

## 5.5 2015 Fee Scenarios and Commentary

As noted above, Stewardship Ontario is showing two fee scenarios for stewards to provide them with some guidance for setting their 2015 budgets – Scenario 1 (paying to Best Practice Cost<sup>1</sup>) and Scenario 2 (paying to municipal reported net costs). **These two scenarios are directional only** and a finalized fee schedule will be provided to stewards as soon as possible following the release of the arbitrator’s decision. The 2015 fee schedule variances are shown from the 2013 fee schedule (the last approved fee schedule).

### Status of 2014 Fee Schedule

Stewards will recall that pending the result of arbitration, the 2014 Fee Schedule was calculated using a proxy for the municipal obligation. The WDO Board did not approve the 2014 fee schedule and therefore in accordance with the Blue Box Rules, the 2013 fee rates have remained in effect and stewards were invoiced accordingly. There are a number of options for how Stewardship Ontario may incorporate the arbitrator’s decision into fees. The details on the timing and process of the adjustments will be shared with stewards following the release of the arbitrator’s decision.

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<sup>1</sup> Best Practice net cost as calculated using a Best Practice Cost Model developed to implement cost bands by a KPMG-led consortium at the request of MIPC (Municipal Industry Programs Committee) in 2007, and subsequently updated by MIPC.



## 2015 Draft Fee Scenarios<sup>2</sup>

<b>ONTARIO</b>						
		<i>Scenario 1 Best Practice Cost</i>	<i>Scenario 2 Reported Net Cost</i>		<i>Scenario 1 Best Practice Cost</i>	<i>Scenario 2 Reported Net Cost</i>
<b>Category</b>	<b>Material</b>	<b>Fee rates 2015</b>	<b>Fee rates 2015</b>	<b>Fee rates 2013</b>	<b>Variance vs 2013 fee rates</b>	<b>Variance vs 2013 fee rates</b>
<b>PRINTED PAPER</b>						
<b>Printed Paper</b>	Newsprint - CNA/OCNA	0.38 ¢/kg	0.38 ¢/kg	0.42	-9.5%	-9.5%
	Newsprint - Non-	4.06 ¢/kg	4.72 ¢/kg	3.62	12.2%	30.4%
	Magazines and	6.65 ¢/kg	7.74 ¢/kg	6.47	2.8%	19.6%
	Telephone Books	6.48 ¢/kg	7.54 ¢/kg	6.64	-2.4%	13.6%
	Other Printed Paper	13.71 ¢/kg	16.00 ¢/kg	9.99	37.2%	60.2%
<b>PACKAGING</b>						
<b>Paper Based Packaging</b>	Corrugated Cardboard	7.56 ¢/kg	8.46 ¢/kg	8.39 ¢/kg	-9.9%	0.8%
	Boxboard	7.56 ¢/kg	8.46 ¢/kg	8.39	-9.9%	0.8%
	Gable Top Cartons	19.06 ¢/kg	21.29 ¢/kg	18.22	4.6%	16.8%
	Paper Laminates	19.06 ¢/kg	21.29 ¢/kg	18.22	4.6%	16.8%
	Aseptic Containers	19.06 ¢/kg	21.29 ¢/kg	18.22	4.6%	16.8%
<b>Plastic Packaging</b>	PET Bottles	13.46 ¢/kg	15.19 ¢/kg	14.70 ¢/kg	-8.4%	3.3%
	HDPE Bottles	11.43 ¢/kg	13.12 ¢/kg	13.52	-15.5%	-3.0%
	Plastic Film	25.13 ¢/kg	28.10 ¢/kg	23.27	8.0%	20.8%
	Plastic Laminates	25.13 ¢/kg	28.10 ¢/kg	23.27	8.0%	20.8%
	Polystyrene	25.13 ¢/kg	28.10 ¢/kg	23.27	8.0%	20.8%
	Other Plastics	25.13 ¢/kg	28.10 ¢/kg	23.27	8.0%	20.8%
<b>Steel Packaging</b>	Steel Food & Beverage Cans	4.92 ¢/kg	5.77 ¢/kg	5.51 ¢/kg	-10.7%	4.7%
	Steel Aerosols	4.92 ¢/kg	5.77 ¢/kg	5.51	-10.7%	4.7%
	Steel Paint Cans	4.92 ¢/kg	5.77 ¢/kg	5.51	-10.7%	4.7%
<b>Aluminum Packaging</b>	Aluminum Food & Beverage Cans	2.44 ¢/kg	3.98 ¢/kg	2.56 ¢/kg	-4.7%	55.5%
	Other Aluminum Packaging	7.55 ¢/kg	8.55 ¢/kg	6.97 ¢/kg	8.3%	22.7%
<b>Glass Packaging</b>	Clear Glass	3.06 ¢/kg	3.37 ¢/kg	2.84	7.7%	18.7%
	Coloured Glass	3.32 ¢/kg	3.65 ¢/kg	4.84 ¢/kg	-31.4%	-24.6%

<sup>2</sup> The 2015 draft fee scenarios presents a comparison to the 2013 fee rates (which stewards are currently paying) instead of to the proposed 2014 fee schedule that was not approved by the WDO. The 2013 fee rates were calculated based on a \$107M total fee obligation.