



Divert NS – EPR Oversight

2025 Fee Consultation Summary Report

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Divert NS EPR Oversight: 2025 Fee Consultation Summary Report

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1.0 EXECUTIVE SUMMARY

Divert NS, as the Administrator of the Nova Scotia Extended Producer Responsibility Regulations for Packaging, Paper Products and Packaging-Like Products (EPR for PPP), is authorized to recover its oversight costs. According to the regulations, Divert NS must consult with affected parties when establishing methods for cost recovery and setting fees.

On March 19, 2025, Divert NS launched its first fee consultation process for producers. The process was guided by Divert NS' principles for fee setting: transparency, reasonability and fairness. In addition, Divert NS committed to establishing a fee structure that is easily understood.

Following a producer webinar that outlined the key methodology for fee setting, as well as a proposed fee structure and rates, producers were invited to provide feedback through an online survey. In total, 21 producers or industry associations provided feedback to Divert NS.

This report summarizes Divert NS' consultation process, the feedback received and how the feedback influenced decision making for setting fees. Key themes addressed include:

- Comments on the proposed fee structure
- Comparison of Divert NS' oversight costs with agencies in other jurisdictions
- Discussion about whether start-up costs should be included in the fees
- Timing of fee collection
- Feedback related to Divert NS' enforcement and compliance efforts.

Divert NS will proceed with the two-tier fee structure outlined in the table below:

| | Supply Weight Threshold | Fee Structure | Fee Rates |
|---------------|--|--------------------------|---------------------|
| Tier 1 | Producers <u>under</u> 25,000 kg | Flat Rate | \$250 |
| Tier 2 | Producers <u>at or above</u> 25,000 kg | Flat Fee + Variable Rate | \$250 + \$0.0289/kg |

Divert NS is committed to ongoing collaboration with producers to improve participation in the fee consultation process that will occur on an annual basis.

2.0 FEE CONSULTATION OVERVIEW

Divert NS launched its first fee consultation in March 2025. The consultation process began with a producer webinar on March 19, which introduced the methodology used to calculate EPR Oversight fees and explained how the proposed fee structure for 2025 invoices was developed. Proposed fee rates were also presented to producers.

The fee-setting approach was informed by several foundational documents, including Divert NS' *Fee Setting Policy*, *Fee Setting Guide*, and the *EPR Oversight Operational Agreement* between Nova Scotia Environment and Climate Change (NSECC) and Divert NS. Where feasible, Divert NS sought to align its fee structure and methodology with other jurisdictions that have comparable regulatory frameworks.

Divert NS is required to consult with producers annually on their fee setting methodology and proposed fees. Input received during the consultation process was used to inform Divert NS' final fees.

2.1 Consultation Requirements

The EPR Oversight Operational Agreement between Divert NS and NSECC outlines the required activities and timelines for each annual fee consultation. Table 1 summarizes key activities undertaken by Divert NS as part of the 2025 consultation process, along with the corresponding dates.

Table 1: Key Activities Required for Fee Setting

| Required Action | Milestone |
|---|--|
| Producer Consultation Engage in consultation with registered producers. | March 19, 2025 Divert NS presented proposed EPR Oversight Fee methodology and fees during a producer webinar. Questions were addressed during the webinar. |
| Producer Feedback Gather feedback on the proposed EPR Oversight fee structure and fee rates from producers. | March 20, 2025 Divert NS emailed all registered producers a link to a recording of the producer webinar and a link to complete the feedback survey. All relevant fee documents were posted to Divert NS' fee web page. |

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| Comment Period Receive comments on the proposed EPR Oversight fees for at least 45 business days after the proposed fees are posted on the website. | March 19 – May 23, 2025 Producers were sent several email reminders to complete the feedback survey by May 23, 2025. |
| Notice to Minister Provide notice of the proposed fees in writing to the Minister at least seven business days before the Board of Directors approve the final EPR Oversight fees. | June 9, 2025 A letter was emailed to the Minister of the Environment and Climate Change outlining the proposed fee structure and fee rates that would go to the Board of Directors for final approval. |
| Board Approval Present the final EPR Oversight fees to the Divert NS Board of Directors for approval. | June 26, 2025 Divert NS' Board of Directors provided approval of the final EPR Oversight fees. |
| Notice of Final Fees on Website Post the final EPR Oversight fees on Divert NS' website and notify producers. | July 15, 2025 Divert NS posted the final fees on its website and sent an email to all registered producers outlining the final EPR Oversight fees. |
| Provide Overview of Feedback from Impacted Parties Publish a summary report of the EPR Oversight Fee Consultation. | July 15, 2025 Divert NS published the Fee Consultation Summary Report on its website and emailed a copy of the report to all registered producers. |
| EPR Oversight Invoice Issue the first EPR Oversight invoice to producers not less than 30 business days after the final fees are posted. | Upcoming: October 1 Divert NS will invoice producers for EPR Oversight Fees. |

2.3 Consultation Preparation

Before presenting its proposed EPR Oversight fee structure and rates to producers, Divert NS sought advice from a range of stakeholders. This included staff from other EPR Oversight agencies, consultants with experience in EPR Oversight fee setting, staff at NSECC, and a sub-committee of Divert NS' Board of Directors overseeing the development of the EPR Oversight division. These discussions improved the presentation delivered to producers to help ensure that the rationale for the proposed fee structure and fees was clear and easy to understand.

3.0 ENGAGEMENT ACTIVITIES

The following activities were undertaken by Divert NS to provide support to producers and encourage participation in the EPR Oversight fee consultation process.

3.1 Producer Webinar

Divert NS hosted an online webinar for producers that outlined the fee setting methodology, the proposed fee structure and proposed fee rates. The webinar provided an opportunity for producers to ask questions and seek clarification on specific details of the proposal.

3.2 Online Information and Tools

A dedicated [EPR Oversight Fee web page](#) was added to provide access to all relevant documents related to the fee methodology and establishment of the proposed EPR Oversight fees. The following resources were made available:

- Producer webinar recording
- PowerPoint presentation slides
- Fee Estimator
- Fee Setting Policy
- Fee Setting Guide
- Frequently Asked Questions (FAQs) on EPR Oversight Fees

3.3 Digital Outreach

Regular emails were sent to registered producers to encourage participation in Divert NS' Fee Consultation. Early emails focused on raising awareness of the producer webinar. The emails included links to various resources, including Divert NS' Fee Setting Policy.

3.4 Social Media

LinkedIn was used to promote the producer webinar on EPR Oversight Fees. The Fee Consultation Summary Report was shared on LinkedIn as well.

3.5 Producer Feedback Survey

To provide an easy format for producers to submit feedback on Divert NS' fee consultation, an online survey was provided. The survey asked specific questions related to the proposed fee structure and rates. The survey also asked an open-ended question that gave producers an opportunity to provide any other feedback relevant to the fee consultation. Several email reminders were sent to producers to encourage them to complete the feedback survey.

Table 2: Producer Engagement Highlights

| Activity | Participation |
|---------------------------------------|---------------|
| Producer Webinar – live | 102 |
| Producer Webinar - views of recording | 24 |
| Surveys and other feedback | 21 |

4.0 FEE STRUCTURE RESEARCH AND ANALYSIS

4.1 EPR Oversight Costs

For the 2025 fee consultation, Divert NS' total EPR Oversight costs were presented as \$1.62 million for a 20-month period. This included audited start-up costs of \$580,000 for the period of August 2, 2023 to March 31, 2024. It also included projected costs of \$1,042,000 in capital and operating expenses for the period of April 1, 2024 to March 31, 2025.

4.2 Cost Recovery Analysis

To develop the proposed EPR Oversight fee structure, Divert NS staff reviewed fee-setting approaches used by oversight agencies in other jurisdictions. This included

comparisons based on population size, supply volumes, and overall fee design. Staff also assessed producer supply data reported to Divert NS to understand the size and scope of producers operating in Nova Scotia.

Based on the analysis, Divert NS staff determined that a two-tier fee structure would provide an easy to understand and fair approach to recovering EPR Oversight costs.

Table 3: Two-tier Fee Structure

| | Criteria | Fee Structure |
|---------------|--|--------------------------|
| Tier 1 | Producers <u>under</u> the supply threshold (kg) | Flat Fee |
| Tier 2 | Producers at or above the supply threshold (kg) | Flat Fee + Variable Rate |

Several fee structure scenarios were modeled, evaluated and shared with producers during the producer webinar in March. The key factors that were analyzed included the flat fee rate and the supply threshold weight.

Divert NS analyzed flat fee rates based on a percentage of total costs being recovered through a flat fee.

- \$200 flat fee = 4% of total costs recovered through the flat fee
- \$250 flat fee = 5% of total costs recovered through the flat fee

Divert NS analyzed supply weight thresholds to determine the percentage of producers that would be Tier 1 (flat fee) or Tier 2 (flat fee + variable rate)

- 25,000 kg threshold = 50% producers flat fee/ 50% producers flat fee + variable rate
- 40,000 kg threshold = 60% producers flat fee/ 40% producers flat fee + variable rate

The combination of different flat fee rates and supply weight thresholds resulted in several variable rates, as noted in Table 4.

Table 4: Variable Rate Outputs Based on Analysis

| | Threshold: 25,000 kg | Threshold: 40,000 kg |
|-----------------------|------------------------------|------------------------------|
| \$200 flat fee | \$0.0305/kg Variable rate | \$0.0309/kg Variable rate |
| \$250 flat fee | \$0.0302/kg Variable rate | \$0.0313/kg Variable rate |

5.0 PROPOSED FEE STRUCTURE AND RATES

Based on the analysis, Divert NS chose a flat fee rate of \$250 and a supply weight threshold of 25,000 kg. This combination resulted in a variable rate of \$0.0302/kg. In this option, producers paid fees in proportion to their individual supply into Nova Scotia. In alternative combinations, Tier 1 (flat fee) producers did not cover the cost of their representative share. The proposed fee structure and rates presented to producers during the consultation are outlined in Table 5.

Table 5. Proposed Fee Structure and Fee Rates for Consultation

| | Supply Weight Threshold | Fee Structure | Proposed Fee Rates |
|---------------|--|--------------------------|---------------------|
| Tier 1 | Producers <u>under</u> 25,000 kg | Flat Rate | \$250 |
| Tier 2 | Producers <u>at or above</u> 25,000 kg | Flat Fee + Variable Rate | \$250 + \$0.0302/kg |

6.0 CONSULTATION THEMES AND OUTCOMES

6.1 Key Theme: Fee Structure

Producer Feedback: Approximately half of the producers who provided feedback indicated that the proposed fee structure was fair or reasonable. Several respondents

did not answer this question, suggesting a level of neutrality or indifference. Some producers expressed concern that the fee rates were too high and that the supply weight threshold should be adjusted – either upward or downward to ensure fees more accurately reflected each producer’s contribution.

Context: Divert NS analyzed a range of flat fee rates and supply weight thresholds. The proposed fee structure, with a flat rate of \$250 and a supply weight threshold of 25,000 kg, was selected as the most equitable model. This scenario supported producers paying fees in proportion to their individual supply into Nova Scotia.

Outcome of Consultation: In consideration of the feedback received, Divert NS will maintain the two-tiered fee structure. The flat fee will remain at \$250 and the supply weight threshold will remain at 25,000 kg. This approach reflects Divert NS’ commitment to the fee structure being fair and easy to understand.

6.2 Key Theme: Jurisdictional Comparisons

Producer Feedback: Several producers and a few industry associations compared Divert NS’ proposed fee structure and rates to those in other jurisdictions. The proposed flat fee rate was noted as much higher than that set by the Resource Productivity Recovery Authority (RPRA) in Ontario and Alberta Recycling Management Authority (ARMA). In addition, some comments indicated that Nova Scotia’s proposed variable rate was four times higher than RPRA’s. Concerns were also raised that Divert NS’ overall operational costs appear to exceed those of Recycle NB. It was suggested that Divert NS consider a benchmarking study to compare their costs against those in other jurisdictions.

Context: While Divert NS understands the desire to draw comparisons between EPR Oversight agencies, it is important to recognize that each jurisdiction operates under a distinct regulatory framework that influences structure, processes, and costs. Differences may include, the maturity of the oversight operation, the number of programs oversight is provided for, whether oversight occurs at the producer or Producer Responsibility Organization (PRO) level, and the level of enforcement responsibilities the agency has.

Divert NS is a new oversight agency, only operating since August 2023 and it is tasked with providing oversight for only one program, EPR for PPP. In Nova Scotia, the regulations obligate individual producers, therefore Divert NS must provide oversight at the producer level, not at the PRO level. As a result of this, Divert NS built a registry to collect producer data. The regulations also provide Divert NS with full enforcement and compliance responsibilities.

Outcome of Consultation: Divert NS will continue to monitor fee structures and rates in other jurisdictions with similar EPR oversight models. As Divert NS' EPR division continues to evolve, it remains committed to continuously improving its operational efficiency.

6.3 Key Theme: Start-Up Costs

Producer Feedback: Some producers expressed concern that start-up costs should not be included in the EPR Oversight fees charged to producers. Additionally, some producers requested that start-up costs be amortized over several years.

Context: Following the announcement of Nova Scotia's EPR for PPP Regulations on August 2, 2023, Divert NS was required to begin building the foundational framework and key processes for its EPR Oversight Division. An Executive Director was hired at the outset, while additional staff were hired over time, in response to operational needs. To support critical early-stage activities, Divert NS engaged experienced consultants rather than expanding full-time staffing before it was required.

Regarding amortization, Divert NS adheres to the Public Sector Accounting Board (PSAB) standards, which do not permit the amortization of start-up operating costs. Only capital assets, such as computer equipment and the development costs associated with the EPR Portal/electronic registry, can be amortized over their useful life.

Outcome of Consultation: Divert NS' 2025 invoice will include the start-up costs incurred between August 2, 2023 and March 31, 2024. In accordance with the PSAB accounting standard, Divert NS is not permitted to amortize start-up costs over multiple years, but instead will recover those costs in the 2025 invoice.

6.4 Key Theme: Collection of Fees

Producer Feedback: Some producers requested the option to delegate payment of their EPR Oversight fees to the PRO. Producers also requested flexibility in the payment of their first invoice, noting that the process of setting up Divert NS as a vendor can take time.

Context: At this time, Circular Materials cannot facilitate payments of EPR Oversight fees on behalf of producers. As a result, each producer must pay Divert NS directly for EPR Oversight fees.

Outcome of Consultation: To support a smooth implementation, Divert NS has moved its invoice date from September 1 to October 1 and extended payment terms from 30 to 60 days. Producers will be required to pay EPR Oversight fees directly to Divert NS.

6.5 Key Theme: Fee Consultation Timing

Producer Feedback: A few producers commented on the timing of the fee consultation, suggesting fee rates be finalized in August or September of the prior year, to inform their budgeting process.

Context: Divert NS made a business decision to use actual costs from the fiscal year ending March 31 to determine oversight fees. Given that Divert NS' audited financial statements are not available internally until May of a given year and billing happens in the fall of each year, it is not possible to post final fees in the year prior.

Outcome of the Consultation: To support producers in budgeting, Divert NS has developed an [online Fee Estimator](#). Producers can input their total supply weight and receive an estimate of their EPR Oversight fees for a given year.

6.6 Key Theme: Compliance

Producer Feedback: Some producers asked for more information about Divert NS' compliance plan and oversight structure. They emphasized the importance of Divert NS playing an active role in ensuring producers comply with their reporting requirements. Questions were also raised about how Divert NS plans to identify and address "free riders" or producers who may not meet their regulatory obligations.

Context: Divert NS has been working to identify obligated producers from the outset to ensure they are registered and report as required. Divert NS maintains a publicly available list of registered, obligated producers on its website. To date, efforts have focused on raising awareness and supporting producers in understanding their responsibilities.

Divert NS has implemented an internal verification process that will help identify potential compliance concerns. This process is part of a broader, risk-based compliance framework that helps staff prioritize enforcement efforts.

Outcome of Consultation: Divert NS will continue to prioritize efforts to increase compliance with the EPR for PPP Regulations.

6.7 Key Theme: Communication

Producer Feedback: Some producers provided suggestions for how Divert NS could improve its communication efforts during the fee consultation process. Producers asked for clearer and more timely updates on the fee consultation timeline and requested that presentation materials be shared in advance of a webinar. Producers

also suggested more opportunities for dialogue, such as hosting sector-specific meetings, to better support engagement.

Outcome of Consultation: Divert NS is committed to strengthening its communication strategy ahead of the next fee consultation in the spring of 2026. As part of this effort, a new 'Campaigns' feature has been implemented in the Registry. This tool enables targeted emails to be sent directly through the EPR Portal to registered producers helping ensure important messages do not filter into spam.

Divert NS will also explore opportunities to host webinars throughout the year on value-added topics. These sessions will be designed to provide relevant and timely information.

6.8 Other Comments

Producer Feedback: It was suggested that Divert NS consider forming a Producer Advisory Group. This group would provide a forum for producers to share ideas, offer input on fee setting, and discuss other important topics.

Outcome of Consultation: Divert NS will explore the development of a Producer Advisory Group during the current fiscal year. The initial research will help determine the group's structure, purpose, and how the group can best support meaningful dialogue between Divert NS and producers.

Producer Feedback: One producer requested greater transparency around which producers fall above or below the 25,000 kg supply weight threshold.

Outcome of Consultation: Due to privacy regulations, Divert NS is unable to share a list of producers that fall above or below the 25,000 kg supply weight threshold.

Producer Feedback: It was suggested that Divert NS consider publishing an annual report that includes detailed financial information.

Context: Under the EPR for PPP Regulations, the Administrator is required to submit an annual report to the Minister of Environment and Climate Change. The content and structure of this report are outlined in the EPR Operating agreement between Divert NS and NSECC.

Outcome of Consultation: Divert NS publishes an Annual Report on its website in late June each year and sends a link to all registered producers. The Annual Report includes financial information related to the EPR Division, along with other relevant updates.

7.0 FINAL FEE STRUCTURE AND RATES

Upon consideration of producer feedback from the consultation, it was recommended that Divert NS' Board of Directors approve the two-tiered fee structure noted in Table 6. This model includes a \$250 flat fee and a 25,000 kg supply weight threshold.

Note that in the final fee structure, the variable rate decreased due to two factors: 1) an increase in the kilograms reported by producers since the consultation, and 2) a slight decrease from projected to actual costs for fiscal year ending March 31, 2025.

Table 6. Final Fee Rates

| | Supply Threshold | Fee Structure | Proposed Fee Rates |
|---------------|--|--------------------------|----------------------------|
| Tier 1 | Producers <u>under</u> 25,000 kg | Flat Rate | \$250 |
| Tier 2 | Producers <u>at or above</u> 25,000 kg | Flat Fee + Variable Rate | \$250 + \$0.0289/kg |

8.0 CONCLUSION

With the approval of the final fee structure and rates at the Divert NS Board of Directors' meeting on June 26, 2025, the fee consultation has concluded. Divert NS staff have debriefed on the process and identified potential improvements to the 2026 process. Producers are welcome to reach out to Divert NS at any time if they have ideas that may enhance the 2026 fee consultation.

Appendix A: Consultation Survey Feedback

This appendix provides a summary of feedback received during the Fee Consultation. Please note, feedback from producers that answered no or skipped a question is not reflected in the tables below.

1.0 Question: Do you have feedback on Divert NS' proposed flat fee of \$250 as 5% of total costs recovered by a flat fee?

| Producer Comment | Divert NS Response |
|---|--|
| The proposed flat rate is fair | |
| It seems OK. | |
| Credit for eco-friendly packaging. | EPR Oversight fees do not reflect specific types of packaging. |
| Would like to keep consistency with other provinces and standardize reporting. | Divert NS is working with oversight agencies in other jurisdictions to consider harmonization opportunities where possible. |
| Clear. | |
| The proposed \$250 flat fee to recover 5% of total program costs appears to be a reasonable and straight forward approach. It provides predictability for low-volume producers. | |
| Beer Canada has advised us that the proposed fees “are extremely high in comparison to similar oversight bodies and other packaging and paper programs” | Divert NS continues to work to keep costs as low as possible. It is not possible to directly compare oversight agencies across jurisdictions as each agency operates under a distinct regulatory framework. There are many factors that may not be equal, including: the maturity of |

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| | the oversight agency, the number of EPR programs the agency oversees, the total supply of PPP into the province, the level of enforcement responsibility, and more. |
| We acknowledge our obligation, but due to our very small yearly sales, we are not even eligible for a flat fee payment. Therefore, we should not be required to pay oversight fees. | The EPR for PPP Regulations defines exemptions for small producers. If a producer has less than \$1million in sales in Nova Scotia or supplies less than one (1) tonne of designated material into Nova Scotia, the producer is not obligated to report. For obligated producers, those supplying less than 25,000 kg are only required to pay a flat fee. |
| Would be better if it was lower than 5%. | Divert NS reviewed a range of percentages for cost recovery through flat fees. After evaluating the outcomes, recovering 5% of total costs through a flat fee was determined to be the most fair option. |
| The fee is too low if 50% of producers are only paying this fee (what is the number of producers here?) That puts majority of costs on 50% of the producers. Consider a tiered flat fee based on revenue or volume bands to ensure greater equity and protects small producers (but should not be at expense of total). | The proposed \$250 flat fee rate was informed by data reported from 347 producers. Divert NS considered a multi-tiered structure but chose a simpler model to reduce complexity. |

2.0 Question: Do you have feedback on Divert NS' proposed supply threshold of 25,000 kg which would result in 50% of producers paying a flat fee and 50% of producers paying a combination of a flat fee and variable rate?

| Producer Comment | Divert NS Response |
|---|--|
| Yes, the regulation for EPR has a small producer exception at 1000 kg. Although I understand this is not a small producer | Divert NS analyzed several fee structure scenarios to assess fairness across the producer base. The proposed model aimed |

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| exemption, this is far off from this threshold and having 50% of producers not pay the additional variable fee is not fair and equitable. This should be lowered at least to 10,000 kg in order to create more fairness in the fees. | to have producers pay fees that are proportional to their individual supply into Nova Scotia, regardless of scale. In the proposed model, flat fee producers are covering the cost of the PPP they supply into Nova Scotia. |
| The combination of these two fees is fair. | |
| It seems OK. | |
| A more flexible tiered approach, or a high threshold (35-40,000 kg) could be a more balanced solution | Divert NS analyzed several scenarios and proposed the most fair scenario, where all producers would pay fees that were in proportion to their individual supply into Nova Scotia, regardless of scale. |
| Would like to keep consistency with other provinces and standardize reporting. | Divert NS is working with oversight agencies in other jurisdictions to consider harmonization opportunities where possible. |
| Clear | |
| Thank you for the opportunity to provide feedback on the proposed 25,000 kg supply threshold. We would like clarification on how the 50/50 split between the flat-fee-only producers and those paying both flat and variable rates was determined. | Divert NS analyzed several scenarios and proposed the most fair option, where producers would pay fees that were proportional to their individual supply into Nova Scotia. |
| Beer Canada has advised that "Divert NS proposed per kilogram rates are also 4 times higher than comparable Resource Productivity and Recovery Authority | Divert NS continues to make efforts to keep costs as low as possible. It is not possible to directly compare oversight agencies across jurisdictions as |

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|--|--|
| (RPRA) 2025 producer blue box fees for Ontario. | each agency operates under a distinct regulatory framework. There are many factors that may not be equal, including: the maturity of the oversight agency, the number of EPR programs the agency oversees, the total supply of PPP into the province, the level of enforcement responsibility, and more. |
| 50% of producers paying a combination of a flat fee and variable rate. | Divert NS analyzed several scenarios and proposed the most fair option, where producers would pay fees that were proportional to their individual supply into Nova Scotia, regardless of scale. |
| The threshold is too low if it equates to 50% of the producers. Has Divert NS evaluated whether 25000kg accurately reflects a meaningful break in the producer scale and capacity. | Divert NS analyzed several scenarios and proposed the most fair option, where producers would pay fees that were proportional to their individual supply into Nova Scotia, regardless of scale. |

3.0 Question: Do you have feedback on how Divert NS can best engage producers in annual fee consultation?

| Producer Comment | Divert NS Response |
|---|--|
| The consultation was good. | |
| I believe that being in contact with producers through webinars to improve knowledge about recycling and how to apply it at home, offices, etc. will surely help to have better recycling habits and better participation of producers. | Circular Materials is responsible for developing a Promotion and Education Strategy. Divert NS will provide this feedback to them for consideration. |

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| <p>1. Proper and timely communication to producers.</p> <p>2. Sharing the presentation material in advance so that producers understand the high-level presentation materials in advance and bring questions well prepared.</p> <p>3. Follow-up on questions asked by producers during the webinar.</p> | <p>Divert NS will review its communication strategy in advance of the 2026 fee consultation to determine gaps and how communication to producers can be improved. Divert NS will consider sharing presentation materials in advance of future webinars. Divert NS will continue to provide follow up on all questions received during webinars.</p> |
| <p>More surveys and virtual Q&A sessions.</p> | <p>Divert NS will review its 2026 fee consultation communications strategy and will consider adding additional opportunities to engage producers.</p> |
| <p>It is worth a conversation with producers.</p> | <p>Divert NS encourages producers to reach out about specific questions or suggestions. Staff are also available for individual discussions with producers.</p> |
| <p>To further enhance engagement in the annual fee consultation. It would be beneficial for Divert NS to provide clear, early communication about the consultation timeline and any proposed changes, allowing producers adequate time to review and respond. While the survey is a useful tool, offering additional engagement opportunities, such as virtual meetings or sector-specific discussions, would help reach a wider range of producers and ensure that diverse perspectives are captured. It would also be helpful to share relevant data on how different fee structures might impact producers, which would enable more informed and constructive feedback. After the consultation, providing a transparent summary of the feedback received and how it influenced</p> | <p>Divert NS will advise producers of the fee consultation timeline earlier in 2026. It is expected that the consultation will begin in February/March each year.</p> <p>Divert NS' Operating Agreement with Nova Scotia Environment and Climate Change (NSECC) requires the consultation period be 45 business days and the final fee must be posted for a minimum of 30 business days before invoicing producers.</p> <p>A Fee Consultation Summary Report, including the final fees, will be posted on Divert NS' web page, and sent directly to all registered producers in July 2025. The report will provide information on how feedback from impacted parties was incorporated into the final fee rates.</p> |

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| the final decisions would show that producers input has been carefully considered. | |
| Nothing to add here. | |
| I would suggest that Divert NS can work closely with our PRO Circular Material, therefore we can eliminate a lot of uncleared stuff. | Divert NS works closely with Circular Materials on a range of matters and will continue to meet regularly with them. Divert NS has also participated in two of Circular Materials' producer working group meetings to share relevant information. |
| By lowering the fees as much as possible. | Divert NS remains mindful of keeping fees as low as possible for producers while meeting regulatory requirements. |
| Be transparent about number of producers and who has registered as an under and over 25,000 kg producer. Along with webinars, provide summary reports showing how feedback influenced fee decisions to build trust. | Divert NS posts a publicly available list of registered producers on its website regularly. Privacy regulations would not permit Divert NS to share a producer's supply data publicly. |

4.0 Question: Do you have any additional feedback on Divert NS' approach to fee setting or the proposed 2025 fee rates?

| Producer Comments | Divert NS Response |
|---|---|
| We would recommend producers be able to pay the fee (however calculated) through their PRO. Otherwise, Divert NS must be set-up as a vendor which adds administration burden. We require fees to exceed \$10,000 annually for the admin burden to pay off internally. | Divert NS has been advised by Circular Materials that they are unable to facilitate payment of EPR Oversight fees for producers at this time. Divert NS is open to accommodating this request when the PRO advises they can provide this service. |

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| No. Thanks. | |
| <p>1. Please map out the free riders.</p> <p>2. Going forward, plan well how to best spend the recovered fee from the free loaders.</p> <p>3. Prioritize areas which can help producers in lowering their oversight fee.</p> | <p>Divert NS continues to work proactively to identify non-compliant producers (“free riders”). Divert NS’ internal verification process for supply data is expected to help identify free riders.</p> <p>Divert NS is also developing a methodology to recover fees from free riders and remains focused on identifying opportunities to improve the efficiency of the EPR Oversight division.</p> |
| <p>Please allow payment of the oversight fee either by credit card or through the PRO (Circular Materials in our case). This would greatly simplify payment of the fee, as setting up and maintaining a new vendor in our AP systems is a very involved process. Being able to pay the fee through an existing vendor (our PRO) or by direct card payment would be extremely helpful.</p> | <p>Divert NS has been advised by Circular Materials that they are unable to facilitate payment of EPR Oversight fees at this time. Divert NS is open to accommodating this request when the PRO advises they can provide this service.</p> <p>Divert NS is unable to accept credit card payment.</p> |
| <p>Producer 2025 budgets are already finalized for 2025. Oversight fees should be finalized by August of prior year to allow for forecasting and budgeting. For 2025, oversight fees should be deferred to 2026. Ample time should be given for producers to set up Divert NS as a vendor and set up EFT prior to issuance of invoices. EFT details and instructions for set up should be provided by Divert NS in advance to producers. For first invoice, there should be flexibility on payment terms and interest policy.</p> | <p>Divert NS made a business decision to use actual costs from the fiscal year ending March 31 to determine oversight fees. Given that Divert NS’ audited financial statements are not available until May of a given year and billing happens in the fall of each year, it is not possible to post final fees in the year prior.</p> <p>To support producers with budgeting, a Fee Estimator is available on Divert NS’ website. This tool allows producers to estimate their oversight fees based on the supply volumes they report.</p> |

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| | Divert NS has reviewed its payment schedule and have changed its payment terms from 30 to 60 days. Producers will receive an invoice on October 1 and payment is not due until November 30. |
| No | |
| Divert NS is estimating an annual regulatory cost of \$1.6 million based on operational costs of just over \$1 million and start-up costs of \$580,000. These proposed amounts are extremely high in comparison to similar oversight bodies and other packaging and paper programs. Recycle NB's total regulatory costs for oversight of its paper and packaging program averaged around \$480,000 in 2022 and 2023. Divert NS proposed per kilogram rates are also 4 times higher than comparable Resource Productivity and Recovery Authority (RPRA) 2025 producer blue box fees. | <p>Divert NS' \$1.6 million in fees represent a 20-month period – nine (9) months of start-up and twelve (12) months of operations.</p> <p>Divert NS continues to make efforts to keep costs as low as possible. It is not possible to directly compare oversight agencies across jurisdictions as each agency operates under a distinct regulatory framework. There are many factors that may not be equal, including: the maturity of the oversight agency, the number of EPR programs the agency oversees, the total supply of PPP into the province, the level of enforcement responsibility, and more.</p> |
| Looking ahead, would Divert NS consider introducing a tiered or partial flat fee model for mid-high-volume producers as well. | Divert NS analyzed several scenarios and proposed the most fair option, where all producers would pay fees that were in proportion to their individual supply into Nova Scotia. |
| We are in agreement with Beer Canada that "Producers should not be held responsible for "Divert NS startup costs, which appear to include over a half a million in consulting fees." | Divert NS began its EPR Oversight division on August 2, 2023, when the EPR for PPP Regulations were announced. The Regulations authorize Divert NS to recover its costs for providing Oversight. The \$1.6 million in costs being invoiced in October 2025 covers a 20-month period and includes start-up costs of \$580,000. |

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| <p>If possible, we would like to have the proposed fee rates prior to October, so we can budget for 2026.</p> | <p>Divert NS made a business decision to use actual costs from the fiscal year ending March 31 to determine oversight fees. Given that Divert NS' audited financial statements are not available until May of a given year and billing happens in the fall of each year, it is not possible to post final fees in the year prior.</p> <p>To support producers with budgeting, a Fee Estimator is available on Divert NS' website. This tool allows producers to estimate their oversight fees based on the supply volumes they report.</p> |
| <p>Please make it fair and lower</p> | <p>Divert NS analyzed several scenarios and proposed the most fair option, where all producers would pay fees that were in proportion to their individual supply into Nova Scotia, regardless of scale.</p> |
| <p>Transparency on registrants and who is paying the majority of these costs. We lean on oversight to ensure everyone is paying their fair share of the system. What are Divert NS governance plans around this and ensuring program compliance.</p> | <p>Divert NS regularly updates the publicly available list of registered producers on its website to support transparency. However, due to privacy regulations, individual producer's supply data cannot be shared publicly.</p> <p>To support compliance, Divert NS has developed an internal verification process to be implemented for supply data reported in 2025. Producer compliance is a focus of the EPR Oversight Division.</p> |

Appendix B: Stakeholders Who Submitted Feedback

Anonymous

Anonymous

Anonymous

Anonymous

Beer Canada

CB Powell Sales

CGC Inc

Conair Consumer Products

Electro Federation Canada

General Mills

Hoffmann-La Roche Ltd

Labatt Brewing Company Limited

Mars Canada

Mattel Canada Inc

Nestle Canada Inc.

Nuvona Ltd

Retail Council of Canda

Sleeman Breweries Ltd

Sobeys

Teva Canada

Thomas Large and Singer