

Details of the cost increase associated with the curbside recycling system

At Éco Entreprises Québec, we understand the concerns raised by the increase in your financial contribution, especially among small producers. Please keep in mind that as the Producer Responsibility Organization (PRO) for curbside recycling in the province, we implement regulations with ambitious objectives. We are actively working with the government to find solutions to address your concerns.

What are the reasons for the increase?

The current transition period requires producers to pay for two years in one (2024 and 2025). In addition to the overlap, four factors explain the increase in contributions:

- Maintenance of the existing service level and the addition of new responsibilities, including raising public awareness, and the new service to multi-unit housing and remote areas such as the Far North.
- Cumulative inflation over the past few years, which has led to a marked increase in collection, transport and sorting costs throughout the province.
- Costs to upgrade sorting equipment to improve quality; it should be noted that new sorting centres cost less per tonne.
- The government's recent decision to postpone the implementation of the deposit system on glass beverage containers and multi-layer containers.

The new system in figures

Since various figures have been circulating in recent days, we would like to clarify some points :

- The cost of the producers' financial participation (PFP) in 2025 is \$457M. It accounts for 80% of the total cost of the system for the current year, and the balance is provided by ÉEQ's other revenues.
- Remember that the overlap means that the contribution for municipal costs that were offset for 2024, which will not be announced until later this year, will be added to this amount.
- The average increase in producers' invoices amounts to 76.8%.
- Around 1% of companies – or about 20 – must absorb an increase of more than 100%.
- Small businesses operating in Quebec that bring in less than \$1.3M in revenue or that put less than one tonne of materials on the market are exempt from payment.

Faced with this situation, starting in 2023, we have taken several measures to control the costs of the curbside recycling system, including:

- Consolidation of material collection and transport contracts for economies of scale, with five times fewer contracts than before.
- Prioritization of investments to upgrade sorting centres, in compliance with the framework established by regulations.
- Group purchase and management of collection equipment such as recycling bins.
- Transition to centralized marketing of recovered materials.

Within this context, we would like to inform you that:

- ÉEQ is actively exploring several mitigation measures to support producers who are having difficulty paying, particularly those affected by the deposit deferral. Effective immediately, no interest will be charged on late payments until March 1st, 2025.
- For further explanation and discussion, we'll be holding the first in a series of monthly virtual Q&A meetings with producers, starting February 18.