestones are reached in conjunction with the registry system builds. The interest rate on the term loans will be determined when the organization draws on these facilities. The amount drawn on term loans at December 31, 2022 is \$8,493,893 (2021 - \$9,408,690). All bank debt is secured by a general security agreement.

Long-term debt consists of the following:

	2022	2021
Loan payable - 2.35%, due June 18, 2026, payable in blended monthly instalments of \$52,974.	\$ 4,893,893	\$ 5,408,690
Loan payable - 2.795%, due December 22, 2026, payable in blended monthly instalments of \$33,333 plus interest.	3,600,000	4,000,000
	8,493,893	9,408,690
Less: current portion	(926,313)	(914,100)
	<b>\$ 7,567,580</b>	<b>\$ 8,494,590</b>

Principal repayments over the next five years are estimated to be as follows:

2023	\$ 926,313
2024	938,535
2025	951,608
2026	5,677,437
<b>Total</b>	<b>\$ 8,493,893</b>

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

### Notes to the financial statements

Year ended December 31, 2022

#### 9. Deferred leasehold inducements

Deferred leasehold inducements consist of the following:

	2022		2021	
	Deferred leasehold inducement	Accumulated amortization	Deferred leasehold inducement	Accumulated amortization
Deferred leasehold inducements	\$ 830,230	\$ 435,377	\$ 830,230	\$ 336,663
Less: accumulated amortization	(435,377)		(336,663)	
	<b>\$ 394,853</b>		<b>\$ 493,567</b>	

Amortization of \$98,714 (2021 - \$98,713) is being recorded as a reduction of rent expense.

#### 10. RRCEA net assets (deficit)

RRCEA net assets (deficit) consist of the following:

	2022	2021
RRCEA start-up deficit	\$ (642,474)	\$ (734,316)
RRCEA Hazardous Waste Program deficit	(2,326,060)	(905,337)
	<b>\$ (2,968,534)</b>	<b>\$ (1,639,653)</b>

The RRCEA start-up deficit relates to operating costs incurred in prior years which will be reduced by \$91,842 annually through RRCEA fees.

The RRCEA Hazardous Waste Program deficit relates to operating costs incurred to support the set up of the Hazardous Waste Program Reporting Service which launched January 1, 2023. It is anticipated that this deficit will be recovered in 2023 to 2025 through future fees to be collected from obligated registrants of this program. This deficit is partially financed through the Credit Facility as described in note 7.

#### 11. Other operating costs

Other operating costs consist of the following:

	2022	2021
Telephone and internet	\$ 76,763	\$ 57,919
Staff training and expenses	75,398	52,842
Bank charges, fees and interest	34,397	89,081
Insurance	41,771	33,021
Office and general expenses	40,492	31,847
Dues, subscriptions and events	37,742	22,028
	<b>\$ 306,563</b>	<b>\$ 286,738</b>

#### 12. Post-retirement benefits

The Authority has a defined contribution pension plan for its employees. The Authority contributes 1.5% of the employee's annual salary to the plan. Employees are not required to make contributions to the plan, however, the plan allows for a voluntary contribution of up to 5% of the employee's annual salary. If a voluntary contribution is made the Authority will match it. During the year, the Authority charged \$318,102 (2021 - \$223,074) to expenses for contributions and administration of the pension plan. The assets of the plan are held separately from those of the Authority in an independently administered fund.

# 11 FINANCIALS

## Resource Productivity and Recovery Authority

### Notes to the financial statements

Year ended December 31, 2022

### 13. Commitments

The Authority is under a lease for office space. The minimum annual payments are as follows:

2023	\$ 503,042
2024	517,390
2025	517,390
2026	531,737
Total	\$ 2,069,559

### 14. Financial instruments

The Authority is exposed to and manages various financial risks resulting from operations and does not use derivative financial instruments to manage its risks. The Authority's main financial risk exposures and its financial risk management policies are as follows:

#### Credit risk

Credit risk is the risk one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority's maximum exposure to credit risk represents the sum of the carrying value of its cash and accounts receivable. The Authority's cash is deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be unlikely. Accounts receivable consists mainly of amounts due from Industry Funding Organizations and RRCEA registrants, who are obligated to pay under the WDTA and RRCEA. Management reviews and monitors the collection of the accounts receivable and is of the opinion that the Authority is not exposed to any significant credit risk. Management believes the accounts receivable outstanding as at December 31, 2022 are collectible and an allowance is not warranted on the amounts due.

#### Liquidity risk

Liquidity risk is the risk that the Authority cannot meet a demand for cash or fund its obligations as they become due. Management considers the Authority has sufficient credit facilities to ensure that funds are available to meet its current and mid-term financial needs at a reasonable cost. The Authority manages its liquidity needs by forecasting its monthly cash inflows and outflows and managing arranged bank facilities and term loans.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

##### i) Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Authority's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

##### ii) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. The Authority's cash earns interest at prevailing market rates and the interest rate exposure related to these financial instruments is negligible. The Authority is exposed to interest rate risk arising from fluctuation in interest rates on its credit facilities and term loans.



# 11 FINANCIALS

## Resource Productivity and Recovery Authority

### Notes to the financial statements

Year ended December 31, 2022

#### 14. Financial instruments (continued)

##### Market risk (continued)

##### iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of the changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Since the Authority does not have investments in publicly traded marketable securities, it is not exposed to other price risk.

##### Changes in risk

There are no significant changes in risk exposure from the previous year.

#### 15. Comparative figures

Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

## 11 FINANCIALS

### Resource Productivity and Recovery Authority

#### Notes to the financial statements

Year ended December 31, 2022

## Schedule of program costs for the *Waste Diversion Transition Act, 2016*

Year Ended December 31

2022

	Industry stewardship plans	Continuous Improvement Fund	Blue Box waste	Used Tires
<b>Direct expenses</b>				
Salaries and benefits	\$ 4,617	\$ 27,908	\$ 209,579	\$ 2,184
Professional fees	–	–	203,017	14,773
Communications	–	–	12,067	–
<b>Indirect and shared expenses</b>	132,291	72	800,530	219,534
<b>Total</b>	<b>\$ 136,908</b>	<b>\$ 27,980</b>	<b>\$ 1,225,193</b>	<b>\$ 236,491</b>

2021

	Industry stewardship plans	Continuous Improvement Fund	Blue Box waste	Used Tires
<b>Direct expenses</b>				
Salaries and benefits	\$ 6,455	\$ 3,805	\$ 193,936	\$ 20,655
Professional fees	–	–	230,250	22,059
Communications	–	–	6,236	–
<b>Indirect and shared expenses</b>	249,867	–	1,235,426	482,241
<b>Total</b>	<b>\$ 256,322</b>	<b>\$ 3,805</b>	<b>\$ 1,665,848</b>	<b>\$ 524,955</b>

## 11 FINANCIALS

### Resource Productivity and Recovery Authority

#### Notes to the financial statements

Year ended December 31, 2022

## Schedule of program costs for the *Waste Diversion Transition Act, 2016*

Year Ended December 31

### 2022

Waste Electrical and Electronic Equipment	News Media Canada	Municipal Hazardous or Special Waste	Total
\$ 13,821	\$ 28,220	\$ 10,305	\$ 296,634
–	–	–	217,790
–	–	–	12,067
236,298	72	88,122	1,476,919
<b>\$ 250,119</b>	<b>\$ 28,292</b>	<b>\$ 98,427</b>	<b>\$ 2,003,410</b>

### 2021

Waste Electrical and Electronic Equipment	News Media Canada	Municipal Hazardous or Special Waste	Total
\$ 17,016	\$ 8,343	\$ 21,240	\$ 271,450
21,377	–	–	273,686
–	–	–	6,236
489,612	–	166,578	2,623,724
<b>\$ 528,005</b>	<b>\$ 8,343</b>	<b>\$ 187,818</b>	<b>\$ 3,175,096</b>

## 11 FINANCIALS

### Resource Productivity and Recovery Authority

#### Notes to the financial statements

Year ended December 31, 2022

## Schedule of program costs for the *Resource Recovery and Circular Economy Act (RRCEA)*

Year Ended December 31

2022

	Tires	ITT/AV & Batteries	Lighting	HSP
<b>Direct expenses</b>				
Salaries and benefits	\$ –	\$ –	\$ –	\$ –
Information technology and registry	–	–	–	79,000
Professional fees	19,829	44,493	–	15,772
Amortization of tangible capital and intangible assets	211,202	99,495	33,166	61,682
Compliance and registry support	3,960	45,648	–	20,844
Loan interest	44,299	27,296	9,099	54,427
<b>Indirect and shared expenses</b>	1,434,548	2,062,541	877,253	1,430,587
<b>Total</b>	<b>\$ 1,713,838</b>	<b>\$ 2,279,473</b>	<b>\$ 919,518</b>	<b>\$ 1,662,312</b>

Year Ended December 31

2021

	Tires	ITT/AV & Batteries	Lighting	HSP
<b>Direct expenses</b>				
Salaries and benefits	\$ –	\$ –	\$ –	\$ –
Information technology and registry	–	68,844	–	–
Professional fees	12,628	28,885	–	16,717
Amortization of tangible capital and intangible assets	211,630	55,273	–	–
Compliance and registry support	–	–	–	8,600
Loan interest	55,712	29,112	–	16,604
<b>Indirect and shared expenses</b>	889,993	1,688,870	–	1,303,569
<b>Total</b>	<b>\$ 1,169,963</b>	<b>\$ 1,870,984</b>	<b>\$ –</b>	<b>\$ 1,345,490</b>

## 11 FINANCIALS

### Resource Productivity and Recovery Authority

#### Notes to the financial statements

Year ended December 31, 2022

## Schedule of program costs for the *Resource Recovery and Circular Economy Act (RRCEA)*

Year Ended December 31

**2022**

Blue Box	HWP	Excess Soil	Total
\$ 85,576	\$ 43,710	\$ –	\$ 129,286
79,000	444,268	–	602,268
12,925	47,593	4,883	145,495
27,946	731	105,125	539,347
–	–	26,278	96,730
38,415	205,975	71,467	450,978
3,001,932	678,445	1,216,042	10,701,348
<b>\$ 3,245,794</b>	<b>\$ 1,420,722</b>	<b>\$ 1,423,795</b>	<b>\$ 12,665,452</b>

Year Ended December 31

**2021**

Blue Box	HWP	Excess Soil	Total
\$ –	\$ –	\$ –	\$ –
–	–	75,999	144,843
32,572	3,450	16,584	110,836
–	–	8,700	275,603
–	–	76,280	84,880
16,604	21,627	20,050	159,709
2,456,598	880,261	510,966	7,730,257
<b>\$ 2,505,774</b>	<b>\$ 905,338</b>	<b>\$ 708,579</b>	<b>\$ 8,506,128</b>

**Appendix A**



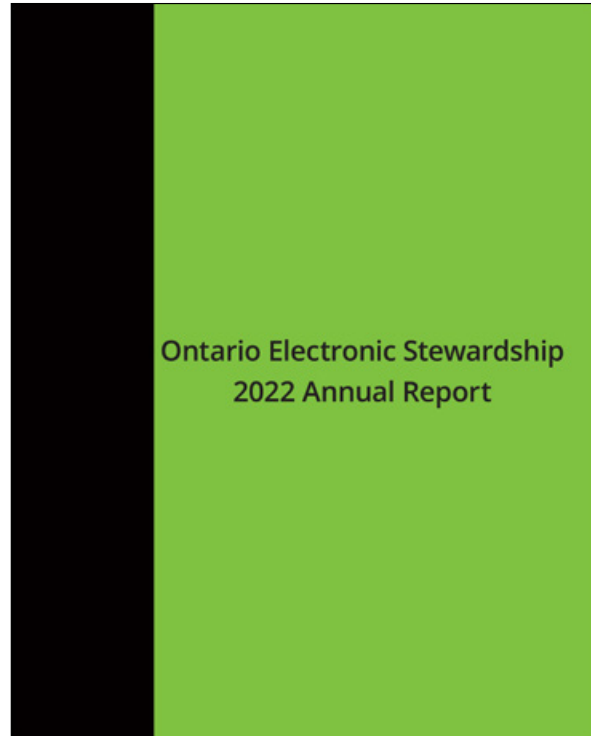
**Stewardship Ontario Annual Report**

*For Blue Box and Municipal Hazardous or Special Waste Programs*

Stewardship Ontario is the industry funding organization responsible for the Blue Box Program until it completes its transition to the producer responsibility framework under the RRCEA in 2025. Stewardship Ontario was also responsible for the Municipal Hazardous or Special Waste (MHSW) Program, which ceased operations on September 30, 2021. The single-use batteries program which operated as part of the MHSW Program transitioned to the producer responsibility framework under the RRCEA on July 1, 2020.

The Blue Box Program collects recyclable materials such as paper, glass, plastic, and aluminum, and the MHSW Program collected consumer household hazardous or special waste. The materials collected through these programs are recycled or disposed of safely in accordance with the WDTA.

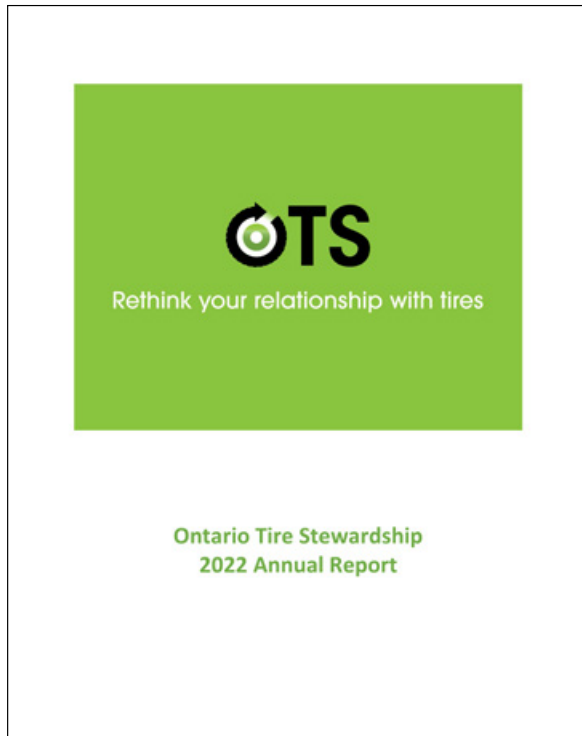
**Appendix B**



**Ontario Electronic Stewardship Annual Report**

Ontario Electronic Stewardship is the industry funding organization that operated the Waste Electrical and Electronic Equipment (WEEE) Program under the Waste Diversion and Transition Act, 2016. The WEEE Program collected and managed obligated electronics when consumers disposed of them. The WEEE program transitioned to the producer responsibility framework under the RRCEA on January 1, 2021.

## Appendix C



### Ontario Tire Stewardship Annual Report

Ontario Tire Stewardship is the industry funding organization that was responsible for managing the waste diversion program for used tires under the WDTA. The Used Tires Program transitioned to the producer responsibility framework under the RRCEA January 1, 2019.

## Appendix D



### Brewers Retail Inc. Annual Report

The Beer Store is a privately owned chain of retail outlets selling beer and other malt beverages in Ontario. The Beer Store collects beer containers and packaging sold in its stores and operates the Ontario Deposit Return Program, which collects alcohol containers sold outside its stores, including wine, spirits, beer, and coolers. The Beer Store is not overseen by RPRA but is required to submit its annual report to RPRA for RPRA to make the report public.



**RPRA**

Resource Productivity  
& Recovery Authority

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