

Multi-Material Stewardship Western

Review of Payment Model Adjustment

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Agenda

- Why A New Services Agreement?
- Background
- New Payment Model
- New Payment Rates

Why A New Services Agreement?

1. A new payment model has been developed in collaboration with MMSW Advisory Committee which represents urban and rural municipalities, regional waste management authorities, the Saskatchewan Waste Reduction Council and stewards of residential packaging and paper.
2. Program learning over past 2 years has provided insight to areas requiring greater clarity in Agreement's language.
3. Setting up for a robust contract which can accommodate future payment adjustments without requiring a completely new Agreement to be issued.

Background

- When MMSW was launched at the beginning of 2016, the program provided payments based on the experience of other programs as no Saskatchewan data was available.
 - Section 4.4.2 of the Waste Paper and Packaging (WPP) Stewardship Plan required MMSW to begin the work necessary to determine Saskatchewan-specific supply-chain costs.

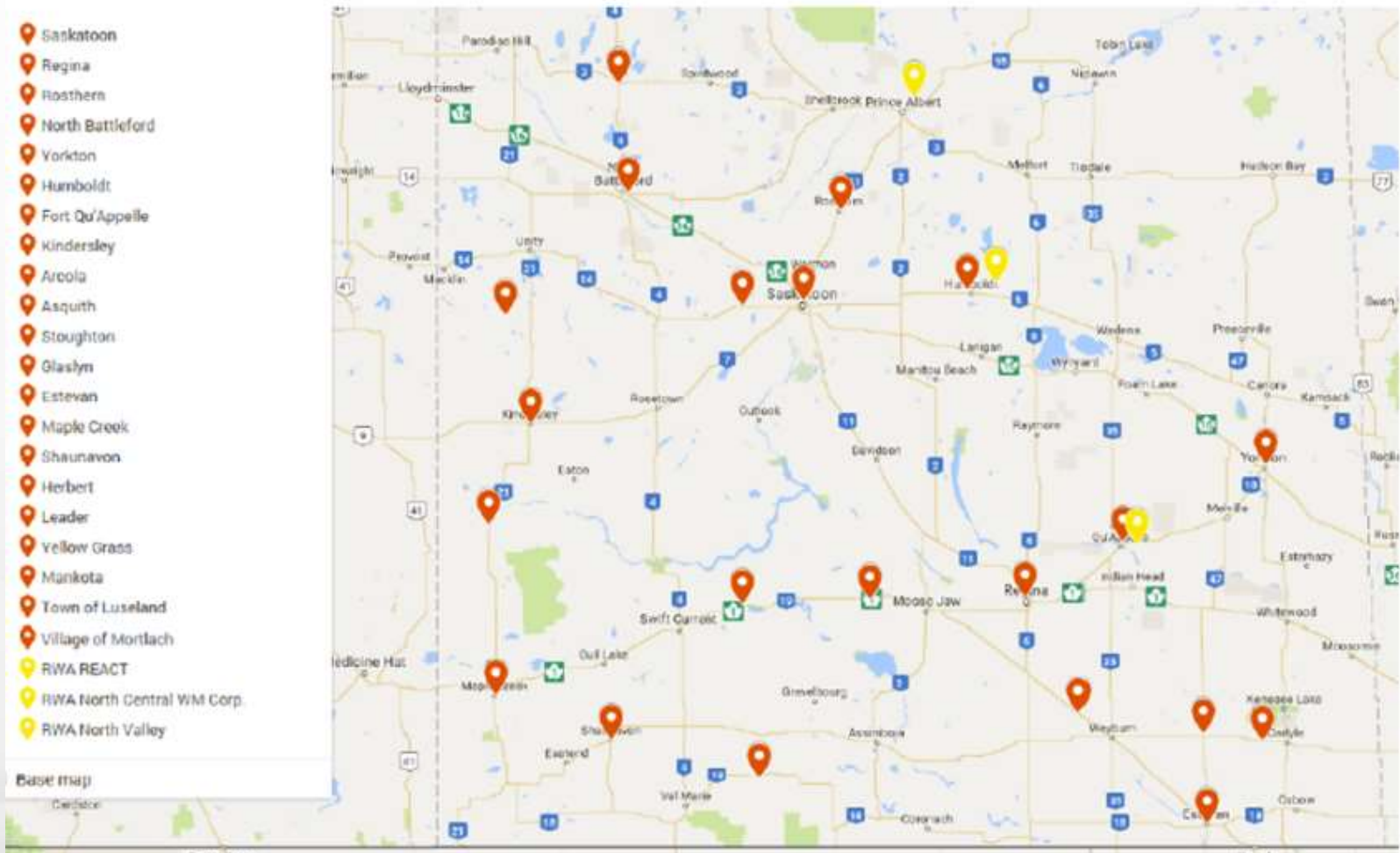
Background

- The required work was directly supported by the MMSW Advisory Committee who provided valuable input on this important initiative and helped determine the operational definitions for efficient and effective recycling of WPP in Saskatchewan.
- In early 2018, the Committee developed a payment model based on a PwC survey of actual Saskatchewan costs and supply-chain expenses.
- The new payment model was approved by the MMSW Board of Directors at its June meeting and is effective January 1, 2019.

Development of New Payment Model

- Post-Transition Phase 2 calls for accounting audit work to determine Saskatchewan supply chain costs in current phase of program (Post-Transition Phase 1) - Section 4.4.5 of plan
- In 2017 the **Municipal Recycling Cost and Revenue Accountancy Review** was conducted
- 24 Collectors were selected:
 - 21 municipalities
 - 3 regional waste authorities
- In aggregate, these partners represent:
 - 79% of total program WPP tonnes (2016)
 - 64 % total program households serviced.

Accounting Audit Sample

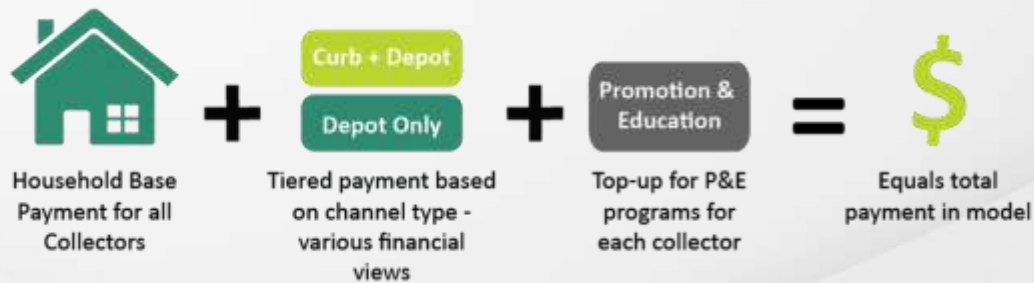


Main Audit Findings

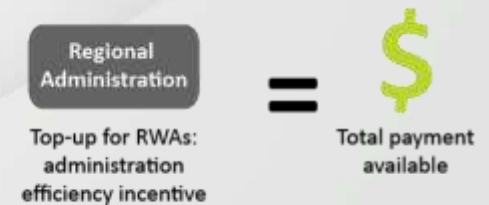
- No Discernible Trends
 - No relation between program management costs and size, location, type of program
- Gaps In Results
 - Level of program data detail varied widely
 - Processing costs largely unknown or not tracked separately from collection
- MMSW determined more studies required in 2019/2020
 - A second accounting audit:
 - To provide additional details on Saskatchewan WPP supply chain management costs
 - A composition audit:
 - Contamination rates
 - MMSW members' share of total collected stream

New Payment Model 2019

All Collector payments:



Discretionary payments:



New Payment Rates

	HH Base Payment	Tiered rate by channel	P&E Top-up	Collectors' Payment		RWA Administration Top-up	Total Payment Available
Curbside & Depot	\$15.00	\$10.00	\$0.75	\$25.75		\$2.50	\$28.25
Depot Only	\$15.00	\$0.00	\$0.75	\$15.75		\$2.50	\$18.25

Q & A

Thank you for your dedicated partnership and collaboration!

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