

Revisions to WPP Stewardship Plan

Steward Webinar
August 12, 2015



Webinar Protocol

- Slides advance automatically
- Questions during the webinar?
 - Question box for questions/comments on webcast console
 - You can submit your questions at any point during the presentation (which will run for approximately half hour)
 - Questions will not be addressed during the Q&A section at the end of the webinar
 - During the Q&A we will answer as many questions as possible
 - All questions and responses will be captured in a Q&A document to be posted on the MMSW website (this will include any questions we don't get to today)
 - Once the webinar has ended, please send any follow up questions to the email address stewards@multimaterialsw.ca
 - This webcast, and the presentation, will also be posted on the MMSW website in the next day

Agenda

1. History of MMSW program and Stewardship Plan
2. Why MMSW is submitting a new Stewardship Plan
3. Key components of revised WPP Stewardship Plan
 - a) Phases of plan implementation
 - b) Scope of MMSW funding to municipalities
 - c) Methodology to calculate municipal funding
 - d) Steward Financing and fee schedule
 - e) Program launch date
4. Stakeholder engagement and next steps

Let's recap

- MMSW was formed in 2013 in response to the introduction of the SK government's Household Packaging and Paper Stewardship Program Regulations on February 6, 2013
- MMSW consulted with stewards and municipalities throughout 2013 on its Waste Packaging and Paper Stewardship Plan
- MMSW's Stewardship Plan was submitted to the government on December 12, 2013 and shortly thereafter approved
- Businesses required to join MMSW and report by June 2014
- MMSW was initially scheduled to launch January 1, 2015

Why MMSW is submitting a new Stewardship Plan?

- On December 18, 2014 Environment Minister announced the following additional requirements:
 - Permanent exemption for businesses with less than \$2 million in annual revenue or generate less than 1 tonne of WPP or operate as a single retail store; and
 - Two-year transition exemption from reporting and paying fees, with the exception of annual \$500 flat fee, for all newspaper publishers and all businesses with annual revenue between \$2 million and \$5 million; and
 - Approval of stewardship fees by the Minister during the two-year transition exemption period
- These exemptions made the 2013 Stewardship Plan unworkable from both a financial and operational perspective
- Following extensive dialogue with government, MMSW has revised its Stewardship Plan

2015 Plan based on revised assumptions

- Not all businesses that supply paper and packaging in SK will participate
 - Permanent exemption for some
 - Two-year exemption for others
 - Some businesses will likely continue to be non-compliant
- MMSW to pay up to 75% of program costs to manage the material its members supply into the residential marketplace

New assumptions require a new approach

- Method required to determine portion of WPP collected that was supplied by MMSW members
 - MMSW is responsible only for its members' tonnes
 - MMSW members will not pay for WPP in collection system supplied by exempt and non-compliant businesses
- But the quantity of paper and packaging supplied by exempt and non-compliant businesses is unknown

How does the revised Stewardship Plan affect MMSW stewards?



Phased implementation

- **Transition Period:** Begins on the date the plan is launched
- **Post-Transition Phase 1:** Begins when newspapers and other businesses with revenues between \$2 million and \$5 million report and pay fees
- **Post-Transition Phase 2:** Begins when funding to municipalities is based on costs for municipalities to operate an efficient and effective WPP program

Scope of MMSW funding refined

- MMSW to pay up to 75% of municipalities' program costs to manage the material its members supply into the residential marketplace across Saskatchewan
- MMSW will not fund municipalities to collect or recycle
 - Materials that are not WPP as defined in the WPP Stewardship Plan
 - WPP from industrial, commercial or institutional (ICI) sources
 - WPP supplied by exempt and non-compliant stewards
 - Packaging containers, such as oil, antifreeze and diesel exhaust fluid containers, that are intended to be managed by other product management programs

Method for Transition Period funding to municipalities

- Each participating municipality will receive a fixed payment per household served
- Funding will be available to municipalities subject to the terms of a funding agreement and compliance with the collector and processor policies contained therein
- Methodology will also be used during Post-Transition Phase 1 but basis of payment may be revised based on lessons learned

Paper and packaging supplied by MMSW members to households in SK



Paper and packaging supplied by MMSW members that is available for collection from households



60%
(assumed capture rate)



Paper and packaging supplied by MMSW members that is collected from households by municipalities



\$140/tonne
(weighted average)



Total funding available to municipalities to manage paper and packaging supplied by MMSW members that is collected from households



Number of households in SK



Funding per household available to municipalities



Number of households served in each municipality



Funding per municipality (available to municipalities registered with MMSW)



Steward Financing

- December announcement required that the Minister approve stewardship fees for two years
- Revised program plan provides the fee schedule for years one and two
- Fee schedule reflects MMSW's contract with our stewards (the Membership Agreement) which states that the fees must:
 - Be calculated on a fair basis
 - Provide sufficient resources to operate an efficient and effective program
 - Ensure that MMSW incurs neither a profit nor a loss
- After two years, MMSW will re-set fees based on packaging and paper reported by its members and the annual costs to implement its plan

Category	Material	2015 Fee Rates
PRINTED PAPER		
Printed Paper	Newsprint	7.15 ¢/kg
	Magazines and Catalogues	7.15 ¢/kg
	Telephone books	
	Other Printed Paper	
PACKAGING		
Paper Based Packaging	Corrugated Cardboard	12.92 ¢/kg
	Boxboard	
Composite Paper Packaging	Gable Top Cartons	22.47 ¢/kg
	Paper Laminates	
	Aseptic Containers	
High Grade Plastics Packaging	PET Bottles	17.54 ¢/kg
	HDPE Bottles	
Low Grade Plastics Packaging	Plastic Film	24.62 ¢/kg
	Polystyrene	
	Other Plastics	
Plastic Laminates	Plastic Laminates	33.76 ¢/kg
Steel Packaging	Steel	15.76 ¢/kg
Aluminum Packaging	Aluminum Food & Milk Containers	24.32 ¢/kg
	Other Aluminum Packaging	
Glass Packaging	Clear Glass	13.80 ¢/kg
	Coloured Glass	

Program launch date

- If the MOE can approve the revised plan by mid-October, MMSW will be able to launch its program by January 1, 2016
- In this case, stewards will receive their first quarterly invoice on January 1, 2016 with payment due within 30 days

Stakeholder engagement and next steps

- MOE has been briefed on components of revised plan
- Briefing with municipal associations took place on July 16 and they will be discussing the plan with their members over the summer and providing comment to MMSW
- Communication to stewards outlining changes made to the program plan was sent on July 29 with a link to the program plan
- Stakeholder comments are welcome
- Board will consider final plan and stakeholder comments at its meeting on September 24, 2015
 - Plan would be submitted shortly after September 24 to MOE for approval

Sharing your comments

- Stewards are invited to share any comments on the revised plan by emailing:
comments@multimaterialsw.ca
- Deadline for submissions: Friday, August 28, 2015

Questions and Discussion

