

The **Environment Quality Act** c. Q-2 (EQA) and the **Regulation respecting compensation for municipal services provided to recover and reclaim residual materials** set the rules for the application of the compensation plan and provide an operating framework for eco-organizations, such as ÉEQ, that have been certified by the Government of Quebec to represent companies subject to compensation obligations.

ÉEQ actively participates in the update of the Regulation by presenting submissions and making representations to the government on behalf of contributing companies within the legislative framework and in accordance with its certification.

ENVIRONMENT QUALITY ACT (EQA)

The EQA established the general principles on which the compensation plan is based:

- Compensatable municipal services
- Directions for determining net costs
- Deadlines for municipalities to report their costs
- Terms for reviewing the allocation of costs according to class of materials
- Entities involved (RECYC-QUÉBEC, municipal associations, financing organizations)
- Terms for developing Schedules of Contributions: criteria to include in the development of the Schedule, financing organizations' procedures for collecting contributions, consultation process and deadlines for submitting the Schedule.

REGULATION RESPECTING COMPENSATION FOR MUNICIPAL SERVICES PROVIDED TO RECOVER AND RECLAIM RESIDUAL MATERIALS

The Regulation respecting compensation for municipal services provided to recover and reclaim residual materials sets the parameters framing the compensation plan and certain points necessary for its implementation:

- Determination of the 3 classes of designated materials: "containers and packaging," "printed matter" and "newspapers"
- Allocation of net costs to the 3 classes of materials
- Identification of eligible net costs to be compensated
- Specific rules relating to contributions required for each class of materials
- Explanation of calculation methods, payment and distribution of compensation to municipalities
- Determination of the allowance paid to RECYC-QUÉBEC to cover its management expenses
- List of company exemptions and the exclusion of certain materials


The Regulation was first published in November 2004 and amended thrice thereafter, i.e. in June 2011, December 2013 and December 2015.

FIRST AMENDMENT

The first amendment to the Regulation included:

- A progressive increase in compensation percentages due from companies subject to the Act, from 50% to 70% in 2010, 80% in 2011, 90% in 2012 and 100% in 2003 and subsequent years.
- The obligation for municipalities to produce a report on their net costs, signed by external auditors, in order to be entitled to compensation.
- The integration of an efficiency and performance factor in the formula used to determine compensation amounts paid to municipalities.
- The transfer of magazines from the written media class to the printed matter class, thereby changing the name of that class from “written media” to “newspapers.”
- The allocation of costs to each class of materials as follows: 60% to “containers and packaging,” 30% to “printed matter” and 10% to “newspapers” for the years 2010 to 2012.

2005 – 2009		2010 - 2012	
CLASS OF MATERIALS	SHARE OF NET COSTS	CLASS OF MATERIALS	SHARE OF NET COSTS
Containers and packaging	60%	Containers and packaging	60%
Printed matter	20%	Printed matter (+ magazines)	30%
Written media	20%	Newspapers	10%



» [Highlights and comments by ÉEQ on Bill 88](#)

SECOND AMENDMENT

The second amendment to the Regulation, dated December 11, 2013, established the allocation of costs to each class of materials for the 2013 Schedule of Contributions and subsequent years as follows:

- **69.1% to “containers and packaging”**
- **20.5% to “printed matter”**
- **10.4% to “newspapers”**

It broadened the definition of the “containers and packaging” class to include containers and packaging designed or sold as single-use products or products with a short lifespan.

It also ruled, on a transition basis, on the situation relating to “other materials,” i.e. materials not designated by the compensation plan but nevertheless placed in recycling bins, based on the principle of “shared responsibility” between municipalities and companies. Consequently, 7.5% of net costs is deducted from

eligible net costs to be compensated for 2013 and 2014. ÉEQ will closely monitor this issue in preparation of a review in 2015.

» [Decree 1302-2013](#), December 11, 2013

THIRD AMENDMENT

The draft Regulation amending the Regulation respecting the compensation plan, which was filed in November and has been the subject of representations by ÉEQ and numerous industry associations, was published on December 30, 2015 by the Government of Quebec. The highlights of the Regulation are as follows:

Unchanged since the draft Regulation presented in November:

- Proportion of non-designated materials set at 6.6% following classification at sorting centres. This 6.6% deduction on compensation paid to municipalities becomes recurrent as of 2015.
- Allocation of eligible costs between the three classes of materials covered by the regime, as follows: 71.9% for containers and packaging, 19.4% for printed matter and 8.7% for newspapers, following the update of the activity-based costing model jointly financed by ÉEQ and RECYC-QUÉBEC.

Changed since the draft Regulation presented in November:

ÉEQ's Schedule of Contributions presented to RECYC-QUÉBEC, now spread out quarterly over 18 months. This change stems from ÉEQ's recommended approach to prevent contribution payment overlap by companies. ÉEQ will have to amend the rules of the 2015–2016 Schedules of Contributions accordingly.

» [Decree 1137-2015](#), December 16, 2015

QUEBEC'S RESIDUAL MATERIALS MANAGEMENT POLICY

[Quebec's Policy](#) and [five-year Action Plan](#) are geared toward one main objective: that end waste be the only waste sent for disposal in Quebec. The Action Plan is based on three main elements:

- To put an end to resource wastefulness
- To contribute to the Action Plan on Climate Change and Quebec's energy strategy
- To increase the accountability of all stakeholders concerned with residual materials management

The Policy is based on the 4R-D principle (reduce at the source, reuse, recycle, reclaim, dispose) and extended producer responsibility. It also suggests an integrated approach and identifies important issues, including reducing the quantity of waste disposed of per Quebecer and organic waste management.

» [Summary of the Policy \(in French\)](#)

ÉEQ welcomed Quebec's Residual Materials Management Policy, with some reservations.

Download the [official document on comments presented by ÉEQ.](#)