



Canadian Stewardship
Services Alliance

REPORT TO STEWARDS

2017 Annual Steward Meeting
October 31, 2017





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2017 Annual Steward Meeting

The Annual Steward Meeting (ASM) is supported, hosted, and organized by CSSA on behalf of the stewardship programs, and will be held on **Tuesday, October 31, 2017**, in Toronto (at the Delta Hotels by Marriott Toronto Airport and Conference Centre, 655 Dixon Road). Stewards are invited to attend in person or via webcast.

Registration for the webcast can be done at <http://www.cssalliance.ca/steward-meetings/> and in the days after the meeting an archived version will be available on the same page along with presentation slides and submitted questions and answers.

Local Times for ASM:

British Columbia: 10 a.m. – 1:30 p.m. PDT

Saskatchewan: 11 a.m. – 2:30 p.m. CST

Manitoba: Noon – 3:30 p.m. CDT

Ontario: 1 p.m. – 4:30 p.m. EDT

This year's agenda includes...

- *Recycling in a Circular Economy:* The Environmental Commissioner of Ontario, Dr. Dianne Saxe, will give a keynote address to stewards about the role of recycling in a circular economy and answer your big-picture questions.
- *Packaging Trends Discussion:* The evolution, challenges and opportunities in packaging materials and how they will influence circular economy goals will be reviewed and debated by a panel of industry representatives.
- *Program Reviews and Fee Previews:* Detailed program and financial performance reviews for MMSM, MMSW, Recycle BC and Stewardship Ontario will include information on 2018 budgets and fees.
- *Material Cost Differentiation:* The MCD project is moving forward to develop a better methodology for differentiating costs to manage each material in the recycling system.
- *Have Your Say:* Both online and in-person attendees will be invited to electronically respond to poll questions during the ASM.

CSSA Review and Outlook

The 2017 Annual Steward Meeting (ASM) is the fifth year of bringing together stewards to consider the progress of packaging and printed paper (PPP) stewardship programs across the country, while providing a preview of 2018 fees.

Evaluation surveys completed by in-person attendees at the 2016 ASM overwhelmingly confirmed that stewards believe the meeting is productive and that this report provides the right amount and type of information. Over the past five years, the number of stewards attending the ASM via the webinar has continued to grow to more than double the number attending in person. As a result, an online polling feature that enables feedback from all

attendees is being implemented this year to capture your immediate ideas on how we can continue to improve.

On behalf of the programs, CSSA will continue to seek your input and steward questions will always be an important part of the ASM. A reminder that responses to all questions received are posted online in the days after the meeting. Q&A from the 2016 ASM is available [here](#).


Steward Survey Indicates High Satisfaction


An independent survey conducted in March 2017 indicates that stewards are very satisfied with the services provided by CSSA and support continued harmonization and simplified reporting.


The survey asked stewards about their experiences with CSSA via various channels (call centre, email) and the information and support provided for reporting and invoicing.


Nearly 10% of the 2,500 steward companies contacted provided responses to the survey. Manufacturers represented the largest group of respondents (38%), followed by "Other" (mainly distributors/importers) at 32%, with the remainder split between the Retailer and Service Provider categories.

Highlights of the survey include:

 83% of respondents said CSSA provided excellent customer service.

 76% rated the ease of doing business with CSSA as excellent.

 75% said the overall quality of program information provided by CSSA was excellent.

 61% said CSSA's overall performance was the same as or better than other stewardship organizations.

While the survey results do not suggest the need for major changes, key findings are aligned with projects underway to enable CSSA to continue meeting and exceeding steward expectations.

Four-Step Fee Methodology Used For Second Year

Schedules for 2018 fees were developed using the Four-Step Fee Methodology for stewards reporting in British Columbia, Saskatchewan and Manitoba. Implementation in Ontario is pending the required approvals.

This marks the second year for the new methodology that was developed for stewards by stewards.

Along with advancing harmonization within CSSA's national shared services framework, the Four-Step Fee Methodology promotes:

- fair and principle-based approach
- all designated materials contribute to pay their fair share of the system, even if they are not currently collected
- fair allocation of costs and revenues to each material in a manner that reflects its impact on the recycling system.

Material Cost Differentiation Moves Forward

Introduced at the 2016 ASM, the Material Cost Differentiation (MCD) Project is moving forward with a charter endorsed by the Boards of all four PPP programs serviced by CSSA.

The primary objective of the MCD Project is to develop a methodology that can differentiate the cost to manage each material in the recycling system. The need to differentiate cost flowed largely from the decision of the Steward Consultation Committee responsible for creating the Four-Step Fee Methodology to continue the role of material – specific costs as a critical input to fee setting process.

A working group made up of representatives from the Boards of all four PPP programs has established eight guiding principles and committed to a process that will work for all programs. The principles and an introductory video are available at <http://www.cssalliance.ca/material-cost-differentiation-project-gets-green-light/>

Billing Enhancement For 2018

2018 invoices for all PPP programs will be sent in January now that Stewardship Ontario has harmonized its billing dates. In 2017, MMSM changed its quarterly billing cycle to begin on January 1, joining Recycle BC and MMSW. As a significant portion of stewards are members of more than one program, this harmonization will help increase administrative efficiency for stewards.

Also, invoice documents are being redesigned to simplify and clarify billing information. A reminder that stewards can select their billing options and appoint a billing contact on the WeRecycle Portal.

Aligning Membership Agreements, Rules and Policies

Stewards are being directly involved in a project to streamline program Membership Agreements, Rules and Policies across all programs supported by CSSA. The comprehensive review was initiated by the programs to increase harmonization and improve clarity.

During an October 2017 webinar, stewards were provided with documents of the proposed changes for each program, including a summary of the rationale and impact to stewards, along with updated policies. The webinar and documents are available on each program's website and on the CSSA website.

Projects Underway to Improve Reporting Experience

CSSA has initiated a major project to improve the reporting experience for stewards participating in the PPP programs it administers. The project is in the early stages of researching tools, resources and services that simplify annual reporting while also promoting accuracy and fairness. Stewards will be kept informed as the project progresses.

In response to steward suggestions, CSSA will be launching an online tutorial that will provide new and existing stewards with an interactive overview of reporting, from determining obligations to preparing data for the WeRecycle Portal. The module is expected to be available at the beginning of 2018. Changes to the annual March reporting webinar are also being planned to help stewards with specific sector reporting issues.

2016 Review

MMSM marked its seventh year of operation in 2016. The program's 61.9% recovery rate and 68.1 kg of recovered material per capita for the year were both down from 2015 largely due to the use of updated 2016 Census population data.

MMSM submitted a new program plan for 2017-2021 to the Government of Manitoba. The program plan details how MMSM will manage the activities, services and funding that will ensure the province continues to enjoy high-quality and convenient residential recycling. Details about the plan and public consultations are available at stewardshipmanitoba.org.

Following consultation with stewards at the end of 2016, MMSM moved to align its billing dates with Recycle BC and MMSW for 2017 invoices. The quarterly billing cycle now begins on January 1 each year.

Recycling and Accessibility Performance

The year-over-year recovery rate decrease was primarily due to a 5.7% increase in generation, while eligible recovered tonnes were flat year-over-year. The increase in generated tonnes is a result of two factors: updates to the population data (update of census data from 2011 to 2016) and, more significantly, updates to the waste dataset (from 2013-2015 to 2014-2016).

RECYCLING AND ACCESSIBILITY PERFORMANCE FOR 2016

METRIC	MANITOBA 2016	MANITOBA 2015	YOY VARIANCE
RECYCLING PERFORMANCE			
Eligible Recovered Tonnes	82,146	82,184	0.0%
Generated Tonnes	132,682	125,579	5.7%
Recovery Rate	61.9%	65.4%	-5.4%
Population Serviced by PPP Program	1,206,492	1,139,942	5.8%
Recovered kg per capita	68.1	72.1	-5.6%
ACCESSIBILITY PERFORMANCE			
# Households Serviced	517,387	490,443	5.5%
% Households with Access to PPP Program	94.4%	94.3%	0.0%
P & E Cost per capita*	\$0.70	\$0.72	-3.2%
% of residents aware and using recycling services	96.0%	96.0%	0.0%

*Total municipal and MMSM P&E.

Financial Program Performance

Recovered tonnes and net cost for 2016 were steady with 2015. Per capita measures decreased due to updated 2016 census population figures.

FINANCIAL PROGRAM PERFORMANCE FOR 2016			
COST PERFORMANCE	MANITOBA 2016	MANITOBA 2015	YOY VARIANCE
Eligible Recovered Tonnes	82,146	82,184	0.0%
Net Cost*	\$24,360,073	\$24,410,538	-0.2%
Net Cost per Tonne	\$297	\$297	-0.2%
Net Cost per capita	\$20	\$21	-5.7%
Recovered kg per capita	68.1	72.1	-5.6%

*Net costs include 100% of municipal costs and 100% of commodity revenues. Also included are MMSM's Promotion & Education, regulatory, market development and all other program management costs.

2017 Update

After further consultation with municipalities and the Government of Manitoba, MMSM revised and resubmitted the Program Plan for 2017-2021 to the Government of Manitoba on March 20, 2017. It is currently with the Department of Sustainable Development for a final review. A copy is available on the MMSM [website](#).

In the spring, Green Manitoba Eco Solutions, which operated as a Special Operating Agency of the Government of Manitoba, was dissolved. Regulatory oversight of industry funded Producer Responsibility Organizations now falls under the Department of Sustainable Development.

The Government of Manitoba shuffled its cabinet in August 2017. The new Minister of Sustainable Development is Rochelle Squires, who also has cabinet responsibility for francophone affairs and the status of women.

CONSULTATION ON NEW STEWARD POLICIES

MMSM is seeking input from stewards on several new policies. Each program has conducted a comprehensive review of the program Steward Rules and associated policies to improve clarity and harmonization. A webinar session was held on Tuesday, October 17 and included the rationale for the proposed updates and how they will impact stewards. MMSM is consulting on the following new policies for implementation January 1, 2018:

- Administration Fee, Interest and Penalty Policy
- Adjustment Policy
- Dispute Resolution Policy
- Onboarding Policy
- Parallel Importation Policy
- Primary Contact Policy
- Reporting and Deductions Policy

MMSM stewards are encouraged to provide their comments before November 10, 2017, by email to kmelnichuk@stewardshipmanitoba.org.

Promotion & Education efforts in 2017 included year two of the Recycle Something New campaign to educate consumers on materials accepted in the Blue Box. Paid media was used to reach a mass audience with a special focus on consumers and homeowners. Various media channels, including online, television, radio, print and outdoor were leveraged, as well as special features and contests. The media buys focused on reaching MMSM's target audience in the most effective and cost-efficient way.

In addition to its ongoing work with schools, First Nations and northern communities, MMSM continued to build on its successful plastic bag program and educational programs. MMSM's Bag it Forward Program continued to grow as new partnerships were added. Three of Manitoba's largest post-secondary institutions are now collecting plastic bags on their campuses from students, staff and the public.

In July, the Government of Manitoba advised MMSM that it was terminating its agreement with the newspaper group. The agreement with newspapers had been in place since 1993, and provided payment for the recycling of newspaper newsprint fees from the

provincial sales tax collected from newspaper purchases. Newspaper publishers continue to be obligated under the MMSM program.

2018 Budget and Fee Schedule

The 2018 MMSM steward fee budget of \$21.1 million is a 20.2% increase from the previous year. The share of supply chain costs has increased 10.6% from 2017, in line with the five-year cost projection provided in the Program Plan Renewal. The primary driver for the increase is the effect of losing the low-cost year of 2013 and introducing the high-cost year of 2016 in the three-year (2014-16) rolling average of net supply chain costs. The program uses a three-year rolling average to reduce volatility of revenue from marketed tonnes and to moderate consequent supply chain cost increases to stewards. The remainder of the increase is primarily due to the difference between last year's surplus drawdown and this year's surplus accumulation.

The MMSM Board approved an accumulation of \$0.9 million to the program's surplus reserves in recognition of the program's growth and surplus drawdowns in the previous two years.

2018 Budget

MMSM BUDGET			
	2018	2017	YOY VARIANCE
OBLIGATION SHARE	80%	80%	
Share of Supply Chain Costs	\$17,381,389	\$15,720,843	10.6%
Promotion & Education	\$610,000	\$640,000	-4.7%
Research & Market Development	\$5,000	\$-	100.0%
Program Management*	\$2,081,695	\$2,072,253	0.5%
Government Fees	\$95,000	\$95,000	0.0%
TOTAL FEE OBLIGATION (BEFORE SURPLUS)	\$20,173,084	\$18,528,096	8.9%
Program Management as % of Total Fees	10.3%	11.2%	-7.7%
Surplus Accumulation (Drawdown)**	\$900,000	\$(1,000,000)	190.0%
TOTAL FEE BUDGET	\$21,073,084	\$17,528,096	20.2%

*Program Management includes Other Material Management cost (e.g. field studies, staffing) and material research budget.

**MMSM will review material specific deficits and surpluses as part of its 2019 fee setting process. This review will take into consideration the appropriate allocation of surplus by material type.

2018 Fee Schedule

Material fee rates for 2018 have again been calculated using the Four-Step Fee Methodology that replaced the three-factor formula for 2017 fees.

The table below provides fee rates after the 2018 surplus accumulation and 2017 surplus drawdown to provide fee rates variances. A schedule with the base fees before and after surplus accumulation will be published on the MMSM [website](#).

MMSM FEE SCHEDULE (CENTS/KG)				
Category	Material	2018 Fee Rates (cents/ kg)	2017 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint	7.31	6.23	17.3%
	Magazines and Catalogues	7.64	6.38	19.7%
	Telephone Books	7.64	6.38	19.7%
	Other Printed Paper	7.64	6.38	19.7%
PAPER PACKAGING	Corrugated Cardboard	28.48	22.79	25.0%
	Boxboard	28.48	22.79	25.0%
	Gable Top Cartons	63.19	57.04	10.8%
	Paper Laminates	63.19	57.04	10.8%
	Aseptic Containers	63.19	57.04	10.8%
PLASTICS	PET Bottles	36.05	26.73	34.9%
	HDPE Bottles	26.08	21.04	24.0%
	Plastic Film	49.89	43.20	15.5%
	Other Plastics	49.89	43.20	15.5%
STEEL	Steel Food & Beverage Cans	14.87	10.66	39.5%
	Steel Aerosols	14.87	10.66	39.5%
	Other Steel Containers	14.87	10.66	39.5%
ALUMINUM	Aluminum Food & Beverage Cans	-42.86	-40.62	-5.5%
	Other Aluminum Packaging	14.81	14.78	0.2%
GLASS	Glass	6.10	4.79	27.3%
ENHANCED BAG FEE	Plastic bags per unit	0.06	0.06	0.0%

The average fee rate for 2018 is an increase of 20% from 2017. Notable changes include:

Aluminum Food & Beverage Cans: the fee rate is a credit due to the relative supplied, collected and marketed quantities that are unique to Manitoba, combined with the retention of significantly more revenue with the Four-Step Fee Methodology. Additional funds have been allocated to aluminum next year to conduct

studies to increase understanding of this material's unique characteristics in the province. The credit increases 5.5% for 2018 due to increased recovery of this material.

Steel: the 39.5% increase for materials in this category is due to a decrease in commodity revenue.

PET bottles: the 34.9% increase reflects a decrease in commodity revenue and an increase in supplied tonnes.

2016 Review

MMSW launched its program on January 1, 2016, and has executed service agreements with more than 450 municipalities, regional waste authorities and First Nations communities in Saskatchewan.

Promotion & Education efforts during the first year included an eight-week campaign to create resident

awareness of MMSW and to build followers and traffic for its social media and website.

Recycling and Accessibility Performance

In its first full year of operation, MMSW achieved a 62.3% recovery rate, with 81.5% of households in the province having access to the program. MMSW uses tonnes supplied by members to calculate the recovery rate.

RECYCLING AND ACCESSIBILITY PERFORMANCE FOR 2016

METRIC	MMSW 2016
RECYCLING PERFORMANCE	
Recovered Tonnes	36,675
Supplied Tonnes	58,876
Recovery Rate	62.3%
Population Serviced by PPP Program	825,564
Recovered kg per capita	44.4
ACCESSIBILITY PERFORMANCE	
# Households Serviced	352,426
% Households with Access to PPP Program	81.5%
P & E Cost per capita	\$0.06
% of residents aware and using recycling services	N/A*

*Research for resident awareness and use will be conducted in 2018

Financial Program Performance

MMSW delivered stable financial performance in its first full year of operation. The program achieved its capital accumulation target and established an operating reserve to provide for an appropriate level of working capital to satisfy cash-flow obligations.

FINANCIAL PROGRAM PERFORMANCE FOR 2016	
COST PERFORMANCE	MMSW 2016
Recovered Tonnes	36,675
Net Cost	\$5,561,039
Net Cost per Tonne	\$152
Net Cost per capita	\$7
Recovered kg per capita	44.4

2017 Update

Milk containers were added to Saskatchewan’s beverage deposit program in the provincial government’s 2017-18 budget. Effective April 1, consumers began paying a deposit on beverage containers for milk, buttermilk, cream, fluid coffee creamers, lactose-free milk products and drinkable yogurt. These containers are no longer obligated materials for the MMSW program. Steward reports, invoices, guidebooks and tip sheets have been updated.

With the recent completion of the two-year transition period for Saskatchewan small businesses, new flat fee categories and an Online Assessment Tool were introduced to help low-volume stewards meet their reporting requirements quickly and easily. Learn more about small businesses, low-volume stewards and flat fees [here](#).

In July 2017, the Saskatchewan Government released a clarification document on the definition of non-resident franchisors, which can be found [here](#). In June 2016, the Government amended the Regulation to obligate non-resident franchisors.

2018 Budget and Fee Schedule

The 2018 steward fee budget is \$7.1 million, a 3.3% increase from 2017, reflecting higher supply chain costs from a 4.9% increase in tonnes supplied by stewards.

MMSW fee rates for 2018 are unchanged from 2017 despite the budget increase because the MMSW Board of Directors believes the program’s reserve accumulation and financial stability did not warrant a rate adjustment for 2018.

2018 Budget

MMSW BUDGET			
	2018	2017	YOY VARIANCE
OBLIGATION SHARE	75%	75%	
Share of Supply Chain Costs	\$5,596,921	\$5,340,864	4.8%
Promotion & Education	\$75,000	\$75,000	0.0%
Program Management	\$1,421,949	\$1,448,073	-1.8%
Working Capital Accumulation	-	-	
Program Management as % of Total Fees	20.0%	21.1%	-5.0%
TOTAL BUDGET	\$7,093,870	\$6,863,937	3.3%

2018 Fee Schedule

MMSW FEE SCHEDULE (CENTS/KG)				
Category	Material	2018 Fee Rates (cents/ kg)	2017 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint	4.00	4.00	0.0%
	Magazines and Catalogues	4.00	4.00	0.0%
	Telephone Books	4.00	4.00	0.0%
	Other Printed Paper	4.00	4.00	0.0%
PAPER PACKAGING	Corrugated Cardboard	9.00	9.00	0.0%
	Boxboard	9.00	9.00	0.0%
	Gable Top Cartons	20.00	20.00	0.0%
	Paper Laminates	20.00	20.00	0.0%
	Aseptic Containers	20.00	20.00	0.0%
PLASTICS	PET Containers	17.00	17.00	0.0%
	HDPE Containers	17.00	17.00	0.0%
	Plastic Film	27.00	27.00	0.0%
	Plastic Laminates	31.00	31.00	0.0%
	Polystyrene	27.00	27.00	0.0%
	Other Plastics	27.00	27.00	0.0%
STEEL	Other Steel Packaging	8.00	8.00	0.0%
	Steel Aerosols	8.00	8.00	0.0%
	Steel Paint Cans	8.00	8.00	0.0%
ALUMINUM	Aluminum Food & Other Containers	19.00	19.00	0.0%
	Other Aluminum Packaging	19.00	19.00	0.0%
GLASS	Clear Glass	4.00	4.00	0.0%
	Coloured Glass	4.00	4.00	0.0%



Recycle BC

2016 Review

At the end of 2016, its second full year of operation, Multi-Material BC (MMBC) reincorporated and began operating as Recycle BC. The rebranding unveiled in 2017 provides a more relevant and engaging name that will help strengthen connections with residents and members.

Recycle BC achieved a 77.9% recovery rate in 2016, an increase from the previous year and above the provincial target of 75%.

The number of households whose curbside recycling services are the direct responsibility of Recycle BC increased with the City of Vancouver and the City of Pitt Meadows joining 10 other communities.

A streetscape pilot in Vancouver's West End tested new on-street bin designs to increase diversion of

solid waste and encourage proper sorting of paper and containers for recycling.

Promotion & Education included an enhanced community events team to build public outreach, updated recycling guides provided to residents of directly serviced communities and campaigns to demonstrate the environmental benefits of recycling and to improve collection of cartons and holiday packaging.

Recycling and Accessibility Performance

A stable quantity of recovered tonnes and increased population in 2016 were the main factors in reduced kilograms per capita compared to 2015. Recycle BC uses tonnes supplied by members to calculate the recovery rate. The growth in population and households serviced reflects updated census data.

RECYCLING AND ACCESSIBILITY PERFORMANCE FOR 2016

METRIC	BC 2016	BC 2015	YOY VARIANCE
RECYCLING PERFORMANCE			
Recovered Tonnes	185,477	186,509	-0.6%
Supplied Tonnes	238,062	243,191	-2.1%
Recovery Rate	77.9%	76.7%	1.6%
Provincial Recovery Target	75%	75%	-
Population Serviced by PPP Program*	4,560,457	4,282,219	6.5%
Recovered kg per capita	40.7	43.6	-6.6%
ACCESSIBILITY PERFORMANCE			
# Households Serviced*	1,843,709	1,714,761	7.5%
% Households with Access to PPP Program*	98.1%	97.3%	0.8%
P & E Cost per capita	\$0.47	\$0.42	13.7%
% of residents aware and using recycling services	99.0%	99.0%	0.0%

*Represents access to depot services and/or curbside/multi-family



Financial Program Performance

Total steward cost for managing the Recycle BC program in 2016 was \$73.8 million and stable with the previous year. A decrease in recovered tonnes per capita was due to increased population reported in the 2016 census.

FINANCIAL PROGRAM PERFORMANCE FOR 2016			
COST PERFORMANCE	BC 2016	BC 2015	YOY VARIANCE
Recovered Tonnes	185,477	186,509	-0.6%
Net Cost	\$73,831,727	\$73,801,736	0.0%
Net Cost per Tonne	\$398	\$396	0.6%
Net Cost per capita	\$16	\$17	-6.1%
Recovered kg per capita	40.7	43.6	-6.6%

2017 Update

New flat-fee categories and updates to the Online Assessment Tool were introduced to make it simpler for stewards to determine if they are eligible to pay a flat fee based on the quantities of packaging and printed paper (PPP) supplied annually to residents of British Columbia.

The BC Government posted an approval letter extending the timeframe of the current Stewardship Plan beyond 2018 to the end of 2022.

Four new communities – Chilliwack, Kamloops, Abbotsford and Mission – have been welcomed to the program. The total number of communities served increased to 155. The addition of these communities reflects the intent to provide recycling services to the entire province in accordance with the approved Stewardship Plan.

2018 Budget and Fee Schedule

The 2018 steward fee budget is \$91.4 million, an 11.0% increase from 2017. The increase was driven by increased supply chain costs from the addition of new communities, partially offset by a decrease in program management expenses.

Recycle BC fee rates for 2018 are unchanged from 2017 despite the budget increase because the Recycle BC Board of Directors believes the program’s reserve accumulation and financial stability did not warrant a rate adjustment for 2018.



Recycle BC

2018 Budget

RECYCLE BC BUDGET			
	2018	2017	YOY VARIANCE
OBLIGATION SHARE	100% industry managed	100% industry managed	
Share of Supply Chain Costs	\$82,309,027	\$72,962,398	12.8%
Promotion & Education	\$1,900,000	\$1,800,000	5.6%
Program Management	\$7,172,177	\$7,558,538	-5.1%
Program Management as % of Total Fees	7.8%	9.2%	-14.5%
TOTAL BUDGET	\$91,381,204	\$82,320,936	11.0%



Recycle BC

2018 Fee Schedule

RECYCLE BC FEE SCHEDULE (CENTS/KG)				
Category	Material	2018 Fee Rates (cents/ kg)	2017 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint	11.00	11.00	0.0%
	Magazines and Catalogues	11.00	11.00	0.0%
	Telephone Books	11.00	11.00	0.0%
	Other Printed Paper	11.00	11.00	0.0%
PAPER PACKAGING	Corrugated Cardboard	24.00	24.00	0.0%
	Boxboard	24.00	24.00	0.0%
	Gable Top Cartons	52.00	52.00	0.0%
	Paper Laminates	52.00	52.00	0.0%
	Aseptic Containers	52.00	52.00	0.0%
PLASTICS	PET Containers	53.00	53.00	0.0%
	HDPE Containers	53.00	53.00	0.0%
	Plastic Film	91.00	91.00	0.0%
	Plastic Laminates	102.00	102.00	0.0%
	Polystyrene	91.00	91.00	0.0%
	Other Plastics	91.00	91.00	0.0%
STEEL	Other Steel Packaging	20.00	20.00	0.0%
	Steel Aerosols	20.00	20.00	0.0%
	Steel Paint Cans	20.00	20.00	0.0%
ALUMINUM	Aluminum Food & Milk Containers	26.00	26.00	0.0%
	Other Aluminum Packaging	26.00	26.00	0.0%
GLASS	Clear Glass	15.00	15.00	0.0%
	Coloured Glass	15.00	15.00	0.0%



2016 Review

Stewardship Ontario achieved a recycling rate of 62.4% in 2016, exceeding the government mandated target of 60%. The recycling rate and the quantity of recycled tonnes both decreased slightly from the prior year.

During 2016, Stewardship Ontario continued to work with various partners to develop sustainable markets for Blue Box materials such as composite paper packaging and plastic laminates. Promotion & Education initiatives to improve consumer awareness and encourage recycling behaviours included a campaign for multi-

family residents to improve collection of high-value materials such as aluminum cans, PET bottles and gable top containers.

Recycling and Accessibility Performance

Recycled tonnes managed through the Blue Box in 2016 declined from the previous year due to less paper and newsprint being marketed. Generated tonnes increased slightly based on more PET bottles, plastic laminates and glass, while there was less steel and paper materials. Recycled kilograms per capita decreased in 2016 reflecting reduced tonnes.

RECYCLING AND ACCESSIBILITY PERFORMANCE FOR 2016

METRIC	ONTARIO 2016	ONTARIO 2015	YOY VARIANCE
RECYCLING PERFORMANCE			
Recycled Tonnes	836,227	852,437	-1.9%
Generated Tonnes	1,340,947	1,332,544	0.6%
Recycling Rate	62.4%	64.0%	-2.5%
Provincial Recycling Target	60%	60%	-
Population Served by PPP Program	12,814,578	12,830,228*	-0.1%
Recycled kg per capita	65.3	66.4*	-1.8%
ACCESSIBILITY PERFORMANCE			
# Households Served	5,174,930	5,165,154*	0.2%
% Households with Access to PPP Program	94.6%	95.3%*	-0.7%
P & E Cost per capita**	\$0.64	\$0.58*	9.7%
% of residents aware and using recycling services***	97.0%	97.0%	0.0%

*2015 figures for population and households serviced restated with updated data

**Total municipal and SO P&E

***Consumer research from 2013



Financial Program Performance

Total net cost of the Blue Box system for 2016 was \$258.5 million, a decrease of 2.0% from the previous year due to a 10% increase in commodity revenue that more than offset a small increase in gross system costs. Net cost per tonne and per capita were steady with 2015 figures.

FINANCIAL PROGRAM PERFORMANCE FOR 2016			
COST PERFORMANCE	ONTARIO 2016	ONTARIO 2015	YOY VARIANCE
Recycled Tonnes	836,227	852,437	-1.9%
Net Cost*	\$258,540,366	\$263,726,504	-2.0%
Net Cost per Tonne	\$309	\$309	-0.1%
Net Cost per capita	\$20	\$21**	-1.8%
Recycled kg per capita	65.3	66.4**	-1.8%

*Net cost includes supply chain costs, commodity revenues, P&E, regulatory, market development and program management costs.

**Restated

2017 Update

Following the introduction of the Waste-Free Ontario Act and the creation of the Resource Productivity and Recovery Authority (RPPRA), in August 2017 the Minister of the Environment and Climate Change directed Stewardship Ontario and RPPRA to prepare a proposal to amend Blue Box Program Plan by February 15, 2018. The proposal, if approved by RPPRA and the Minister, will begin the program's transition from its current shared cost model to full producer responsibility. Consultations with stewards and other stakeholders are central in the work to develop an amended Plan, and will continue over the next several months. Visit www.stewardshipontario.ca/a-bbpb for updates.

2018 Budget and Fee Schedule

The 2018 Blue Box municipal funding obligation is set at \$124.8 million, RPPRA announced at the end of August 2017. The amount, a 1% increase from the 2017 obligation is the total stewards must pay to municipalities and a key input to the annual budget. The budgeted supply chain costs include other material management costs.

2018 Budget

The 2018 steward fee budget is \$126.0 million, a 2.6% increase from 2017. A reduction in supply chain costs is offset by increases to regulatory expenses and the lack of reserve drawdowns.

STEWARDSHIP ONTARIO BUDGET			
	2018	2017 (reported net cost)	YOY VARIANCE
OBLIGATION SHARE	50%	50%	
Share of Supply Chain Costs *	\$119,521,542	\$123,750,323	-3.4%
Promotion & Education and Market Development	\$575,000	\$505,000	13.9%
Program Management	\$4,159,723	\$4,036,932	3.0%
Regulatory	\$1,700,000	\$1,200,000	41.7%
Cost Containment Drawdown	\$-	\$(5,433,492)	-100.0%
Printed Paper Reserve Drawdown	\$-	\$(1,240,681)	-100.0%
Market Development Reserve Drawdown	\$-	\$(95,000)	-100.0%
TOTAL FEE BUDGET (Steward Fees)	\$125,956,265	\$122,723,083	2.6%

* These costs include the municipal obligation and other internal material management costs, without the value of newspaper in-kind. The value of newspaper in-kind is referenced at the bottom of the fee schedule in the next table.



2018 Fee Schedule

Stewardship Ontario's 2018 fees have been calculated using the approved three-factor methodology. The Four-Step Fee Methodology adopted last year by other

programs is a material change to the Blue Box Program Plan that requires approval for implementation.

STEWARDSHIP ONTARIO FEE SCHEDULE (CENTS/KG)				
Category	Material	2018 Fee Rates (cents/ kg)	2017 Fee Rates (cents/ kg)	Variance %
PRINTED PAPER	Newsprint - CNA/OCNA	0.47	0.37	25.4%
	Newsprint - Non-CNA/OCNA	5.68	5.27	7.8%
	Magazines and Catalogues	8.47	8.84	-4.2%
	Telephone Books	10.62	9.71	9.4%
	Other Printed Paper	16.93	17.45	-3.0%
PAPER PACKAGING	Corrugated Cardboard	9.39	9.61	-2.3%
	Boxboard	9.39	9.54	-1.5%
	Gable Top Cartons	22.92	22.75	0.7%
	Paper Laminates	22.92	22.69	1.0%
	Aseptic Containers	22.92	22.83	0.4%
PLASTICS	PET Bottles	15.97	15.99	-0.1%
	HDPE Bottles	11.89	11.88	0.1%
	Plastic Film	33.01	32.96	0.1%
	Plastic Laminates	33.01	32.90	0.3%
	Polystyrene	33.01	33.00	0.0%
	Other Plastics	33.01	33.02	0.0%
STEEL	Steel Food & Beverage Cans	6.50	6.33	2.7%
	Steel Aerosols	6.50	6.45	0.8%
	Steel Paint Cans	6.50	6.44	1.0%
ALUMINUM	Aluminum Food & Beverage Cans	3.33	4.16	-20.0%
	Other Aluminum Packaging	7.61	6.86	10.9%
GLASS	Clear Glass	3.77	3.77	-0.1%
	Coloured Glass	6.16	5.10	20.7%
IN-KIND		\$5,932,643	\$7,322,988	-19.0%



Overall, the average fee rate for 2018 increases 2.5% from 2017. Rates decrease for seven of the 23 material categories. Selected materials with notable rate changes include:

Newsprint-CNA/OCNA: the 25.4% increase in this fee rate reflects both the increase in the common costs funded by the cash portion of the fee and a 14% reduction in the quantity of material supplied which means there were fewer tonnes available to share the costs.

Aluminum Food & Beverage Cans: the 20% decrease in this fee rate reflects an increase in recovered tonnes and an increase in its commodity revenue.

Coloured Glass: the 20.7% increase to this fee rate is a result of a decreased recovery rate that consequently increased the disposed tonnes to manage, thus allocating a higher proportion of fees.



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