

# 2026 EPR OVERSIGHT FEE CONSULTATION

 Presented by Divert NS

 March 25, 2026



# MI'KMAQ LAND ACKNOWLEDGEMENT

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In the spirit of Reconciliation, we acknowledge that we are on the ancestral and unceded territory of the Mi'kmaq People, and we honour them as the past, present, and future caretakers of this land. We are grateful for the Treaties of Peace and Friendship.  
**We are all Treaty people.**

# WEBINAR AGENDA

- 1** Background and Highlights
- 2** Fee Setting Objectives/Timelines
- 3** Fee Setting Principles
- 4** Cost Recovery 2026 Invoice
- 5** Fee Structure and Proposed Rates
- 6** Payment Options
- 7** Consultation: Survey Questions

# DIVERT NS BACKGROUND



For 30 years, Divert NS has operated stewardship programs.

- Deposit Refund Program for Used Beverage Containers
- Used Tire Management Program



Divert NS was appointed the Administrator of the EPR for PPP Regulations in 2023.

- Responsible for ensuring compliance with the Regulations.

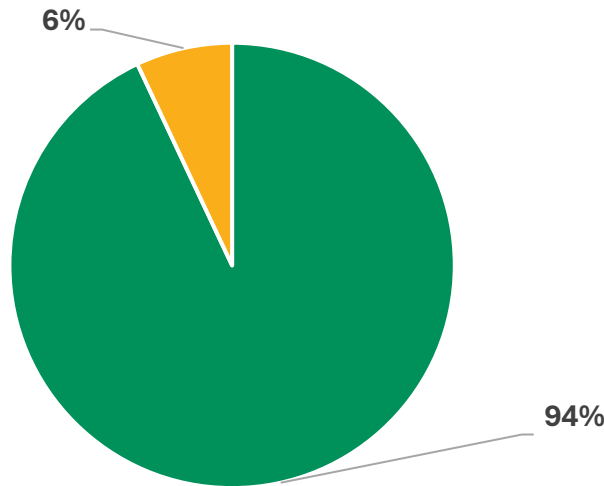


As Administrator, the focus has been on supporting producers in meeting their regulatory obligations.

# EPR FOR PPP IMPLEMENTATION

- First province to implement without a phased approach.
- One standardized sort list for Nova Scotia.
- Circular Materials took responsibility for a common collection system on December 1, 2025.
- Performance against targets will be reported by Circular Materials.
  - Targets for 2027 are best efforts.

# EPR OVERSIGHT COMPLIANCE HIGHLIGHTS



94% of registered producers have submitted their 2024 supply report



Identification of free riders.

- Increased producer registration by 14% in past 12 months



Supply Report Verification

- Improving data quality by identifying under/over reporting of supply



Collection of payment for 2025 Oversight Invoice



# Fee Setting Objectives and Timeline

# DIVERT NS EPR OVERSIGHT FEES



Regulations enable EPR Oversight division to collect fees to recover costs associated with regulatory activities.



2026 fees cover a 12 month period.



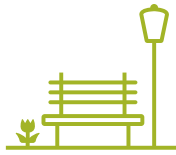
Invoices are issued annually October 1, due net 60 days

*NOTE: Circular Materials charges producers a separate fee for the operation and management of the curbside collection system.*

# OVERSIGHT FEE SETTING OBJECTIVES



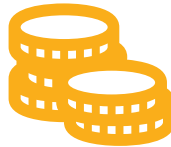
Reasonable and Fair



Predictable and Easily Understood



Transparent Process



Financial Sustainability

# 2026 FEE SETTING PROCESS & TIMELINE

**March - May**  
Producer Consultation

Between March 25 and May 29, producers can provide feedback on proposed EPR Oversight fees.

**June**  
Consultation Results

Consultation results will be summarized for consideration in final EPR Oversight fee rates.

**June**  
Board Approval

Divert NS' Board of Directors to approve final EPR Oversight fee rates.

**July**  
Fee Rates Posted

The final EPR Oversight fee rates and consultation results will be posted on Divert NS' website.

**October**  
Invoicing

Divert NS will invoice producers.



# Fee Setting Principles

# FEE SETTING: PRINCIPLE 1

## ACTUAL COSTS BY FISCAL YEAR



Divert NS will base fees on actual costs incurred in the prior fiscal year (April 1– March 31).



No cost adjustments from previous fee setting cycles will be required, as fees are based on actual costs.

# FEE SETTING: PRINCIPLE 2

## SUPPLY DATA BY CALENDAR YEAR



Producers submit supply data based on a calendar year (January 1 – December 31).



Producers pay fees in proportion to their reported supply data.



New or adjusted supply reports after fee rates are finalized will be reflected in the following fee setting cycle.

# COST RECOVERY



Divert NS strives for efficient operations.

- Shared services model reduces total costs for staff and operating expenses.



As the Administrator, regulatory activities include:

- Registry operations
- Compliance and enforcement
- Communications
- Development of policies and procedures



Costs are allocated over less designated material supplied into Nova Scotia compared to other provinces with oversight agencies.

- 2024 Supply Reports: 49,633,000 kg

# COST RECOVERY SCHEDULE

	<b>2026 Invoice</b>	<b>2027 Invoice</b>	<b>2028 Invoice</b>
<b>EPR Oversight Costs</b>	Fiscal 2026	Fiscal 2027	Fiscal 2028
<b>Supply Data</b>	Calendar 2024	Calendar 2025	Calendar 2026

Note: Fiscal is April 1 – March 31.  
Calendar is January 1 – December 31.  
Supply Reports due May 31.

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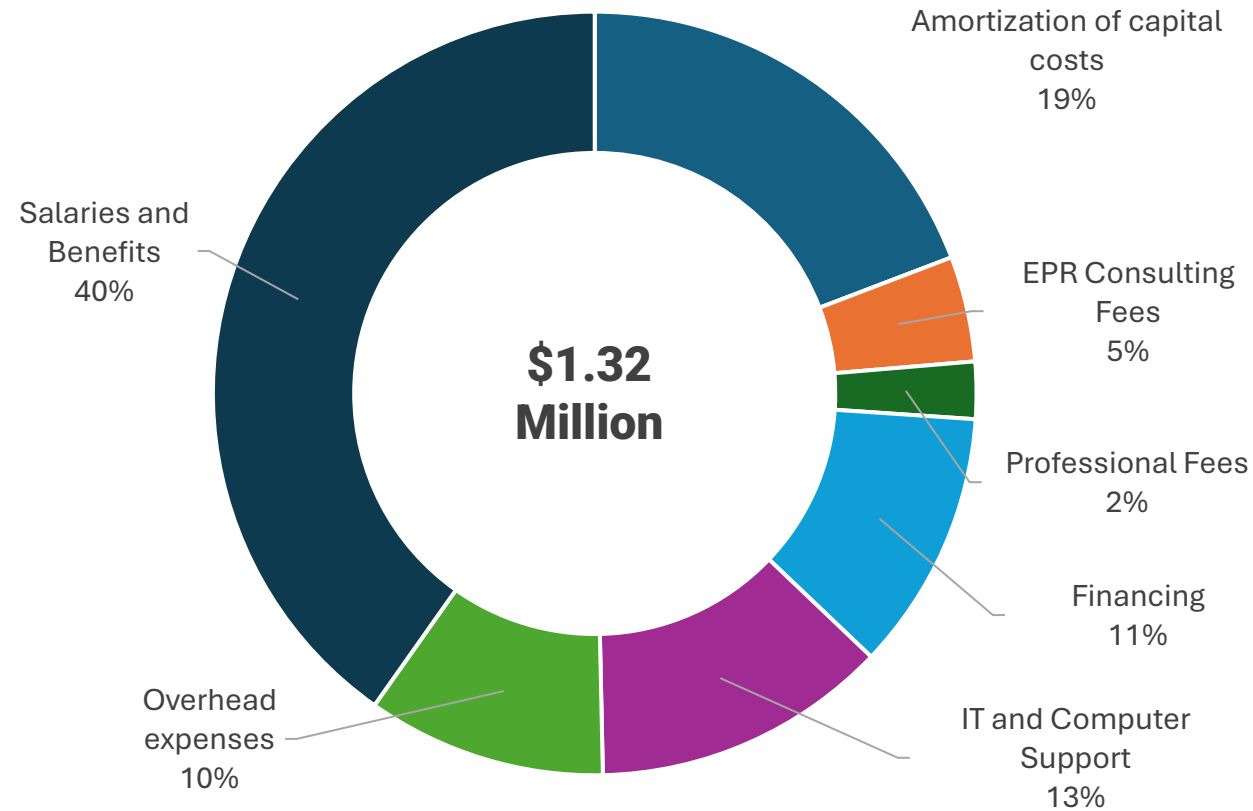
# Cost Recovery 2026 Invoice

# COST RECOVERY COMPONENTS CATEGORIES

Cost Category	Details	2026 Invoice
Operating Costs	Expenses to maintain EPR Oversight operations.	Included
Capital Costs	Investments in assets (e.g. registry, IT equipment) that are amortized over their useful life.	Included (amortized)
Surplus/Deficit	Increase or decrease in supply data due to new supply reports and/or adjustments after final fees are set.	Included (surplus)
Operating Reserve	Funds to manage unexpected costs or mitigate risk.	Not included

# OPERATING & CAPITAL COSTS

## 2026 PROJECTED COSTS



**April 2025 – March 2026**

# COST RECOVERY SURPLUS/DEFICIT



Compliance efforts since 2025 fee rates were finalized has resulted in additional supply.

- 525,000 kg of supply was reported to Divert NS.



A surplus of \$16,270 has been invoiced.



The surplus revenue is deducted from overall costs for 2026 and represents a savings to producers.

# 2026 COST RECOVERY



**= \$1,307,000 MILLION**

*\* For consultation purposes, operating and capital costs noted above are based on projections to year end. Fee rates will be set using actual costs for year ending March 31, 2026.*

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# 2026 Fee Structure & Proposed Rates

# FEE STRUCTURE

## TWO TIERS

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

**Supply threshold:** A defined weight (kg) that determines if a producer is Tier 1 or Tier 2, set annually.

**Variable Rate:** A per-kilogram charge, set annually.

**Flat Fee:** A fixed fee set as a percentage of the total cost recovered, set annually.

# FEE RATE ANALYSIS

## FLAT FEE RATE

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

**\$200 flat fee**

6% total costs recovered through flat fee

**\$250 flat fee**

7% total costs recovered through a flat fee

# FEE RATE ANALYSIS

## SUPPLY THRESHOLD

Divert NS analyzed supply 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**

55% flat fee/ 45% flat + variable

**40,000 kg threshold**

65% flat fee/ 35% flat + variable

# PROPOSED FEE RATE OPTIONS ANALYZED

	Threshold: 25,000 kg (55% flat, 45% variable)	Threshold: 40,000 kg (65% flat, 35% variable)
\$200 flat fee	\$0.0257/kg variable rate	\$0.0265/kg variable rate
\$250 flat fee	<input checked="" type="checkbox"/> \$0.0253/kg variable rate	\$0.0261/kg variable rate

# RATIONALE FOR PROPOSED FEE RATES

- Fairness:
  - The proposed fee rate supports producers paying fees in proportion to their individual supply into Nova Scotia.
- Stability:
  - Maintaining the two-tier fee rate.
- Predictability:
  - Keeping the weight threshold at 25,000 kg and the flat fee at \$250.

# COMPARISON OF FEE RATES

## 2026 vs 2025

	2026 Invoice	2025 Invoice
Flat Fee	\$250	\$250
Variable Rate/kg	\$0.0253/kg	\$0.0289/kg
Producer Breakdown	55% flat : 45% flat +variable	50% flat : 50% flat +variable



# Payment Options

# PAYMENT: OPTIONS, TERMS, AND INTEREST



**Payment Options:** EFT, bill payment, cheque/money order



**Payment Terms:** Net 60 days





**Interest:** 1.5 % charged monthly on overdue accounts

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# Consultation Survey Questions

# CONSULTATION SURVEY QUESTIONS

-  Do you have feedback on Divert NS' proposed flat fee of **\$250** as 7% of total costs recovered by a flat fee ?
-  Do you have feedback on Divert NS' proposed supply threshold of **25,000 kg** which would result in 55% of producers paying a flat fee and 45% of producers paying a combination of a flat fee and variable rate ?

# CONSULTATION

## SURVEY QUESTIONS (CONT'D)

-  Do you have feedback on how Divert NS can best engage producers in annual fee consultation?
-  Do you have feedback on how Divert NS can support producers in meeting their regulatory obligations?
-  Do you have any additional feedback on Divert NS' approach to fee setting or the proposed 2026 fee rates?



**QUESTIONS?**