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RE: Resource Recovery and Circular Economy Act, 2016 (the "Act")

Pursuant to the Act, administering the collection and disposal of recyclable materials will be transferred from Stewardship Canada to RPRA in July 2023, at which time producers will become responsible for 100% of the cost. **This could not come at a worse time for our company and the magazine industry and we strenuously object to it.**

House & Home Media has been the proud publisher of Canada's preeminent decorating and design magazine, *Canadian House & Home*, since 1986. Once a thriving industry, in recent years, we have seen the magazine publishing community struggle to overcome mounting economic pressures, and this year the doubling of our blue box fees will significantly harm our company's viability.

Lobbying by newspaper publishers' advocacy groups has succeeded in exempting **newspaper material** from the Act, seemingly on the basis that a newspaper is "the product" as opposed to wasteful packaging – which we agree ought to be the target of the Act's application. Issues of our magazine are published at a fraction of the frequency of most newspapers, generate less volume and are often saved, donated or passed along instead of being tossed in the bin because they are valued products, not simple waste material such as the outrageous volume of excessive packaging material generated by the giant multinational corporations, destined to flow directly into blue boxes.

**We object to any distinction being made between newspaper material versus magazine material as "products" and not "packaging", and we request to be included in the exemption that has been granted to newspaper publishers on that basis regarding their obligation to fully fund their part of the Ontario stewardship program.**

We see no reason why the too-fragile Canadian magazine industry should be held to a different standard as the newspaper industry. One must ask if it is simply the fact that one group has a stronger lobbying presence than the other.

The state of the Canadian magazine industry has become critical:

- As print advertising sales dwindle and shift to digital platforms, 80% of that revenue is captured by the American tech giants Google and Meta.
- Publishers still feel the devastating effects of the global pandemic. For example, despite our seeing some restored ad revenue in 2022, in recent months economic concerns (real or imagined) have lead to an “advertiser recession” and we now expect to fall short of not only our revenue projections for 2023, but also of our 2022 earnings.
- Inflation has hit all aspects of our business hard, but increases in printing costs – our biggest expenditure after labour – have been unprecedented: In 2021 and 2022 we experienced eleven paper price increases. In December 2021, paper cost **68% more** than it did just two years prior in January 2020, and there is no expectation that these costs will decrease.
- In response to declining revenues and rising costs, we have had to slash expenses wherever possible while striving to preserve the quality of our magazine. We have:
  - decreased newsstand distribution which detrimentally effects our circulation and, consequently, our advertising rates;
  - reduced our page count, increased our cover price and switched to a lesser paper stock, all of which detrimentally impact value for our readers and, consequently, subscribership;
  - reduced our staff count, in part to match the reduced content creation but especially in response to our shrinking budgets. This has been the hardest part: today, our company employs 35 people compared to 81 people in 2013. This year, the regulatory changes of the Act will most likely force us to reduce our employee count by one more person before year end because there simply remain no other areas of our business where we can trim.

Exempting magazine publishers from paying 100% of the recycling fees under the Act would correct the erroneous distinction being made between magazine periodical material and the already-exempt newspaper periodical material distributed into Ontario. The distinction is illogical, inequitable and unfounded and the exemption would represent a positive step toward addressing the relentless and crippling economic hardships that have brought small Ontario independent magazine publishers like us to a breaking point.

We care deeply about our role as an employer, domestic cultural content creator, economic influencer and as a pillar for nearly 40 years in the design community in Canada. We have been grateful beneficiaries of federal and provincial funding designed to support our business and bolster our success and growth. We hope you will consider our request to be protected from the imminent impact the Act would soon have on our business. To grant such an exemption would be consistent with the stated goals of other government agencies whose financial support of our company continues to be so urgently needed.

We are available to further discuss the challenges we face and look forward to your reply.

Yours sincerely,



Lisa MacIsaac  
Publisher