



2022 Annual Steward Meeting

October 26, 2022





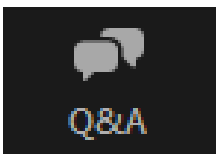
Welcome

Tamara Burns
Executive Director,
Western Canada



Webcast Information

- ① Main screen displays slides
- ② Current speaker will be on video
- ③ Submit your questions using the Q&A button in toggle bar



Technical issues? Send a note using the Q&A button




Acknowledgment



Today's Agenda

- 2023 Fee Introduction
- Recycle BC
- MMSW
- MMSM
- Stewardship Ontario
- Q&A



Report to Stewards

2022 Annual Steward Meeting
October 26, 2022

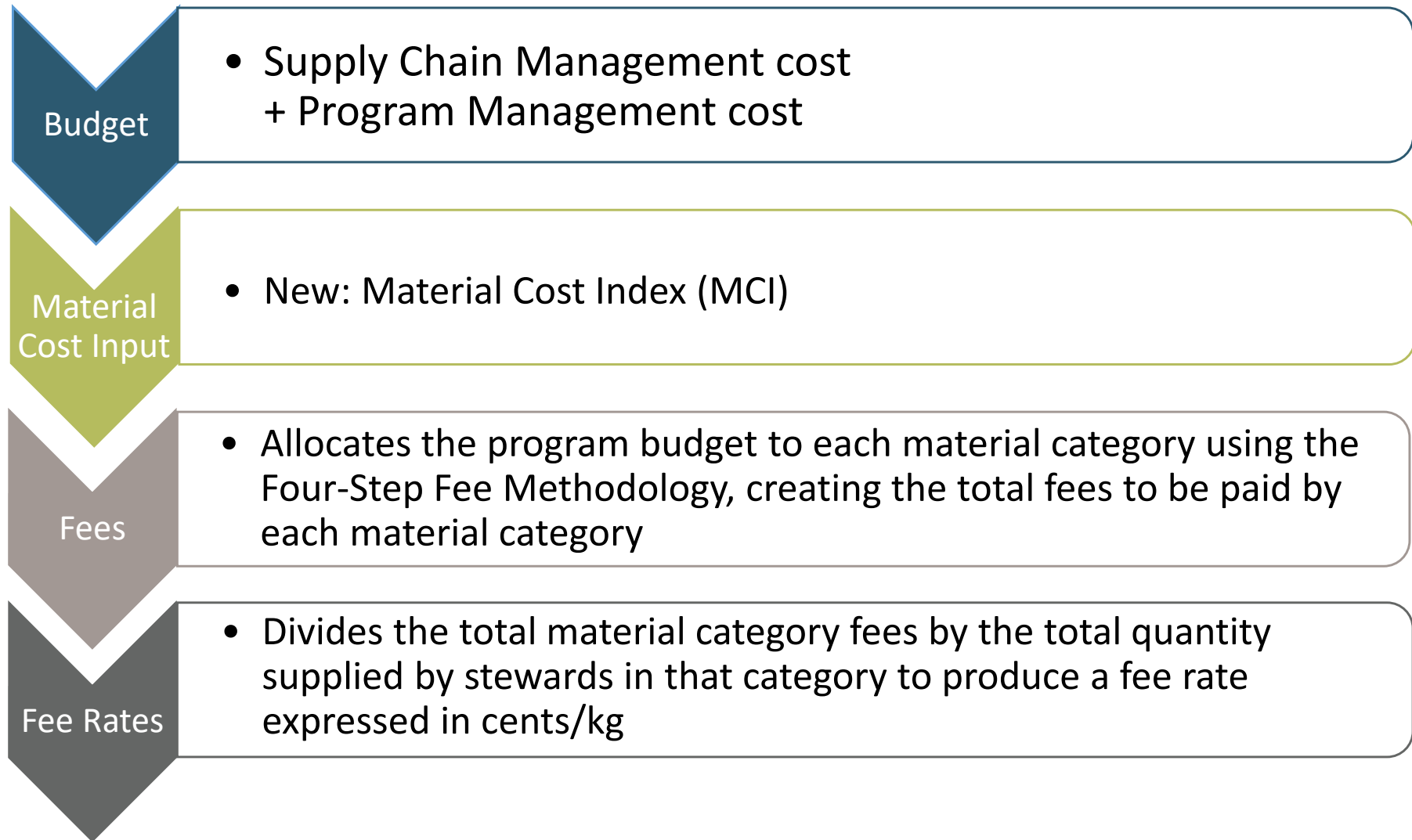


2023 Fee Introduction

Laurie Simpson



Fee Rates - Process



Material Cost Index

- Phased introduction of MCI completed last year
- Used as an input to Step 1 of the Four-Step Fee Methodology to allocate Gross Costs.
- Better differentiation of material cost impacts on recycling system activities
- MCI updated for 2023 based on studies

Impact of MCI Update

No notable increases in MCI; materials with noteworthy decreases include:

Kraft Paper

- Examples: grocery shopping bags, sugar bags.
- Increase in density due to trend towards more use of kraft paper takeout shopping bags and kraft packaging material for shipping

Boxboard

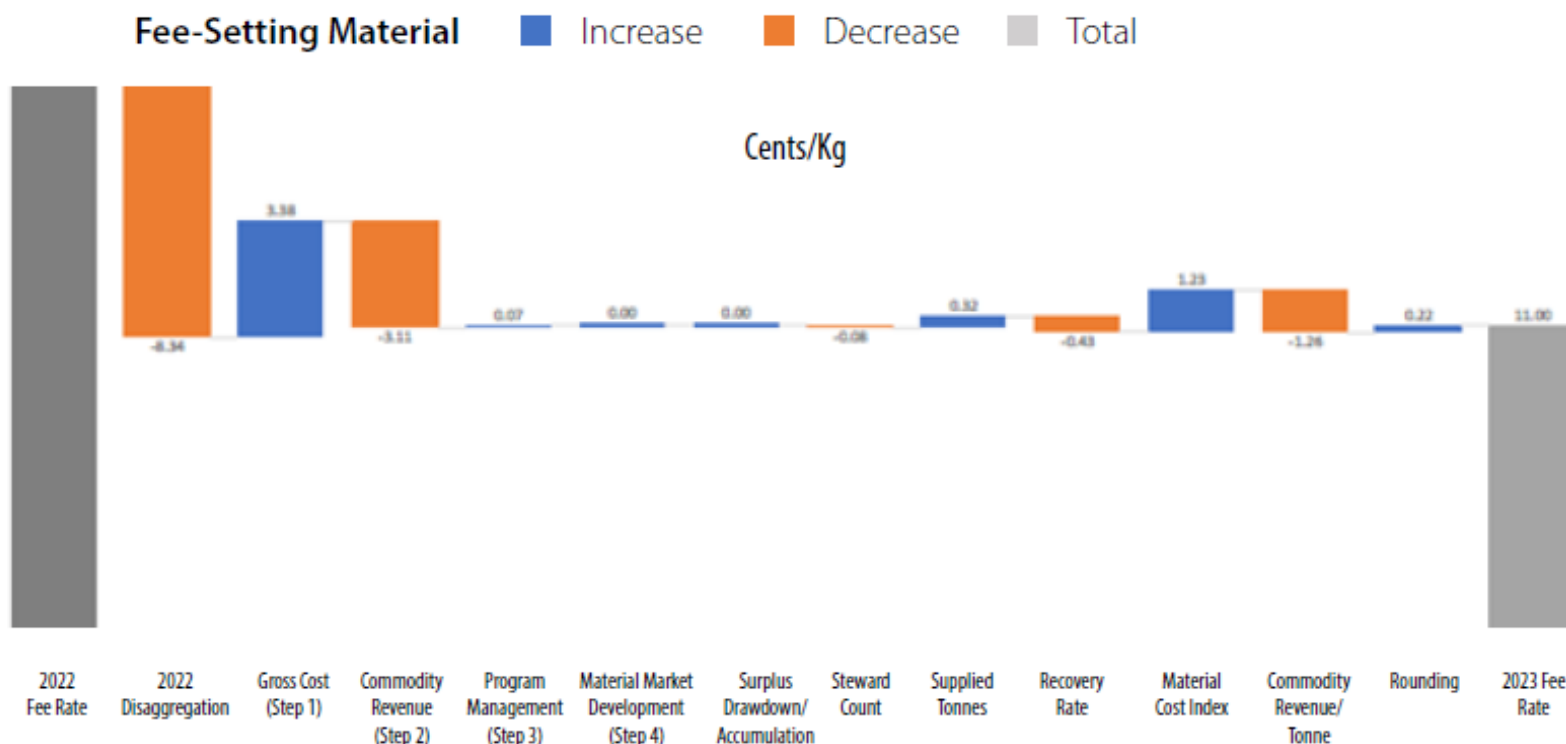
- Examples: cereal and tissue boxes.
- Increase in cart bulk density

Disaggregation

- Aggregation formerly used to “average” fee rates for some groups of materials has been retired
- Phased integration initiated in 2022 with MCI
- Improved fairness, no impact on reporting categories

Cause of Change

- Addresses steward requests for details behind changes to annual fee rates
- Examples and legend in Report to Stewards; available for all materials on program websites



2022 ANNUAL STEWARD MEETING

Tamara Burns, Executive Director

OCTOBER 26, 2022



RECYCLEBCTM

2021 PERFORMANCE

RECYCLE BC PERFORMANCE			
METRIC	2021	2020	YOY VARIANCE
RECYCLING PERFORMANCE			
Gross Tonnes Collected	229,922	221,870	3.6%
Net Tonnes Collected*	214,273	203,213	5.4%
Supplied Tonnes	227,603	236,884	-3.9%
Recovery Rate*	94.1%	85.8%	8.4%
Provincial Recovery Target	77.0%	77.0%	0.0%
Population Served by PPP Program**	4,969,000	4,614,000	7.7%
Recovered kg per capita	43.1	44.0	-2.1%
ACCESSIBILITY PERFORMANCE			
# Households Served*	2,027,709	1,867,262	8.6%
% Households with Access to PPP Program**	99.3%	99.2%	0.1%
P & E Cost per capita	\$ 0.45	\$ 0.40	13.5%
% of residents aware and using recycling services	96%	96%	0.0%
COST PERFORMANCE			
Net Tonnes Collected	214,273	203,213	5.4%
Net Cost	\$101,997,267	\$126,617,362	-19.4%
Net Cost per Tonne	\$ 476	\$ 623	-23.6%
Net Cost per Capita	\$ 21	\$ 27	-25.2%

* Net tonnes collected and recovery rate reflect the exclusion of tonnes collected by Recycle BC on behalf of other stewardship programs for reporting in their annual reports

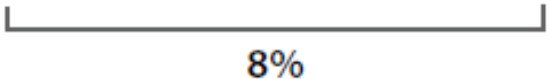
** Represents access to curbside, multifamily and/or depot service

UPDATES

- Pilot projects to increase recovery
 - Plastics focus
 - Mobile depots, community and pop-up events
- Milk containers moved to deposit Feb 2022
- Single-use products and packaging-like products reported in the 2022
- Program Plan – five-year renewal
 - Consultations in progress
 - Submit to Ministry in April 2023

BUDGET – FIVE-YEAR HISTORY

2019-2023 RECYCLE BC FEE BUDGET (\$ MILLIONS)					
PROGRAM YEAR	2023	2022	2021	2020	2019
Gross Costs	\$164.0	\$147.3	\$144.5	\$142.3	\$116.8
Commodity Revenue	(\$18.9)	(\$24.2)	(\$10.1)	(\$11.2)	(\$15.2)
Total Costs	\$145.2	\$123.2	\$134.4	\$131.1	\$101.6
Surplus Drawdown/ Accumulation	\$0.0	(\$15.0)	\$0.0	(\$10.0)	(\$5.0)
Total Fee Budget	\$145.2	\$108.2	\$134.4	\$121.1	\$96.6



 8%

Impact of commodity volatility and application of surplus drawdowns

2023 BUDGET

RECYCLE BC BUDGET			
	2023	2022	YOY VARIANCE
OBLIGATION SHARE	100%	100%	
Supply Chain Costs	\$135,175,719	\$113,512,679	19.1%
Promotion & Education	\$2,060,000	\$2,068,000	-0.4%
Program Management	\$7,935,244	\$7,607,634	4.3%
Program Management as % of total fees	5.5%	7.0%	-1.6%
Total Costs (before surplus) I	\$145,170,963	\$123,188,313	17.8%
Surplus Accumulation / (Drawdown)	\$ -	\$(15,000,000)	-100.0%
TOTAL FEE BUDGET	\$145,170,963	\$108,188,313	34.2%

2023 FEE SCHEDULE

RECYCLE BC FEE SCHEDULE (CENTS/KG)				
Category	Material	2023 Fee Rates (cents/ kg)	2022 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint	48.00	36.00	33.3%
	Magazines and Catalogues	19.00	26.00	-26.9%
	Telephone Books	19.00	26.00	-26.9%
	Other Printed Paper	58.00	44.00	31.8%
PAPER PACKAGING	Corrugated Cardboard	46.00	38.00	21.1%
	Boxboard	29.00	32.00	-9.4%
	Gable Top Cartons	70.00	47.00	48.9%
	Paper Laminates	55.00	44.00	25.0%
	Aseptic Containers	76.00	52.00	46.2%
PLASTICS	PET Bottles	90.00	40.00	125.0%
	HDPE Bottles	0.00	-4.00	100.0%
	Plastic Film	122.00	94.00	29.8%
	Plastic Laminates	122.00	96.00	27.1%
	Expanded Polystyrene	278.00	137.00	102.9%
	Rigid Polystyrene	117.00	137.00	-14.6%
	Other Plastics	81.00	82.00	-1.2%
STEEL	Other Steel Packaging	51.00	39.00	30.8%
	Steel Aerosols	35.00	33.00	6.1%
	Steel Paint Cans	47.00	31.00	51.6%
ALUMINUM	Aluminum Food & Other Containers	35.00	-23.00	252.2%
	Other Aluminum Packaging	45.00	-10.00	550.0%
GLASS	Clear Glass	41.00	33.00	24.2%
	Coloured Glass	41.00	35.00	17.1%



+26% AVG



*Aluminum,
PET, HDPE*

*Magazines/
Catalogues,
Telephone
Books*

2023 FLAT AND LOW-VOLUME FEES

RECYCLE BC LOW-VOLUME AND FLAT FEES			
TOTAL SUPPLIED (KG)	2023	2022	YOY VARIANCE
1,000 - 2,499	\$1,100	\$800	\$300 or 38%
2,500 - 5,000	\$2,500	\$1,900	\$600 or 32%
5,000 - 10,000	\$6,000	\$4,500	\$1,500 or 33%
10,000 - 15,000	\$10,200	\$7,600	\$2,600 or 34%

2022 Annual Steward Meeting

Tamara Burns,
Executive Director



2021 Performance

MMSW PERFORMANCE			
METRIC	2021	2020	YOY VARIANCE
RECYCLING PERFORMANCE			
Collected Tonnes	40,146	40,827	-1.7%
Supplied Tonnes	51,857	53,350	-2.8%
Recovery Rate	77.4%	76.5%	0.9%
Population Serviced by PPP Program*	923,650	916,370	0.8%
Recovered kg per capita	43.5	44.6	-2.4%
ACCESSIBILITY PERFORMANCE			
# Households Serviced*	376,552	371,492	1.4%
% Households with Access to PPP Program*	83.8%	85.9%	-2.1%
P & E Cost per capita	0.07	0.01	1202.1%
COST PERFORMANCE			
Collected Tonnes	40,146	40,827	-1.7%
Net Cost	\$13,119,626	\$10,877,920	20.6%
Net Cost per Tonne	\$327	\$266	22.7%
Net Cost per Capita	\$14	\$12	19.7%

MMSW Update

- 2022 cost study informs 2023 budget
 - Regulatory requirement
 - Overseen by Advisory Committee
- SK transition to full EPR
 - Govt announcement expected in 2023
- Seasonal household study

2023 Budget

MMSW BUDGET			
	2023	2022	YOY VARIANCE
OBLIGATION SHARE	75%	75%	
Supply Chain Costs	\$17,994,355	\$15,535,719	15.8%
Promotion & Education	\$50,000	\$50,000	0.0%
Program Management	\$1,746,243	\$1,650,660	5.8%
Program Management as % of total fees	8.8%	9.6%	-0.8%
Total Costs (before surplus)	\$19,790,597	\$17,236,379	14.8%
Surplus Accumulation / (Drawdown)	\$ -	\$-	
TOTAL FEE BUDGET	\$19,790,597	\$17,236,379	14.8%

2023 Fee Schedule

MMSW FEE SCHEDULE (CENTS/KG)				
Category	Material	2023 Fee Rates (cents/ kg)	2022 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint	36.00	28.00	28.6%
	Magazines and Catalogues	11.00	19.00	-42.1%
	Telephone Books	11.00	19.00	-42.1%
	Other Printed Paper	34.00	26.00	30.8%
PAPER PACKAGING	Corrugated Cardboard	30.00	27.00	11.1%
	Boxboard	20.00	22.00	-9.1%
	Gable Top Cartons	53.00	42.00	26.2%
	Paper Laminates	47.00	38.00	23.7%
	Aseptic Containers	42.00	38.00	10.5%
PLASTICS	PET Bottles	50.00	32.00	56.3%
	HDPE Bottles	-31.00	13.00	-338.5%
	Plastic Film	72.00	57.00	26.3%
	Plastic Laminates	84.00	60.00	40.0%
	Polystyrene	179.00	85.00	110.6%
	Other Plastics	49.00	52.00	-5.8%
STEEL	Other Steel Packaging	32.00	25.00	28.0%
	Steel Aerosols	27.00	23.00	17.4%
	Steel Paint Cans	33.00	23.00	43.5%
ALUMINUM	Aluminum Food & Other Containers	18.00	21.00	-14.3%
	Other Aluminum Packaging	20.00	27.00	-25.9%
GLASS	Clear Glass	21.00	16.00	31.3%
	Coloured Glass	21.00	16.00	31.3%



+14.1%
AVG



PET Bottles, Plastic Laminates, Polystyrene

Magazines/ Catalogues, Telephone Books, HDPE bottles

2023 Low-Volume Fees

MMSW LOW-VOLUME FEES			
TOTAL SUPPLIED	2023	2022	YOY VARIANCE
1,000 - 2,499	\$640	\$560	\$80 or 14%
2,500 - 5,000	\$1,340	\$1,170	\$170 or 15%

Annual Steward Meeting

October 26, 2022

Karen Melnychuk,
Executive Director


MMSM
**Multi-Material
Stewardship Manitoba**
INDUSTRY FUNDING RECYCLING



2021 Performance

MMSM PERFORMANCE			
METRIC	2021	2020	YOY VARIANCE
RECYCLING PERFORMANCE			
Recovered Tonnes	66,362	64,933	2.2%
Supplied Tonnes	92,187	88,701	3.9%
Recovery Rate	72.0%	73.2%	-1.2%
Population Served by PPP Program	1,275,203	1,208,276	5.5%
Recovered kg per capita	52.0	53.7	-3.2%
ACCESSIBILITY PERFORMANCE			
# Households Served	550,197	531,441	3.5%
% Households with Access to PPP Program	95%	95%	0.5%
P & E Cost per capita*	\$ 0.69	\$0.75	-8.1%
% of residents aware and using recycling services	93%	87%	6.5%
COST PERFORMANCE			
Recovered Tonnes	66,362	64,933	2.2%
Net Cost**	\$ 27,549,002	\$ 33,892,798	-18.7%
Net Cost per Tonne	\$ 415	\$522	-20.5%
Net Cost per Capita	\$22	\$ 28	-23.0%

Transition Plan

- Manitoba preparing for full EPR for residential packaging and printed paper
- Feedback from provincial government on draft Transition Plan
- Revised plan resubmitted in June 2022
- Watch for updates

Board of Directors

- John Graham from RCC new Board chair
- Ian Urquhart new director and Treasurer
- Thanks to Heather Mitchell for dedicated service and Neil Antymis for continued role

Service Provider

- Following RRA acquisition, the planned move to Circular Materials will not create any changes to steward support, reporting, and invoicing in 2023

2023 Budget

MMSM BUDGET

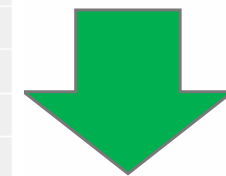
	2023	2022	YOY VARIANCE
OBLIGATION SHARE	80%	80%	
Supply Chain Costs	\$20,578,199	\$21,536,170	-4.4%
Promotion & Education	\$740,000	\$740,000	0.0%
Program Management	\$3,575,575	\$3,020,284	18.4%
Program Management as % of Total Fees	14.4%	11.9%	2.4%
Total Fee Obligation (before surplus)	\$24,893,774	\$25,296,454	-1.6%
Surplus Accumulation / (Drawdown)	\$79,879	\$907,644	-91.2%
TOTAL FEE BUDGET	\$24,973,652	\$26,204,098	-4.7%

2023 Fee Schedule

MMSM FEE SCHEDULE (CENTS/KG)				
Category	Material	2023 Fee Rates (cents/ kg)	2022 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint - Publishers	24.38	23.44	4.0%
	Newsprint - Other	27.93	26.51	5.4%
	Magazines and Catalogues	20.37	31.57	-35.5%
	Telephone Books	22.07	27.30	-19.2%
	Other Printed Paper	26.50	26.86	-1.3%
PAPER PACKAGING	Corrugated Cardboard	22.61	26.91	-16.0%
	Boxboard	15.97	21.66	-26.3%
	Gable Top Cartons	39.46	37.08	6.4%
	Paper Laminates	30.34	31.82	-4.7%
	Aseptic Containers	31.66	31.97	-1.0%
PLASTICS	PET Containers and Bottles	36.86	44.00	-16.2%
	HDPE Containers and Bottles	0.46	27.19	-98.3%
	Plastic Film	58.92	52.13	13.0%
	Plastic Laminates	61.20	54.35	12.6%
	Polystyrene	106.52	75.42	41.2%
	Other Plastics	42.39	46.65	-9.1%
STEEL	Steel Food & Beverage Cans	28.25	23.16	22.0%
	Steel Aerosols	22.93	25.39	-9.7%
	Other Steel Containers	24.94	24.06	3.7%
ALUMINUM	Aluminum Food & Beverage Cans	14.96	36.46	-59.0%
	Other Aluminum Packaging	19.13	28.02	-31.7%
GLASS	Clear Glass	16.23	14.98	8.3%
	Coloured Glass	17.41	15.66	11.2%



-8.3%
AVG



*Polystyrene,
Steel Food &
Beverage
Cans*

*HDPE
Containers
and Bottles,
Aluminum
Food &
Beverage
Cans*

2023 Flat Fees

TOTAL SUPPLIED (KG)	2023 FLAT FEE	2022 FLAT FEE	VARIANCE
1,000 - 2,499	\$1,000	\$1,100	-9% or -\$100
2,500 - 4,999	\$2,000	\$2,100	-5% or -\$100



Thinking
beyond
the box

Stewardship Ontario

2022 Annual Steward Meeting

Lyle Clarke
October 26, 2022



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Stewardship Ontario

Achievements since 2021 ASM

Pivotal Year for SO

- Improved dialogue with RPRA and municipalities enabled key improvements for stewards
 - End of disputes re: determination of steward obligation
 - End of data reporting for most stewards (and associated compliance costs)
 - More stable and predictable fees for stewards through to the end of the SO program in 2025
 - Substantial savings in program management
- Confidentiality review, new policies and new MSA assure SO's independence, enabling a productive client-provider relationship with RRA (Now CM)

Other Highlights

- Expanded access to data on program recovery
- Streamlined Annual Report
- Launched a redeveloped SO website that is more user-friendly to stewards and relevant to SO's transitional status
- Refocused P&E effort on tactical/local digital media to reach residents while making way for broader Producer efforts to communicate the “new world”



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Budget Outlook for 2023

Outlook for 2023

STEWARDSHIP ONTARIO BUDGET (\$ THOUSANDS)					
	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	2023 BUDGET	VARIANCE \$
Steward Obligation to Municipalities	126,226.4	149,246.5	169,144.0	149,380.7	(19,763)
Program Operations	7,966.6	7,316.4	7,800.2	6,554.9	(1,245)
Transition	1,371.8	898.6	1,062.2	1,117.8	56
Total Budget	135,564.9	157,461.5	178,006.4	157,053.4	(20,953)
Less: Glass Market Development Fund		666.0			
Plastic Market Development Fund		4,964.4			
General Reserve	1,371.8	898.6	12,961.2	1,117.8	(11,843)
Net After Reserves	134,193.1	150,932.5	165,045.2	155,935.6	(9,110)

- Steward obligation \$19.8M or 11.7% lower vs 2022
- Program operations lower by \$1.2M or 16%
- Transition costs slightly higher by \$56K or 5%
- Required fees lower by \$9.1M or 5.5%



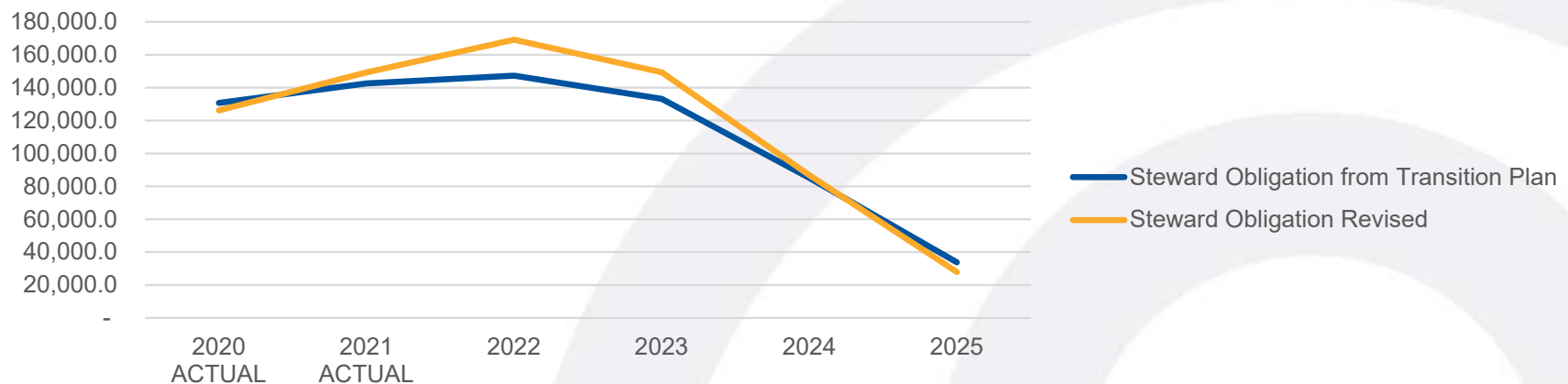
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Revised Forecast of Costs Through Transition

Updated Transition Forecast (1)

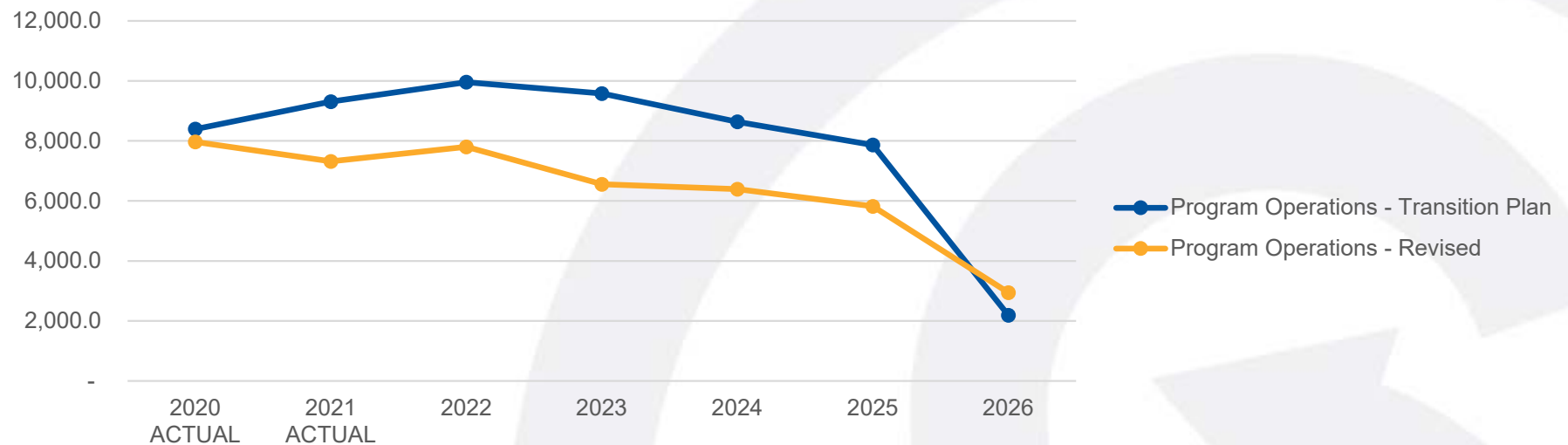
Steward Obligation 2020-2025



- Steward Obligation was higher than forecast in 2021-23 but we are projecting a return to the projection for 2024 and 2025
- Revised projection is ~\$34M or 5.1% higher than Transition Plan projection over the full course of the Plan (2020-2025)

Updated Transition Forecast (2)

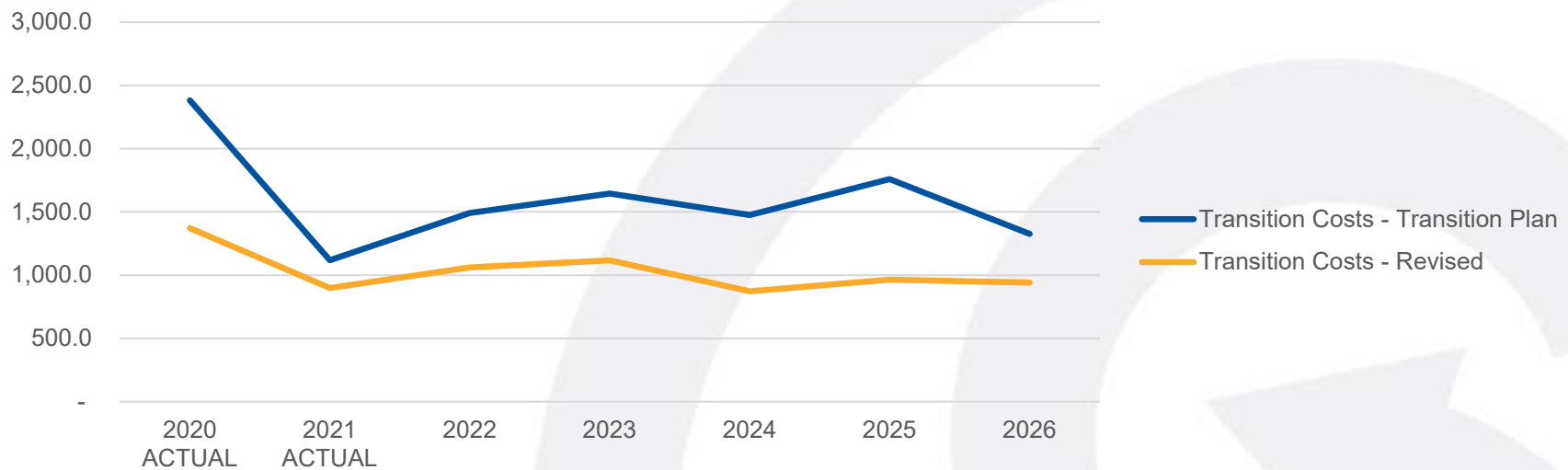
Program Operations Costs 2020-2026



- Actual/projected operating costs are lower in almost every year of transition for a total savings of \$11.2M or 19.9%

Updated Transition Forecast (3)

Transition Costs - 2020-2026



- Actual/projected transition costs lower in every year of transition for a total savings of \$4M or 35.4%



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Stewardship Ontario

Simplified Fees

Simplified Fees – Steward Requirements

- Steward is in good-standing
- Steward filed accurate and complete reports for both the 2020 and 2021 reporting years
- Steward filed an accurate and complete report for one of the baseline years and was exempt from reporting in the other baseline year
- Any steward-initiated adjustments to the baseline years have been reviewed and approved

Invoices for 2023

- Precise percentage shares for each steward are currently being finalised and will be available on the Portal shortly.
- These will not be materially different to what stewards can calculate from recent invoices and SO budgets for 2021 and 2022.

Estimating 2023 Fees

EXAMPLE INVOICE ESTIMATE			
INVOICE YEAR	TOTAL FEES	STEWARD INVOICE AMOUNT	FEE SHARE PERCENTAGE
2021	\$150,616,985	\$135,259	0.090%
2022	\$166,511,224	\$124,730	0.075%
2023	\$155,935,565	\$128,647 (estimate)	0.0825% (= (0.090+0.075)/2)

- Typical for stewards that filed complete reports in 2020 and 2021 (invoice year 2021 and 2022)
- Fee percentage for 2023 will be the average of the two baseline percentages
- The 2023 percentage is multiplied by the forecast for total fees to produce the estimated invoice fee



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Stewardship Ontario

Thank You



Resources

- Report to Stewards
- Presentation file
- Cause of Change files
- Fee Rate Excel file
- Webcast replay
- Q&A



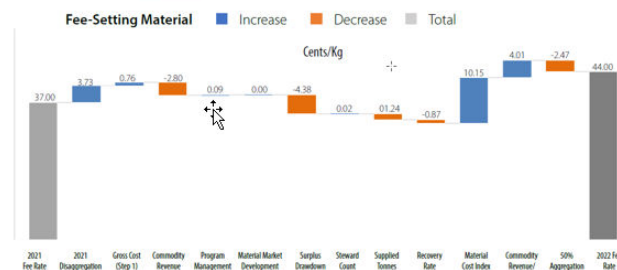
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Report to Stewards

2021 Annual Steward Meeting
October 27, 2021



www.circularmaterials.ca/information-sessions/



Q&A





Thank You

