

guiding our province
to a greener future.

2010-11
annual report



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TRANSMITTAL LETTER TO THE MINISTER

Honourable Terry French
Minister of Environment and Conservation
Government of Newfoundland and Labrador
4th Floor, West Block, Confederation Building
P. O. Box 8700
St. John's, NL A1B 4J6

Dear Minister French:

On behalf of the Board of Directors of the Multi-Materials Stewardship Board (MMSB), I am pleased to present our Annual Report for the 2010-11 fiscal period in accordance with the Transparency and Accountability Act.

This report outlines MMSB's achievement of its mission as outlined in its 2008-11 Strategic Plan and the attainment of its goals established for 2010-11. This report also outlines MMSB's achievements for 2010-11 in relation to the objectives set forth in its 2009-10 Annual Report, and includes a comparison of actual performance against intended results for the 2010-11 fiscal year (measures and indicators) as communicated in MMSB's 2009-10 Annual Report.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the preparation of the 2010-11 Annual Report and the accuracy of the results reported herein.

Respectfully submitted,



Leigh Puddester
Chair
Board of Directors
MMSB

November 30, 2011

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

This past year was filled with opportunity and excitement for the Multi-Materials Stewardship Board (MMSB) and the province with respect to waste diversion and recycling. With record high volumes of materials collected and diverted through MMSB's existing programs, new waste reduction and recycling programs launched and the introduction of curbside recycling by the Eastern Waste Management Authority for communities in the eastern region of the province, Newfoundland and Labrador is well on its way to achieve modern waste management.

Newfoundlanders and Labradorians are passionate about protecting and enhancing the environment for future generations - record high participation in MMSB's existing waste diversion and recycling programs in 2010-11, is a testament to this passion. We are working hard to make responsible waste management a priority for every Newfoundlander and Labradorian and we will continue to work with a multitude of stakeholders to help us improve our existing programs and launch new programs such as waste paint, electronic waste and medical sharps and pharmaceuticals over the coming years.

When I look ahead, I see both opportunities and challenges. I am proud to say that MMSB's performance has improved in many key areas over the past three years; however, there is still much room for progress. I am proud of the successes achieved in 2010-11 and grateful to MMSB's employees and stakeholders for the positive contributions they have made to our operations. I look forward to the year ahead as we continue to improve our existing programs and launch new waste diversion and recycling programs – to guide Newfoundland and Labrador to a greener future.

We thank our many partners including, Green Depots, schools, regional waste management authorities, municipalities, processing and transportation service providers and the general public for their valuable contributions in helping us achieve our goals. On behalf of MMSB, I am proud to present our annual report for the 2010-11 fiscal year. I invite you to read about MMSB in the pages of this annual report and to share with us our journey towards helping create a more sustainable Newfoundland and Labrador, through waste reduction and diversion.

Sincerely,



Leigh Puddester,
Chair and Chief Executive Officer

KEY ACCOMPLISHMENTS AND HIGHLIGHTS

MMSB is committed to educating, enabling and motivating Newfoundlanders and Labradorians to reduce waste and recycle as a means of protecting the environment. Successes achieved this year indicate that our efforts are having an impact.

2010-11 Highlights:

- More than 160 million used beverage containers were collected and recycled through MMSB's province-wide network of Green Depots and Regional Collection Facilities. That's 2.8 million more than the previous year, a record high since the program began in 1997.
- More than 14.5 million beverage containers were collected and diverted from Newfoundland and Labrador landfills through the efforts of 282 schools province-wide through the Get to Half at School Program, a record high for the program. Schools raised more than \$1.5 million in recycling refunds and matching grants provided by MMSB through beverage container recycling. Schools have reinvested those funds in a wide range of environmental and educational initiatives. This program is one of the largest sources of funds for schools throughout the province.
- More than 350,000 litres of Household Hazardous Waste (HHW) was collected and properly disposed of through HHW mobile collection events and permanent HHW Depots 2010-11, an increase of 51 per cent over 2009-10 levels and a record high since the program began.
- Approximately 400,000 used tires were collected and diverted from waste disposal sites in Newfoundland and Labrador, a record high since the commencement of the program in 2002. This brings the total number of tires diverted from landfills to 2.9 million.
- Approximately, \$618,000 was disbursed under the Waste Management Trust Fund to support the planning and organizational needs of regional waste management authorities in order to advance the Provincial Solid Waste Management Strategy at the local level.
- A new research partnership between MMSB and Memorial University's Lesley Harris Centre of Regional Policy and Development was launched in September 2010 to stimulate research into Newfoundland and Labrador's waste management needs and opportunities. This new research fund was established with a total of \$300,000 in funding through MMSB's Waste Management Trust Fund. A total of six projects have been funded to date, with over \$83,000 being disbursed to support these projects.

- MMSB delivered 250 presentations in 49 schools throughout Newfoundland and Labrador, impacting more than 5,262 youth.
- New public education programs were developed and launched, including a Get to Half at Preschool Program to help early childhood educators teach children ages three to five about reducing, reusing, and recycling for a healthy Newfoundland and Labrador.
- A new waste reduction program targeting businesses throughout Newfoundland and Labrador was developed and rolled-out to select businesses throughout the province. The new Get to Half at Work program focuses on simple, effective solutions that businesses can implement to reduce their impact on the environment.

OVERVIEW OF MMSB

Background

Multi-Materials Stewardship Board (MMSB) is focused on promoting and supporting modern waste management practices with a particular focus on waste reduction and recycling as a means of protecting Newfoundland and Labrador's environment. A Crown agency of the Government of Newfoundland and Labrador, MMSB reports to the Minister of Environment and Conservation. MMSB was established in 1996 to develop, implement and manage waste diversion and recycling programs on a province-wide basis for specific waste streams designated by the government.

Governance

MMSB is governed by a Board of Directors, appointed by the Minister of Environment and Conservation. The Board is responsible and accountable for the overall business affairs of the MMSB.

The day-to-day work of MMSB is carried out by management and staff employed by the Board under the direction of a Chief Executive Officer (CEO). MMSB also works in partnership with stakeholders such as regional waste management authorities, municipalities and third-party contracted service providers such as Green Depots. Its current corporate structure is made up of a head office located in St. John's with 18 professional and administrative employees and four "field offices" (Mount Pearl, Bishop's Falls, Stephenville and Labrador City) with six employees that support the Used Beverage Container Recycling Program. Of the 24 MMSB employees, six are male and 18 are female.

Operations and Finance

MMSB is a self-financed Crown agency that does not receive any funding from the Government of Newfoundland and Labrador. Its revenues are derived from levies applied on various waste streams as authorized and prescribed under provincial legislation (presently beverage containers and tires) as well as from the sale of recyclable materials it collects under its various programs. MMSB's operating revenue in 2010-11 was approximately \$25.1 million and operating expenditures were approximately \$24.3 million.

One of the uses of the operating surpluses generated by MMSB is for investment in the Newfoundland and Labrador Waste Management Trust Fund that support the implementation of the Provincial Solid Waste Management Strategy. As of March 31, 2011, there was a total of \$7.5 million in the Trust Fund which has been allocated for projects committed to as well as anticipated programs and projects over the next three years.

Mandate

The mandate of MMSB is derived from the *Environmental Protection Act* and accompanying *Waste Management Regulations*, as well as from the Provincial Solid Waste Management Strategy of 2002 and its associated implementation plan of 2007 and MMSB's strategic plan. MMSB is mandated, through these legislative and policy instruments, to support and promote modern waste management practices in the province, with a particular focus on waste reduction and recycling, as a means of helping to ensure a clean and healthy environment throughout the province.

Through the Provincial Solid Waste Management Strategy, the Government of Newfoundland and Labrador has set a long-term objective of diverting 50 per cent of the solid waste stream from disposal in landfills by the year 2015. It is this goal that is driving the MMSB to work with households, businesses and schools across the province to help reduce their waste and Get to Half.

The need for environmental action is rapidly increasing, and in response, MMSB's mandate has expanded over time to include:

- Administration of the Newfoundland and Labrador Waste Management Trust Fund (supporting the implementation of the Provincial Solid Waste Management Strategy).
- Development and implementation of province-wide public education initiatives to promote the adoption of more progressive waste management practices in Newfoundland and Labrador.

The delivery of this mandate is achieved in partnership with various departments and agencies of the Government of Newfoundland and Labrador, primarily through an Interdepartmental Waste Management Steering Committee comprised of the Department of Environment and Conservation, the Department of Municipal Affairs and the Department of Government Services. Other key stakeholders include regional waste management authorities, Municipalities Newfoundland and Labrador and the Newfoundland and Labrador Environmental Industry Association (NEIA). Working together in mutually beneficial partnerships, MMSB is committed to enabling greater environmental change.

Vision

The vision of MMSB is of a clean and healthy environment throughout Newfoundland and Labrador founded in part on a progressive waste management system that incorporates effective waste diversion practices and behaviors on the part of all Newfoundlanders and Labradorians.

Mission

By March 31, 2011, MMSB will have strengthened its promotion of and support for modern waste management practices in the province as embodied in the Provincial Solid Waste Management Strategy.

MMSB is an “agent of change” whose fundamental responsibility is to promote and support modern waste management practices in the province, with a particular focus on waste reduction and recycling as a means of contributing to a cleaner and healthier environment throughout Newfoundland and Labrador. MMSB’s mission is founded on playing a leadership role in guiding regional waste management authorities and other stakeholders toward a greener Newfoundland and Labrador, in keeping with the principles embodied in the Provincial Solid Waste Management Strategy and the specific target of diverting 50 per cent of the solid waste stream from disposal in landfills by the year 2015.

Complementary to MMSB’s leadership role, the 12 regional waste management authorities play a vital role in moving the agenda forward, on-the-ground, at the local level. They are responsible and accountable for designing, implementing and operating comprehensive new waste management systems throughout the province. These new systems will provide communities in each region with modern waste separation and recycling services (at curbside for households); access to centralized composting facilities; specific disposal sites for construction and demolition debris and metals; household hazardous waste management and disposal services; and access to centrally-located, end-use solid waste disposal facilities (new environmentally engineered landfills) that will accept waste products that are not diverted from the general waste stream.

LINES OF BUSINESS

1. Waste Diversion – Recycling

MMSB develops, manages and administers the implementation of provincial waste diversion programs and services in accordance with government priorities as prescribed in the Waste Management Regulations or as authorized through policy directives issued by the Minister of Environment and Conservation (arising from recommendations made by the Board of Directors of MMSB or otherwise). Specific waste diversion programs and services provided by MMSB in 2010-11 included the following:

Province-wide Used Beverage Container Recycling Program

- Administered as a deposit-return system in accordance with specific parameters established under the *Waste Management Regulations*.
- Captures all ready-to-drink beverage containers, with the exception of milk, infant formula, medicinal nutritional supplements and beverages sold in refillable containers.
- Financed through a consumer deposit of 8 cents on non-alcoholic beverages (5 cent refund when a consumer returns the container to a Green Depot) and 20 cents on liquor containers (10 cent refund).
- Used beverage containers collected and recycled through the program include products sold in aluminum, glass, plastic, steel and mixed fibre packages.

Province-wide Used Tire Recycling Program

- MMSB has set up a province-wide collection system to retrieve tires from retailers for end-use recycling.
- Over 650 tire collection locations participate and are responsible for taking used tires back from consumers free of charge.
- Administered in accordance with specific parameters established under the *Waste Management Regulations*.
- Financed through retailer-based levies on the sale of new highway tires (\$3 on tires with a rim size of 17 inches or less and \$9 on tires above that size but under a 24.5 inch rim).

Household Hazardous Waste (HHW) Collection Program

- Delivered in partnership with municipalities and Regional Waste Management Authorities in those areas of the province where meaningful volumes of HHW can be diverted and recycled in a cost-effective manner.
- Financed through the Waste Management Trust Fund and from municipal contributions on a cost-shared basis with MMSB.
- Delivery is set annually by MMSB's Board of Directors based on program criteria approved by the Minister of Environment and Conservation.
- Designed as an interim waste diversion measure pending the establishment of permanent HHW collection infrastructure in the province by regional waste management authorities as outlined in the Provincial Solid Waste Management Strategy.

Community Composting Pilot Project

- Community composting utilizes low-tech composting methods such as an open air windrow to compost leaf, yard and household organic materials (fruit and vegetable peels, egg shells, coffee grinds) – materials that are typically composted in a backyard composter.
- Under the Community Composting Pilot Project, MMSB is providing the initial capital investment from the Waste Management Trust Fund to establish the sites and the required training to operate the programs in participating communities.

2. Capacity Building: Implementation of the Provincial Solid Waste Management Strategy

MMSB uses financial resources allocated under the Waste Management Trust Fund to provide capacity building support to regional waste management authorities and the Interdepartmental Waste Management Steering Committee to facilitate the implementation of the Provincial Solid Waste Management Strategy. Specific activities to achieve the goal of "Getting to Half" include the following:

- The identification of markets for recyclable waste materials not captured under MMSB's own recycling programs;
- Research into the feasibility and design of new province-wide waste diversion programs;

- Support for and financing of the organizational development needs (including support for regional waste management coordinators) and development of long-term regional waste management plans in each of the 12 designated waste management regions of the province;
- Support for and financing of the formative organizational development needs of the Interdepartmental Waste Management Steering Committee to advance and coordinate the overall implementation plan for the Provincial Solid Waste Management Strategy;
- Research into new policy approaches to achieve the province's waste diversion goals, such as extended producer responsibility (industry stewardship) models;
- The coordination of province-wide research into waste disposal alternatives for isolated communities unable to participate in a regional approach to waste management because of practical considerations;
- Support for research into opportunities to maximize economic and employment benefits from the implementation of the Provincial Solid Waste Management Strategy; and support for and financing of demonstration/pilot projects for innovative waste diversion initiatives that have potential application throughout the province.

3. Public Education and Awareness

MMSB develops, manages and implements public information and education initiatives to support the goals of the specific waste diversion programs that fall directly under its responsibility. MMSB also develops, manages and implements province-wide public awareness and education campaigns to encourage a fundamental shift in public attitudes and behaviors toward the handling and management of waste, focusing in particular on the need to reduce the amount of waste Newfoundlanders and Labradorians generate in the first place.

Complementary to these province-wide efforts, MMSB also supports the 12 regional waste management authorities in the development of their own public education campaigns and helps to promote waste reduction and waste diversion initiatives to other stakeholders in the province. These collective efforts are financed through the Waste Management Trust Fund.

STRATEGIC PRIORITIES AND OUTPUTS

MMSB Mission

By March 31, 2011, MMSB will have strengthened its promotion of and support for modern waste management practices in the province as embodied in the provincial Waste Management Strategy.

Actual Results

Achieved. Throughout 2007-11, MMSB made significant progress in strengthening the promotion of and support for modern waste management practices in Newfoundland and Labrador. This was achieved by improving existing waste diversion programs, implementing new programs and carrying out public education, marketing and communication strategies to educate Newfoundlanders and Labradorians about waste reduction and recycling.

Discussion of Results

MMSB strengthened its existing waste diversion and recycling programs throughout 2007-11, which resulted in record volumes of materials being collected and diverted through all of MMSB's existing programs.

Specifically, to better meet the recycling needs of Newfoundlanders and Labradorians, new Green Depot Licensing Standards and a Best Practices Manual that was piloted in 2007-08 was rolled out for implementation province-wide in 2008-09 to all 39 main Green Depots and 20 satellite Green Depots. These new standards improved the Green Depot network by increasing the accessibility of the Depots through increased hours of operation and enhanced the public's recycling experience by providing a cleaner, more positive Depot visit with shorter wait times. As a result of these improvements, there have been increases in the volume of used beverage containers collected through this program, with 149 million, 157 million and 160 million being collected and recycled for each of the last three years.

In addition, new operational agreements for the Used Beverage Container Recycling and the Used Tire Recycling Programs were established to improve efficiencies, effectiveness and customer service levels, while decreasing the environmental impacts of both these programs. Like the Used Beverage Container Recycling Program, the volume of used tires has increased steadily over the last three years, with a record volume of 400,000 used tires being collect in 2009-10.

Household Hazardous Waste (HHW) materials, such as paints, pesticides and household cleaners, collected through MMSB's HHW mobile collection program and through permanent HHW Depots throughout the province also experienced significant increases over the past three years. In 2007-08, a total of 120,000 litres of HHW materials were collected and recycled or properly disposed of, whereas in 2010-11 more than 350,000 litres of HHW materials were collected, a record high since the program began.

MMSB also continued to develop, manage and administer new waste diversion and recycling programs over the last three years, including a Household Hazardous Waste Depot Pilot Program, a Community Compost Pilot Program and a Backyard Composting Program. Also, an amendment for the addition of waste paint to the *Waste Management Regulations* under the *Environmental Protection Act* took effect in November of 2010, which will see a new Waste Paint Recycling Program rolled-out in the near future. Finally, a framework for a province-wide E-Waste Recycling Program was also developed for future implementation.

To achieve modern waste management practices throughout Newfoundland and Labrador, recycling infrastructure is necessary. MMSB, through the Newfoundland and Labrador Waste Management Trust Fund, funds activities associated with the regional waste management authorities that will see modern waste management facilities established throughout the province. In addition, MMSB also funds other waste management activities, such as the Solid Waste Management Innovation Program that provides support to local organizations and individuals exploring the potential of their business concept relating to waste management and waste reduction.

Finally, provincial public information and awareness programs on waste management continued to be advanced throughout the province under the “Get to Half” banner. In the fall of 2008, a new enhanced “Get to Half” television campaign was launched that focused in motivating individuals to take action to reduce the amount of waste they generate. In addition, targeted public education campaigns around waste reduction and recycling were developed and implemented for a variety of audiences, including schools, daycares, municipalities and businesses over the past three years.

Measure: *Enhanced promotion of and support for modern waste management.*

Indicator

The planning and organizational capacity of regional waste management authorities is strengthened to facilitate the implementation of new waste management programs and services at the local level.

Actual Results

Achieved. MMSB continues to support the formative planning and organizational needs of active regional waste management authorities through the Regional Waste Management Capacity Building Program under the Waste Management Trust Fund.

Discussion of Results

By helping develop and establish capacity (personnel, skills and knowledge-base) within the regional waste management authorities through financial support, partnerships with educational institutions and fostering innovation and sharing expertise, MMSB is helping the authorities effectively and innovatively implement the Provincial Solid Waste Management Strategy at the local level.

Specifically, over the last three years MMSB has developed its capacity building activities in the following ways:

Supporting Regional Activity - Regional waste management authorities require dedicated resources and access to specialized expertise in the areas of waste diversion, public education and planning in order to advance the implementation of the Provincial Solid Waste Management Strategy at the local level.

Throughout 2007-11, there has been a significant increase in the activity level of regional waste management authorities and committees. In 2007-08, there were only two active regional committees (Green Bay Waste Authority and the Northern Peninsula Regional Service Board) being supported by MMSB, whereas now there are eight active regional waste management authorities/committees receiving financial, marketing, and administration support over multiple planning cycles through MMSB's various programs. MMSB also assists regional waste management authorities, by facilitating and financing bi-annual, regional waste management forums along with workshops on waste management topics such as composting.

Inter-Departmental Waste Management Steering Committee – Comprised of representatives from MMSB, the Department of Municipal Affairs, the Department of Environment and Conservation and Government Services, this committee is dedicated to the ongoing implementation of the Provincial Solid Waste Management Strategy. In addition, MMSB provides funding for staff positions within each of the Departments represented on the Inter-Departmental Steering Committee.

Isolated Communities Research - A portion of Newfoundland and Labrador's population is located in isolated communities. To address the specific waste management needs of isolated communities, MMSB carried out a research study to determine best practices and possible innovations to deal with waste management in these communities throughout the province.

Carbon Footprinting and Climate Change – Recognizing that waste management, like any other activity, has an impact on the environment, MMSB completed a carbon footprint analysis of its Used Beverage Container Recycling Program. The analysis demonstrated that there is a net environmental benefit to operating this program as opposed to not recycling used beverage containers generated in Newfoundland and Labrador. In addition, MMSB now has a carbon footprint analysis tool in place that can be used to help waste management authorities carry-out their own analysis for their specific waste diversion and recycling programs.

Indicator

Public awareness of modern waste management practices is enhanced.

Actual Results

Achieved. Over the last three years, MMSB has expanded its public education and outreach activities throughout Newfoundland and Labrador to better reach and target various audiences, including schools, daycares, businesses, and community groups, with waste reduction and diversion messages.

Discussion of Results

Implementation of recycling programs, alone, cannot bring about the change required in public behavior and attitudes towards waste management. To help bring about this change, MMSB invests heavily in various public education and awareness activities such as the following:

Support for Regional Activities - As regional waste management plans for regional waste management authorities are developed and implemented, MMSB continues to work with the authorities to ensure the appropriate activities and messages are conveyed to the public at the local level. Guidance and support is provided on the use of promotional materials, community outreach initiatives and other tactics that the regional waste management authorities can use to convey their messages. In addition, regional waste management authorities have access to MMSB's public outreach programs, including the Get to Half at School Program, Backyard Composting Program, and others, for use in their own regions.

Waste Reduction Campaigns - To raise awareness about the amount of waste generated in Newfoundland and Labrador, MMSB continues to promote the "Get to Half" message. The "Get to Half" campaign focuses on simple solutions for effectively managing waste through waste reduction and recycling activities. In addition, to heighten the focus on waste reduction as a means of protecting the environment, in 2010-11, MMSB launched a new "Greener Futures" campaign that profiles waste reduction success stories and accomplishments of individuals, schools, businesses and others.

Youth Targeted Waste Reduction Campaigns - In 2008, a New Get to Half at School Program was developed and launched to better target youth through in-class presentations, how-to guides, and other engaging and interactive means. As part of the Get to Half at School Program, MMSB's waste reduction experts deliver dynamic and interactive presentations that teach students about the importance of waste reduction, recycling and reusing for the future of Newfoundland and Labrador's environment. These presentations reached close to 25,000 students over the last three years.

In addition to the Get to Half at School Program, MMSB also targets youth through the new Get to Half at Preschool Program, the Enviro-Kids Summer Camp Program that is delivered in partnership with Memorial University's Division of Lifelong Learning and a 3R Hike Program.

Other Public Education Programs – MMSB also targets community groups, municipalities and businesses with messages about waste reduction as a means of protecting Newfoundland and Labrador’s environment. For instance, a new Get to Half at Work Program was developed in 2010-11, providing businesses province-wide with simple “how-to” waste management presentations to effectively implement more environmentally sound waste management activities within the workplace.

Indicator

Waste diverted from landfills is increased toward the 2015 target of 50%

Actual Results

Partially Achieved. By strengthening existing programs, such as the Household Hazardous Waste Collection Program and Used Beverage Container Recycling Program, the introduction of new province-wide waste diversion and recycling programs and the continued implementation of the Provincial Solid Waste Management Strategy, there has been an increase in the amount of waste being diverted from Newfoundland and Labrador’s landfills. The fact that this indicator is partially achieved does not have a negative impact on MMSB’s ability to carry-out its overall mission.

Discussion of Results

Although this indicator is only partially achieved, MMSB through the introduction of new programs and by improving existing programs has helped improve waste diversion opportunities throughout Newfoundland and Labrador. However, because MMSB does not have up-to-date waste diversion statistics from Statistics Canada (the latest data is from 2006) and because there is a lack of commonality between how and what is being measured at local landfill sites across the province, it is difficult provide a definite waste diversion measure.

Waste being diverted from landfills in our province through the activities of MMSB, regional waste management authorities, municipalities and commercial establishments are on the rise. According to Statistics Canada, in 2006, Newfoundland and Labrador diverted seven per cent of the waste generated in the province from landfills through these stakeholders. Over the past three years, new activities such as backyard and community composting initiatives, increases in commercial recycling activity, and the introduction of residential curbside recycling programs in certain areas of the province have resulted in more waste being diverted from Newfoundland and Labrador’s landfills.

However, as embodied in the Provincial Solid Waste Management Strategy, the greatest gain in terms of waste diversion will be realized once regional infrastructure is in place. This regional infrastructure will support the ability to provide curbside recycling programs throughout the province, thereby increasing the overall waste diversion potential for the province. To this end, the Eastern Region has a regional Material Recovery Facility in place and as a result the curbside recycling participation rates in communities such as St. John’s (that have access to the materials recovery facility) have reached 65 per cent or higher. This translates into an estimated new residential diversion rate of 15 per cent for St. John’s that makes up more than 20 per cent

of the waste generated in the province, equating to approximately a three per cent increase in the amount of waste diverted. As other communities in the Eastern Region introduce curbside recycling programs and local landfill sites continue to be shut down throughout the region, the amount of waste being diverted from landfills will continue to increase. In addition, as the other provincial regional sites become operational better measurement techniques will be implemented to determine the volumes and types of waste being diverted at these sites.

GOALS AND OBJECTIVES

Three key priorities were identified by MMSB throughout 2008-11 which reflect consideration for government's Provincial Solid Waste Management Strategy. These strategic priorities are outlined below along with the progress and accomplishments made towards MMSB's specific goals established for 2010-11.

Issue 1: Waste Diversion - Recycling

In order to reach the 50 per cent waste diversion target set for 2015 in the Provincial Solid Waste Management Strategy, existing MMSB recycling and waste diversion programs must be strengthened, new provincial recycling initiatives must be established and regional infrastructure needs to be established to support broad-based municipal curbside recycling programs.

Waste diversion and recycling are key components of the Provincial Solid Waste Management Strategy. MMSB, through the various recycling programs it directly administers and in partnership with Regional Waste Management Authorities, municipalities and other stakeholders, has played a leadership role in addressing this element.

2008-11 Goal 1: By March 31, 2011, MMSB will have continued to strengthen its existing recycling programs, implemented new recycling and waste diversion programs within its mandate and fostered the development and implementation of new waste diversion initiatives through its partners as a means of increasing overall waste diversion in the province toward the 2015 target.

Actual Results:

Achieved. As a means of increasing overall waste diversion in the province toward the 2015 target, MMSB has strengthened its existing recycling programs, implemented new recycling and waste diversion programs, and fostered the development and implementation of new waste diversion initiatives through its partners.

Discussion of Results:

In terms of waste management, the province is becoming more accepting of doing the right thing. With its existing programs, MMSB has always strived to ensure that every used tire and used beverage container is captured throughout the Province. To this end, MMSB has made continuous improvements to both of these programs, including support for Green Depots around the province and securements of end-markets and increased provincial marketing of these programs, all in an effort to continue to increase diversion and improve recovery rates. MMSB also continues to pilot new waste management technologies and advance new provincial recycling programs that have proven to be extremely valuable in guiding the regional waste management authorities as they implement their waste management plans at the local level. A considerable amount of work has been done in the past 3 years in terms of setting the stage for

buy-in, infrastructure implementation and regional capacity building. However, a tremendous effort still needs to be deployed in order to achieve the waste diversion targets set for the year 2015.

Measure: Recycling and waste diversion programs strengthened and expanded.

Indicator

Recovery levels are increased in MMSB's existing recycling programs.

Actual Results

Achieved. Recovery levels for MMSB's existing waste diversion and recycling programs have steadily increased over the last three years, with record-high diversion rates being realized in 2010-11 for several of MMSB's programs.

Discussion of Results

To strengthen its existing programs, MMSB has made a substantial investment and improvements to its various waste diversion and recycling programs. As a result of these improvements, diversion rates have steadily increased over the last three years for many of MMSB's waste diversion and recycling programs and record high diversion rates were experienced in 2010-11. For example, the volume of materials, such as household cleaners, paints, pesticides and other hazardous materials diverted through MMSB's Household Hazardous Waste Collection Program have steadily increased with 120,000 litres, 130,000 litres and 350,000 litres being recycled or properly disposed for each of the last three years, respectively. The Used Beverage Container Recycling Program has also been strengthened through the implementation of MMSB's new Green Depot Licensing Standards and Best Practices that provides customers with better service while ensuring the financial viability of Green Depots around the province. As a result of these improvements, recovery rates for used beverage containers collected through the Used Beverage Container Recycling Program reached an all-time high, with 150 million, 157 million and 160 million containers being collected in each of the last three years. Finally, MMSB's Used Tire Recycling Program has also experienced increases in the number of tires collected through this program with over 338,000, 346,000 and close to 400,000 tires being collected for each of the last three years.

Indicator

New Recycling and waste diversion programs and initiatives are launched and implemented.

Actual Results

Achieved. While focusing on strengthening existing programs is a key priority for the MMSB, much success has been accomplished by establishing new waste diversion and recycling programs within Newfoundland and Labrador.

Discussion of Results

In keeping with its mandate, throughout 2008-11 MMSB has developed, advanced and implemented many new waste diversion and recycling programs.

In keeping with its major lines of business, MMSB advanced various pilot programs throughout 2008-11 as a means of developing best practices and possible operational models that could be used by the regional waste management authorities at the local level. As an example, MMSB has launched a Community Composting Pilot Program to validate small-scale, community-based composting as an effective and affordable means of diverting organic waste at the community-level. MMSB has also implemented a Household Hazardous Waste Depot Pilot Program, which is being adopted by other regions as their waste management plans are implemented.

In addition, MMSB over the last three years has carried out extensive research and consultation with other jurisdictions about best practices and the future direction of waste diversion and recycling programs on a national and international level. As a result, new province-wide waste diversion and recycling programs being introduced by the MMSB will employ an Extended Producer Responsibility (EPR) approach. A Waste Paint Recycling Program, the first EPR program for the province is well underway. Specifically, an amendment for the addition of waste paint to the *Waste Management Regulations* under the *Environmental Protection Act* took effect in November, which will see a new Waste Paint Recycling Program rolled-out in the near future. In keeping with an EPR approach, MMSB also developed a framework for the implementation of an electronic waste (e-waste) regulation for e-waste recycling province-wide. Finally, MMSB formed a partnership with the Pharmacists' Association of Newfoundland and Labrador to foster the development of a province-wide waste pharmaceuticals and medical sharps collection and disposal program.

Finally, MMSB launched the Solid Waste Management Innovation Program providing non-repayable grants to provincially owned and/or operated businesses, industry associations, post-secondary institutions and not-for-profits. These grants can cover up to 100% of the eligible costs of researching and developing new or improved technology products, services and processes that support the implementation of the Provincial Solid Waste Management Strategy in Newfoundland and Labrador.

Indicator

Overall waste diversion in the province is increased toward the 50% target set for 2015.

Actual Results

Partially Achieved. Waste diversion and recycling throughout Newfoundland and Labrador is increasing towards the 50 per cent target set for 2015. Increases in diversion are due to improvements in MMSB's existing programs, the introduction of new programs province-wide and the roll-out of curbside recycling programs in certain areas throughout the province.

Discussion of Results

The major gains in waste diversion will continue to be achieved as the regional recycling infrastructure is established throughout the province. As identified by Statistics Canada reports, waste generation is on the rise throughout the country. Though the establishment of recycling infrastructure and the regulation of waste management are important tools in ensuring that the province maximizes the useful life of its waste in the most cost effective way, they do not alone address issues around waste generation and subsequent diversion. As can be seen in other countries and provinces where modern waste management has been active for over twenty years, adopting pro-active policies such as landfill bans, standardized reporting and changing public attitudes and behavior through increased education and awareness can greatly affect the amount of waste that people put to the curb at their homes and at work. This indicator is only partially achieved, as MMSB does not have up-to-date waste diversion statistics from Statistics Canada, the latest data is from 2006. In addition, there is currently a lack of consistent data from local landfill sites across the province relating to the volumes and types of materials that are entering these sites. Once other municipalities in the Eastern Region commence use of the regional landfill site and material recovery facility at Robin Hood Bay and local landfills in these areas are shut down and once the other regional sites are up and running, more consistent measures of the amount of waste feeding into this system will be captured thereby providing another measurement tool to assess waste diversion in the province.

2010-11 OBJECTIVE 1: By March 31, 2011, MMSB will have significantly improved recovery levels in its existing recycling programs and will have implemented a series of new recycling and waste diversion initiatives through its partners and itself.

Measure 1.1: Recovery levels improved in existing recycling programs.

Indicator

Further strengthen the Used Beverage Container Program through continued implementation of the Licensing Standards and Best Practices by MMSB's field support staff and increased marketing support for Green Depots and the Used Beverage Container Program.

Actual Results

Achieved. MMSB continues to administer the Licensing Standards and Best Practices for the provincial network of Green Depots while providing increased marketing support to the Depots. As a result of these improvements, the recovery rate for used beverage containers captured under the Used Beverage Container Recycling Program reached an all-time high in 2010-11, with approximately 160 million containers being collected and recycled.

Discussion of Results

To ensure all Green Depots are in compliance with the Licensing Standards and Best Practices, in 2010-11, MMSB staff commenced bi-annual inspections of all the Depots and a new mystery shopping program was implemented. Feedback from MMSB site visits and the mystery

shopping program are provided to all Depots on a continuous basis to ensure they are well-educated on their compliance to the standards. In addition, to further support the ongoing improvements of Green Depots, a professional development workshop was delivered focusing on “Engaging the Customer in the Presorting of Material”. This workshop focused on providing Green Depots with the tools and information to better service their individual customers with the goal of improving the consumer experience. Finally, MMSB continued to offer the Marketing Enhancement Program to all Green Depots. This program allows Green Depot operators to avail of up to \$2,000 per year from the MMSB to market beverage container recycling in their respective communities.

In 2010-11, MMSB also commenced a provincial print campaign to highlight the many benefits of recycling beverage containers through the Used Beverage Container Recycling Program, including the improvements to the depots, the school matching program, the volume of containers collected to date and the money side of the deposit-refund system.

Indicator

Strengthen the Used Tire Recycling Program by focusing on operational efficiencies to improve economies and advancing a plan for the long-term recycling of tires in Newfoundland and Labrador.

Actual Results

Achieved. New processes were implemented throughout 2010-11 to improve both the operational efficiencies and economics of the Used Tire Recycling Program. In addition, MMSB also finalized a plan for the long-term recycling of tires in Newfoundland and Labrador.

Discussion of Results

The recovery rate of MMSB’s Used Tire Recycling Program improved in 2010-11, with close to 400,000 used tires being collected and diverted from landfills in the province. This is a 50,000 increase over 2009-10 and a record high since the program began in 2002.

To improve the operational efficiencies and improve economies of the Used Tire recycling Program, MMSB commenced an export operation for the annual tire generation to halt further growth of the stockpile. In addition, to decrease the storage spaced required to store the tires at the Placentia site and to reduce the associated rental costs associated with the stockpile, MMSB also continued with the bailing operation (mechanical compression) of the stockpile, which is anticipated to be completed by the end of 2011.

Finally, a plan for the recycling of used tires at Placentia was developed by MMSB; however, in January of 2011, the commercial entity withdrew from the process. Since then, MMSB has been pursuing and finalizing alternative options for the long-term recycling of tires in the province that will offer the least amount of risk at the lowest cost. In the interim, tires generated in Newfoundland and Labrador on an annual basis continued to be exported to end markets.

Indicator

Strengthened Household Hazardous Waste collection in partnership with municipalities and waste management authorities, through continued delivery of mobile collection events and increased educational and promotional support.

Actual Results

Achieved. Participation rates increased in 2010-11 with more than 350,000 litres of HHW being collected and diverted from landfills through MMSB's mobile HHW Collection Program and permanent HHW Depots located throughout the province, an increase of 53 per cent over the volume collected in the previous fiscal year and a record high since the program began.

Discussion of Results

The Town of Labrador City is the third municipality to participate in MMSB's HHW Permanent Depot Pilot Project. Infrastructure is in place; however, they are not scheduled to be operational until September of 2011.

During 2010-11, MMSB did not offer collection events in Mount Pearl, Conception Bay South, Paradise, Portugal Cove, and Torbay due to the development of the permanent HHW depot at Robin Hood Bay. To support these communities and the activities at Robin Hood Bay, MMSB implemented a "transitional" communications strategy directed at the residents of these communities in hopes of their continued participation in this important waste diversion strategy. These interim marketing activities involved newspaper, radio and news releases.

In addition to the HHW Permanent Depot Pilot Program that has three participating communities and the traditional full day events offered in 12 communities in 2010-11, MMSB initiated a second pilot project consisting of half-day mobile events offered in conjunction with fire departments in rural areas of the province that is scheduled to start in April of 2011.

Measure 1.2: *New recycling and waste diversion initiatives are implemented*

Indicator

A proposed regulation for the recycling of waste paint, based on an Extended Producer Responsibility (EPR) framework, put forward to Government in 2010-2011.

Actual Results

Achieved. An amendment for the addition of Waste Paint to the *Waste Management Regulations* under the *Environmental Protection Act* took effect on November 4, 2010.

Discussion of Results

The Waste Paint section of the regulation identifies that industry must register with MMSB and then put forward a paint stewardship plan. The plan must provide for the collection of waste paint by the brand owner, the management of waste paint in adherence to the waste management hierarchy, the brand owner's plan for achieving at least a 70 per cent reuse rate

and the establishment of return collection facilities that will ensure reasonable and free consumer access for the return of waste paint and paint containers.

Indicator

A voluntary industry-led program for the diversion of waste pharmaceuticals and medical sharps developed.

Actual Results

Achieved. A voluntary industry-led program for the management of waste pharmaceuticals and medical sharps has been developed but has yet to be implemented.

Discussion of Results

The voluntary program is an industry-managed, consumer-based collection and diversion program for medical sharps (insulin needles) and waste pharmaceutical products (outdated medication).

Indicator

A proposed regulation for the recycling of electronic waste (e-waste), based on an Extended Producer Responsibility (EPR) framework, put forward to Government in 2010-11.

Actual Results

Not Achieved. Although a framework for a proposed regulation for the recycling of e-waste, based on an EPR approach, was completed by the MMSB, a proposed regulation was not advanced. It was deemed that further jurisdictional review should be carried out, as other provinces in Canada were advancing their own e-waste EPR regulations that could have implications on an e-waste program in Newfoundland and Labrador, as MMSB and industry would like to see harmonized programs throughout Canada.

Discussion of Results

A proposed regulation for the recycling of e-waste is well underway by MMSB. The proposed regulation follows an Extended Producer Responsibility (EPR) approach, similar to the approach recommended for the waste paint recycling program.

Indicator

Secure two additional participating communities under the Community Composting Pilot Program in 2010-11.

Actual Results

Partially Achieved. In addition to the Town of Holyrood, in July 2010 MMSB secured a second community composting pilot site with the Town of Harbour Breton. While MMSB did have other possible municipalities interested in participating in this program, these other municipalities

decided not to pursue this opportunity during 2010-11, which in the end left MMSB without a third community composting site. Although, MMSB did not secure a third site, other communities have been engaged and approached. MMSB is in the process of establishing a program with one other community that is expected to be operational in 2011.

Discussion of Results

Under the Community Composting Pilot Project, MMSB provides the initial capital investment of up to \$10,000 to establish both the program and the required training to operate the program in each of the participating communities. Participating communities in the pilot are strategically selected to represent a variety of geographic, climatic and demographic conditions throughout the province as this will aid in the development of a best practices manual that will be used to help other communities around the province develop and implement their own community composting programs. The goal is to secure a minimum of three participating communities.

Additional Highlight

A framework for the restructuring of the existing Used Oil Control Program was developed. The framework proposed is an Extended Producer Responsibility approach, similar to the approach recommended for the waste paint recycling program. A similar EPR approach for the restructuring of the existing Used Oil Control Program in New Brunswick is also being advanced.

Issue 2: Capacity Building – Implementation of the Provincial Waste Management Strategy

Regional waste management authorities and the Interdepartmental Waste Management Steering Committee require dedicated resources (staff, operational and research support) and access to specialized expertise in the areas of waste diversion and public education in order to advance the implementation of the Provincial Solid Waste Management Strategy at the local level. MMSB will support these needs over multiple planning cycles through its professional staff complement and the Waste Management Trust Fund.

In MMSB's 2007-08 transitional strategic plan, specific steps were taken to put in place the foundation to successfully respond to the needs of regional waste management authorities, including a realigned organizational structure within MMSB, a new Regional Waste Management Capacity Building Program under the Trust Fund, and a commitment to provide the Interdepartmental Waste Management Steering Committee with the dedicated financial resources it requires to effectively advance and coordinate the Provincial Solid Waste Management Strategy.

A commitment was made in the Provincial Solid Waste Management Strategy for MMSB to fund Regional Waste Management Coordinator positions in each of the 15 (now restructured to 12) designated waste management regions of the province to advance a regional approach to

waste management throughout the province. Currently, MMSB offers a maximum of \$50,000 in funding under the Regional Waste Management Coordinator Program category, a maximum of \$10,000 in funding for Regional Coordinators engaged in education and awareness activities and a maximum of \$200,000 for regional capacity building funding. MMSB currently funds 8 of the twelve regions, some of which have been receiving monies for up to nine years. To date, MMSB has disbursed \$3 million in funding to Regional Committees/Authorities under the Capacity Building, Regional Coordinator, and Education and Awareness Programs.

2008-11 Goal 2: By March 31, 2011, MMSB will have strengthened the capacity of active regional waste management authorities and the Interdepartmental Waste Management Steering Committee to advance the implementation of the provincial Waste Management Strategy.

***Measure:** Active regional waste management authorities and the Interdepartmental Waste Management Steering Committee are stronger in terms of their organizational and planning capacities.*

Indicator

The internal professional staff expertise of MMSB is fully engaged in providing ongoing support to active regional waste management authorities and the Interdepartmental Waste Management Steering Committee in MMSB's core waste diversion and public education lines of business.

Actual Results

Achieved. Additional staff expertise within MMSB's Programs and Marketing and Public Education Divisions were hired to better meet the growing needs of regional waste management authorities. In addition, since 2008, MMSB has provided the Interdepartmental Waste Management Steering Committee with both financial and knowledge expertise to support the successful implementation of the Provincial Solid Waste Management Strategy.

Discussion of Results

To ensure an adequate level of support, MMSB has hired additional staff in the areas of Programs and Marketing for the purpose of supporting the formative needs of regional waste management authorities/committees. In 2008, MMSB committed to providing support to the Interdepartmental Waste Management Steering Committee so they could provide the necessary capacity to achieve a proactive, strategically focused and fully integrated governmental approach to the implementation of the Provincial Solid Waste Management Strategy. Since then, this committee has made significant progress advancing a number of the milestones set out in the strategy specific to open burning, landfill closures, regional studies, regional consolidation and most importantly, the building of the infrastructure. The committee provides critical support to the more than 20 regional and sub-regional waste management boards and committees. The total funding contribution to this committee to date is \$2.2 million dollars.

Over the past three years, MMSB's staff has supported the eight active Regional Waste Management Authorities/Committees through meetings, presentations, information sessions, regional forums, provision of market intelligence and in the development of public education campaigns which emphasize waste reduction and waste diversion.

Indicator

The formative planning and organizational needs of active regional waste management authorities are addressed through MMSB's new Regional Waste Management Capacity Building Program.

Actual Results

Achieved. To date, eight of the 12 waste management regions, some of which have been granted funding for nine years, have received up to \$3 million in funding under MMSB's Capacity Building, Regional Coordinator, and Education and Awareness Programs. This funding is intended to assist the regional waste management authorities with advancing a regional approach to waste management throughout the province.

Discussion of Results

Regional waste management authorities/committees are eligible for multi-year funding to assist them in acquiring dedicated resources at an appropriate level to support their formative planning and organizational development needs as a means of advancing the implementation of the Provincial Solid Waste Management Strategy at the regional level. This program is intended to provide multi-year, strategic capacity building support to active regional waste management authorities/committees to enable them to fully develop and advance their regional waste management plans to the implementation stage. Funding is developmental in nature as opposed to meeting the ongoing core operational needs of Regional Waste Management Committees/Authorities. Specifically, funding has assisted in the consolidation and closure of landfills into regional sites; waste diversion pilot programs such as the Household Hazardous Waste Depot in NorPen; the design, planning and building of Central's engineered landfill; consolidation of communities into sub regions; and joint waste collection and transportation contracts.

2010-11 OBJECTIVE 2: By March 31, 2011, MMSB will have continued to advance the implementation of the capacity building framework for the Provincial Solid Waste Management Strategy, with a particular focus on meeting the formative planning and organizational needs of newly activated regional waste management authorities.

Measure 2.1 *Implementation of the capacity building framework for active regional waste management authorities and the Interdepartmental Waste Management Steering Committee.*

Indicator

Continue to support the formative planning and organizational needs of active regional waste management authorities through the Regional Waste Management Capacity Building Program under the Waste Management Trust Fund.

Actual Results

Achieved. A total of \$637,986 was disbursed from the Waste Management Trust Fund to support regional waste management authorities develop and implement their regional waste management plans at the local level. Specifically, funds were used for staffing, public education and awareness activities, research and other regional waste management initiatives.

Discussion of Results

To support the needs of regional waste management authorities, the following funding was disbursed from the Trust Fund throughout 2010-11, NorPen received \$70,000 for coordinator support; Green Bay received \$80,000 for education and coordinator support; Burin Peninsula received \$134,597 for capacity building, education and coordinator support; Eastern Waste Management Committee received \$140,000 for capacity building; Central received \$113,389 for capacity building; Bonavista received \$50,000 for education and coordinator support; and Coast of Bays received \$50,000 for coordinator support.

Indicator

Work with Memorial University to complete a research study relating to waste management alternatives for isolated communities in Newfoundland and Labrador.

Actual Results

Achieved. MMSB engaged the Harris Centre at Memorial University to carry out a research study titled “Consolidated Best Practices of, and Recommendations Related to, Landfills in Limited Access Communities of Newfoundland and Labrador”.

Discussion of Results:

The final report focuses on waste management practices in a sample of six of the 24 Limited Access Communities in Newfoundland and Labrador and provides recommendations as to how to increase waste diversion in each of these communities. The report also provides insight for regional waste management authorities and the Interdepartmental Waste Management Steering Committee into best practices deployed in other jurisdictions that may be adaptable to the management of waste in Limited Access Communities of Newfoundland and Labrador.

Indicator

Officially launch the research partnership with the Leslie Harris Centre of Memorial University to identify and pursue strategic research needed to support the successful long-term implementation of the Provincial Solid Waste Management Strategy.

Actual Results

Achieved. A new research partnership between MMSB and Memorial University's Lesley Harris Centre to stimulate research into Newfoundland and Labrador's waste management needs and opportunities was launched in September of 2010.

Discussion of Results

To stimulate research into Newfoundland and Labrador's waste management needs and opportunities as a means of supporting the long-term implementation of the Provincial Solid Waste Management Strategy, a new Waste Management Research Fund was established with \$300,000 in funding through MMSB's Waste Management Trust Fund. A total of 6 projects have been funded to date through this new initiative.

Indicator

Continue to provide support for research and development of a new or improved technology, product, service or process that supports waste diversion, waste reduction and the ongoing implementation of the Provincial Solid Waste Management Strategy, through the Solid Waste Management Innovation Fund.

Actual Results

Achieved. Over \$15,000 was committed to in the 2010-11 fiscal year through the Solid Waste Management Innovation Fund.

Discussion of Results

The Solid Waste Management Innovation Fund encourages and supports research and development of a new or improved technology, product, service or process that supports waste diversion, waste reduction and the ongoing implementation of the Provincial Solid Waste Management Strategy. A maximum of \$10,000 is available per project. The annual budget is \$100,000 with eligible projects receiving up to a maximum of \$10,000. Close to \$55,000 in funding has been provided through the Solid Waste Management Innovation Fund since the program was launched in 2009.

Additional Highlight

MMSB provided support to regional waste management authorities and the Interdepartmental Waste Management Steering Committee by the exchange of information, transfer of knowledge and the facilitating of dialogue between each region and government departments by hosting regional forums in order to provide direction and support for the advancement of the Provincial Solid Waste Management Strategy. MMSB hosted two regional forums during 2010-11, in Gander and St. John's. All regional waste management authorities were represented. On a regional level, MMSB staff is in weekly contact with Regional Waste Management Coordinators providing policy advice, technical support and education and awareness support and guidance.

2008-11 Goal 3: By March 31, 2011, MMSB will have increased public awareness of modern waste management practices.

Measure: Public awareness of modern waste management practices increased

Indicator

Survey data (2011) on public awareness of modern waste management practices shows an increase over baseline (2007) survey data.

Actual Results

Achieved. Survey data on public awareness of modern waste management practices shows an increase over baseline survey data that was collected in 2007.

Discussion of Results

A telephone survey was conducted with a random sample of 500 Newfoundland and Labrador residents aged 18 years or older to examine whether attitudes and behaviors regarding waste reduction and recycling increased over 2007 baseline research. Based on the research findings, residents of Newfoundland and Labrador have become more aware and involved in various aspects of recycling, reducing and reusing as a means of protecting the environment. Survey respondents indicate that they are more actively participating in environmentally-friendly activities and high percentages of people also indicated that they are doing more (recycling more, using reusable bags, properly disposing of household hazardous waste materials) than they did three years ago, another positive indication that behaviors are changing.

Based on the 2011 survey results, residents clearly feel that it is important to participate in recycling activities as evidenced by the high percentage of people rating activities – such as recycling beverage containers at a Green Depot and other materials through curbside recycling programs, properly disposing of household hazardous materials - to be important. The percentage of residents rating these as an eight, nine or ten on a ten point scale ranged from 76 per cent to 90 per cent.

Furthermore, since 2007 participation in most waste reduction activities has increased. In 2011, recycling beverage containers at a Green Depot maintained the same participation rates, with practically all households surveyed participating in these activities. For all other waste reduction activities asked about, with the exception of backyard composting, there was a statistically significant increase in the percentage of people reporting that they are doing the cited environmentally-friendly activities. For example, 93 per cent of respondents reported they used reusable shopping bags in 2011 versus 58 per cent in 2007 and buying products with less packaging increased from 55 percent in 2007 to 89 percent in 2011.

2010-11 OBJECTIVE 3: By March 2011, MMSB will have continued to advance the implementation of its updated strategic marketing, communications and public education plan to achieve and increase in public awareness of modern waste management practices.

Measure 3.1: Implementation of the strategic marketing, communications and public education plan advanced.

Indicator

Marketing and communications tactics implemented to continue the promotion of and encourage stronger participation in MMSB's existing waste diversion and recycling programs under the Get to Half platforms at home, in school and at work.

Actual Results

Achieved. Marketing and communications tactics continued to be developed and implemented to help promote and encourage participation in MMSB's existing waste diversion and recycling programs. In addition, MMSB continued to promote waste reduction and recycling at home, at school and work through its existing Get to Half platform.

Discussion of Results

To help promote MMSB's existing waste diversion and recycling programs various marketing and communications activities were implemented that resulted in increased participation in existing programs such as the Household Hazardous Waste Collection Program and the Used Beverage Container Recycling Program. For instance, MMSB improved existing marketing tactics and implemented new tactics such as direct telephone reminders to households in communities participating in the HHW Program, resulting in a 51 per cent increase in the volume of materials collected through this program.

In 2010-11, other marketing and public education tactics were carried out including a province-wide school Recycle My Cell contest launched during Waste Reduction Week, enhanced stakeholder relations through presentations and media interviews, and a participation in key community events all of which assisted with strengthening MMSB's connections within the province.

MMSB also continued to promote waste reduction throughout Newfoundland and Labrador under the Get to Half banner. Get to Half Programs targeted at specific audiences, such as schools, businesses and households, continued throughout 2010-11.

Indicator

Continue to provide marketing support and guidance to active regional waste management authorities as well as the provincial network of Green Depots.

Actual Results

Achieved. Ongoing guidance and support with respect to public education at the local level was provided to active regional waste management authorities as well as the provincial network of Green Depots.

Discussion of Results

As plans for the authorities continue to be implemented, MMSB continued to work with the authorities to ensure the appropriate activities and messages were conveyed to the public at the local level. Guidance and support was provided on the use of promotional materials, community outreach initiatives and other tactics that regional waste management authorities could use to convey their messages. In addition, MMSB provided all regional authorities with access to MMSB's public education and outreach activities and programs, including the Get to Half a School Program, Composting and others.

MMSB continued to provide the provincial network of Green Depots with access to the Green Depot Marketing Enhancement Program to promote beverage container recycling within their respective communities. Green Depots are eligible to obtain up to \$2,000 in marketing support each year to cover costs associated with advertising, public relations, community outreach activities and external and internal signage. In 2010-11, over \$14,000 was availed of through the Green Depot Marketing Enhancement Program.

Indicator

Launch of a Pre-Kindergarten Program to start a foundation for the topic of the 3Rs (Reduce, Reuse, Recycle) among the youngest group in Newfoundland and Labrador.

Actual Results

Achieved. The Get to Half at Preschool Program, designed to teach preschool children about environmentally friendly practices relating to the 3Rs – Reduce, Reuse, Recycle, was officially launched in February 2010.

Discussion of Results

The Get to Half at Preschool Program, developed in consultation with early childhood educators in the province, is designed to help teach children three to five years of age the basics of reducing waste and recycling as a means of protecting Newfoundland and Labrador's environment. The Programs consists of age-appropriate materials, such as interactive games and activities, presentations, posters and other materials.

To formally introduce the program, MMSB participated in the Association for Early Childhood Educators of Newfoundland and Labrador's annual provincial conference that took place in November in St. John's. MMSB promoted the new Get to Half at Preschool Program to the 250 early childhood educators that attended the conference by setting up a booth at the conference. In addition, MMSB facilitated a workshop with approximately 50 early childhood educators about the new program and why environmental education is so important for young children. To date a

total of 21 preschool presentations, reaching over 300 youth have been delivered by MMSB outreach staff.

In addition, in February MMSB, the Minister of Environment and Conservation and the College of the North Atlantic's Childcare Centre in St. John's participated in an official launch of the program.

Indicator

Conduct research in order to determine whether public awareness levels and modern waste management practices have increased over the last three years.

Actual Results

Achieved. A combination of qualitative and quantitative research was carried out to investigate the attitudes and behaviors of Newfoundland and Labrador residents related to waste reduction and recycling.

Discussion of Results

Both quantitative and qualitative research was carried out to help achieve a better understanding of the attitudes and behaviors of households towards waste reduction and recycling and to determine if there were differences based on accessibility to curbside recycling programs. The quantitative research consisted of a telephone survey carried out with a random sample of 500 Newfoundland and Labrador residents, aged 18 years of age or older, while the qualitative research consisted of four focus groups - one location, St. John's, was comprised of individuals from the cities of St. John's and Mount Pearl, where curbside recycling programs exist; and the second location, Deer Lake, was comprised of individuals from Deer Lake and surrounding communities where there is currently no curbside recycling program in place.

OPPORTUNITIES AND CHALLENGES AHEAD

As we move beyond 2010-11, MMSB will face new challenges and opportunities as it continues to advance the goals and objectives of the Provincial Solid Waste Management Strategy, as the province strives to achieve its 50 per cent waste diversion target.

Considerable progress has been made on this front to date, as outlined in this Annual Report, and key priorities have been established by MMSB for the next several years to advance the agenda even further, including the following measures:

- Increasing recovery rates in the used beverage container, HHW, and used tire recycling programs; and examining opportunities for expanding the scope of each of these programs to capture additional recyclable products.
- Identification and implementation of new province-wide recycling and waste diversion programs to address particular waste streams that are significant in terms of their impact on the environment and/or their special handling needs.
- Investing in the regional waste management authorities through the Newfoundland and Labrador Waste Management Trust Fund. Priority and emphasis will be given to strengthening the planning and organizational capacity of regional waste management authorities to enable them to implement modern waste management systems throughout the province, including curbside recycling services for their residents.
- Strengthening and expanding public education and awareness activities, with a particular focus on waste reduction themes. Success in reducing the amount of waste we generate in the first instance will pay enormous dividends for our environment and also generate significant savings for individuals, municipalities and businesses from the avoided cost of otherwise having to dispose of waste through conventional means.
- The maintenance and improvement of service levels and recovery rates of recycling programs in the face of shifting demographics and new regional infrastructure.
- Increased focus on and engagement of the Industrial, Commercial and Institutional (ICI) sector in order to educate this group responsible for producing the majority of waste in the province; and to engage them to participate in waste diversion activities.
- Sustainable market access for materials to be recycled given the global economic situation coupled with the geographic challenges we face in Newfoundland and Labrador.
- Identify ways to improve the carbon footprint associated with the recycling of materials in Newfoundland and Labrador.

BOARD OF DIRECTORS 2010-11

MMSB is a statutory Crown Agency established in 1996 that operates arms-length from government with an independent Board of Directors appointed by the Minister of Environment and Conservation.

The Board is presently comprised of 11 members with one vacancy, which is as follows:

| | |
|-------------------|---|
| Leigh Puddester | Chair and Chief Executive Officer |
| Bill Parrott | Department of Environment and Conservation |
| John Patten | St. John's, Beverage Industry Representative |
| Edward Delaney | Bay Roberts, Member-at-large |
| Catherine Barrett | Goulds, Member-at-large |
| Derm Flynn | Appleton, Member-at-large |
| Don Hann | Port Aux Basques, Member-at-large |
| Hal Cormier | Corner Brook, Member-at-large |
| Paul Hanlon | St. John's, Member-at-large |
| Maisie Clark | Campbellton, Consumer Representative |
| Graham Letto | Labrador City, Member-at-large, Labrador |
| Neville Greeley | Municipalities Newfoundland and Labrador, Representative |
| Vacant | Newfoundland Environmental Industries Association (NEIA) Representative |



Consolidated Financial Statements

Multi-Materials Stewardship Board

March 31, 2011

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Independent auditors' report

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To the Directors of the
Multi-Materials Stewardship Board

We have audited the consolidated statement of financial position of the Multi-Materials Stewardship Board at March 31, 2011, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted auditing standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian generally accepted accounting principles.



St. John's, Newfoundland and Labrador

June 23, 2011

Chartered Accountants

Multi-Materials Stewardship Board

Consolidated Statement of Operations

| Year Ended March 31 | 2011 | 2010 |
|---|-----------------------|-----------------------|
| Revenue | | |
| Gross revenue from deposits | \$ 22,792,026 | \$ 21,263,547 |
| By-product revenue | 2,330,976 | 1,762,755 |
| Residential Backyard Composting Program | - | 60 |
| Household Hazardous Waste Program | 38,557 | 68,215 |
| Composting program | <u>1,100</u> | <u>-</u> |
| | 25,162,659 | 23,094,577 |
| Cost of sales (Note 11) | <u>21,732,659</u> | <u>20,669,866</u> |
| Gross margin | 3,430,000 | 2,424,711 |
| Miscellaneous income | <u>127,833</u> | <u>45,347</u> |
| Income before expenses | <u>3,557,833</u> | <u>2,470,058</u> |
| Expenses | | |
| Administrative (Page 14) | 2,569,358 | 2,214,255 |
| Grant disbursements | <u>2,262,316</u> | <u>1,309,745</u> |
| | <u>4,831,674</u> | <u>3,524,000</u> |
| Excess of expenses over revenue | <u>\$ (1,273,841)</u> | <u>\$ (1,053,942)</u> |

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Changes in Net Assets

Year Ended March 31

2011

2010

| | Invested in <u>Capital Assets</u> | Unrestricted <u>Net Assets</u> | <u>Total</u> | <u>Total</u> |
|---|--------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Net assets, beginning of year | \$ 303,889 | \$ 16,830,510 | \$ 17,134,399 | \$ 18,188,341 |
| Excess of expenses over revenue | (81,491) | (1,192,350) | (1,273,841) | (1,053,942) |
| Investments in capital assets (net of proceeds on disposal of property and equipment) | <u>37,348</u> | <u>(37,348)</u> | <u>-</u> | <u>-</u> |
| Net assets, end of year | <u>\$ 259,746</u> | <u>\$ 15,600,812</u> | <u>\$ 15,860,558</u> | <u>\$ 17,134,399</u> |

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Financial Position

March 31

2011

2010

Assets

Current

| | | |
|-------------------------------------|---------------|---------------|
| Cash and cash equivalents | \$ 16,429,334 | \$ 17,967,396 |
| Receivables (Note 6) | 2,975,112 | 2,886,848 |
| Inventories (Note 7) | 79,554 | 63,411 |
| Prepays | 146,348 | 47,105 |
| Current portion of notes receivable | <u>31,571</u> | <u>13,352</u> |

19,661,919 20,978,112

Notes receivable, non-interest bearing, repayable
over the next five years

85,044 53,408

Long term investments

768,122 756,474

Property and equipment (Note 8)

259,746 303,889

\$ 20,774,831 \$ 22,091,883

Liabilities

Current

| | | |
|-----------------------|------------------|------------------|
| Payables and accruals | \$ 710,215 | \$ 958,345 |
| Grants payable | 1,781,580 | 1,786,083 |
| Unearned revenue | <u>1,995,290</u> | <u>1,857,829</u> |

4,487,085 4,602,257

Performance bonds payable

404,886 355,227

Accrued severance pay

22,302 -

4,914,273 4,957,484

Net Assets

Net assets invested in capital assets

259,746 303,889

Unrestricted net assets

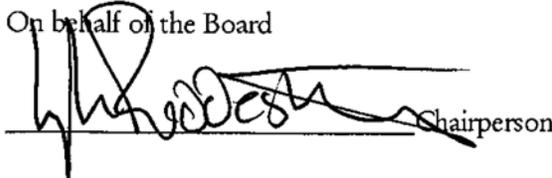
15,600,812 16,830,510

15,860,558 17,134,399

\$ 20,774,831 \$ 22,091,883

Commitments (Note 10)

On behalf of the Board

 Chairperson

 Director

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Cash Flows

Year Ended March 31

2011

2010

| | | |
|---|----------------------|----------------------|
| (Decrease) increase in cash and cash equivalents | | |
| Operating | | |
| Excess of expenses over revenue | \$ (1,273,841) | \$ (1,053,942) |
| Depreciation | 81,491 | 97,587 |
| Gain on disposal of equipment | | (1,474) |
| | <u>(1,192,350)</u> | <u>(957,829)</u> |
| Change in non-cash operating working capital (Note 9) | <u>(318,823)</u> | <u>(949,113)</u> |
| | <u>(1,511,173)</u> | <u>(1,906,942)</u> |
| Financing | | |
| Increase (decrease) in performance bonds payable | 49,659 | (363,974) |
| Increase in accrued severance pay | 22,302 | - |
| | <u>71,961</u> | <u>(363,974)</u> |
| Investing | | |
| Increase in notes receivable | (49,855) | (66,760) |
| Increase in long term investments | (11,647) | (291,353) |
| Purchase of property and equipment | (37,348) | (44,404) |
| Proceeds from sale of property and equipment | - | 5,373 |
| | <u>(98,850)</u> | <u>(397,144)</u> |
| Net decrease in cash and cash equivalents | (1,538,062) | (2,668,060) |
| Cash and cash equivalents | | |
| Beginning of year | <u>17,967,396</u> | <u>20,635,456</u> |
| End of year | <u>\$ 16,429,334</u> | <u>\$ 17,967,396</u> |

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Notes to the Consolidated Financial Statements

March 31, 2011

1. Nature of operations

The Multi-Materials Stewardship Board is a statutory corporation established pursuant to The Environmental Protection Act. This Board manages the Used Beverage Container Deposit Refund System, the Used Tire Recycling Program, and the Newfoundland and Labrador Waste Management Trust Fund in the Province of Newfoundland and Labrador and is mandated to support and promote the protection, enhancement and wise use of the environment through waste management programs.

The Board is exempt from income taxes under Section 149(1)(d) of the Canadian Income Tax Act.

2. Basis of consolidation

These consolidated financial statements include the accounts of the Multi-Materials Stewardship Board and the Newfoundland and Labrador Waste Management Trust Fund.

The Multi-Materials Stewardship Board - Newfoundland and Labrador Waste Management Trust Fund is a restricted fund, managed by the Board, and its accounts have been grouped in these financial statements for consolidation purposes. Separate audited financial statements have been issued for this Trust Fund, with an audit report date of June 23, 2011.

The March 31, 2010 comparative figures include the accounts of the Residential Backyard Composting Program for consolidation purposes. This program ceased operations effective March 31, 2010.

3. Summary of significant accounting policies

Fund accounting

Fund accounting is generally accepted as the basis of accounting for public sector organizations. A summary of significant accounting policies relating to fund accounting is as follows:

- i) property and equipment are recorded at cost, net of proceeds on disposal;
 - ii) capital additions financed from the unrestricted funds are included in the net assets invested in capital assets account; and
 - iii) depreciation of property and equipment and gains (losses) on disposal are included in the net assets invested in capital assets account.
-

Multi-Materials Stewardship Board

Notes to the Consolidated Financial Statements

March 31, 2011

3. Summary of significant accounting policies (cont'd.)

Use of estimates

In preparing the Board's consolidated financial statements in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Foreign currency transactions

Transactions denominated in foreign currencies are recorded in Canadian dollars at exchange rates in effect at the related transaction dates. Monetary assets and liabilities denominated in foreign currencies are adjusted to reflect exchange rates at the statement of financial position date. Exchange gains and losses arising on the translation of monetary assets and liabilities are included in the determination of income.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less. Cash and cash equivalents also include a balance of \$55,000 (2010 - \$6,080) in restricted cash related to the performance bonds payable.

Revenue recognition

Deposit revenue is recognized when remittances are collected plus an estimated accrual based on subsequent receipts.

Byproduct revenue is recognized upon shipment and when all significant contractual obligations have been satisfied and collection is reasonably assured.

Revenue from the Household Hazardous Waste Program is recognized as the municipalities are invoiced and collection is reasonably assured.

Revenue from the sale of compost bins is recognized when the bins are sold and collection is reasonably assured.

Grant revenue is recognized in the period in which entitlement arises. Revenue received for a future period is deferred until the future period when related costs have been incurred.

Miscellaneous income (including interest income) is recognized as earned.

Inventories

Inventories, which are comprised of aluminium beverage containers, and PET beverage containers, are valued at the lower of cost and net realizable value. Inventory is costed based on net realizable value using current market prices.

Multi-Materials Stewardship Board

Notes to the Consolidated Financial Statements

March 31, 2011

3. Summary of significant accounting policies (cont'd.)

Long term investments

Loan term investments include guaranteed investment certificates with original maturities of greater than one year. At March 31, 2011 \$349,888 (2010 - \$349,147) of these investments are restricted to repay performance bonds at the end of the contracts if all conditions have been met by the parties involved.

Depreciation

Rates and bases of depreciation applied to write-off the cost of property and equipment over their estimated lives are as follows:

| | |
|--------------------------------|------------------------|
| Rocaps equipment | 30%, declining balance |
| Office furniture and equipment | 20%, declining balance |
| Leasehold improvements | 5 years, straight line |
| Computer hardware | 30%, declining balance |
| Computer software | 30%, declining balance |
| Bags and tubs | 30%, declining balance |
| Vehicle | 30%, declining balance |

Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

Unearned revenue

Unearned revenue consists of deposits on containers yet to be returned for redemption and recycling. The amount recorded by the Board as unearned revenue consists of sixty days of deposits received from distributors, adjusted by an estimated recovery rate of 66% (March 31, 2010 – 68%).

Financial instruments

The CICA Handbook Section 3855, "Financial Instruments - Recognition and Measurement", requires the Board to revalue all of its financial assets and liabilities at fair value.

This standard also requires the Board to classify financial assets and liabilities according to their characteristics and management's choices and intentions related thereto for the purposes of ongoing measurements. Classification choices for financial assets include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings; b) held to maturity - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired; c) available-for-sale - measured at fair value with

Multi-Materials Stewardship Board

Notes to the Consolidated Financial Statements

March 31, 2011

3. Summary of significant accounting policies (cont'd.)

changes in fair value recognized in other comprehensive income for the current period until realized through disposal or impairment; and d) loans and receivables - recorded at amortized cost with gains and losses recognized in net earnings in the period that the asset is no longer recognized or impaired.

Classification choices for financial liabilities include: a) held for trading - measured at fair value with changes in fair value recorded in net earnings and b) other - measured at amortized cost with gains and losses recognized in net earnings in the period that the liability is no longer recognized. Subsequent measurement for these assets and liabilities are based on either fair value or amortized cost using the effective interest method, depending upon their classification. Any financial asset or liability can be classified as held for trading as long as its fair value is reliably determinable.

In accordance with the standard, the Board's financial assets and liabilities are classified and measured as follows:

| Asset/Liability | Classification | Measurement |
|--|-----------------------------|--------------------|
| Cash and cash equivalents | Held for trading | Fair value |
| Receivables | Loans and receivable | Amortized cost |
| Notes receivables | Loans and receivable | Amortized cost |
| Long term investments, performance bonds payable | Held for trading | Fair value |
| Payables and accruals | Other financial liabilities | Amortized cost |

Other statement of financial position accounts, such as inventories, prepaids, property, equipment, unearned revenue, and accrued severance pay, are not within the scope of these accounting standards as they are not financial instruments.

The fair value of a financial instrument is the estimated amount that the Board would receive or pay to terminate the instrument agreement at the reporting date. To estimate the fair value of each type of financial instrument various market value data were used as appropriate. The fair value of cash and cash equivalents approximated its carrying value.

Accounting policies adopted during the year

Accrued severance pay

Severance pay is accounted for on an accrual basis and is calculated based upon years of service and current salary levels. The right to be paid severance pay vests with employees with nine years of continual service, and accordingly no provision has been made in accounts for employees with less than nine years of continual service. Severance pay is payable when the employee ceases employment with the Board.

Multi-Materials Stewardship Board

Notes to the Consolidated Financial Statements

March 31, 2011

4. Risk management

The Board's policy for managing significant risks includes policies, procedures and oversight designed to reduce the risks identified to an appropriate threshold. The Board of Directors is provided with timely and relevant reports on the management of significant risks. Significant risks managed by the Board include liquidity, credit and market risks.

Liquidity risk

Liquidity risk is the risk that the Board will be unable to meet its contractual obligations and financial liabilities. The Board manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Board's credit risk is attributable to receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

i) Interest rate risk

Interest rate risk is the risk that the value of a financial asset will fluctuate due to changes in market interest rates. The Board is exposed to interest rate risk through its cash and cash equivalents and long term investments. Interest rate risk is managed through holding low risk cash and cash equivalents and long term investments.

ii) Foreign exchange risk

The Board is exposed to foreign exchange risk on fluctuations related to by-product sales to the United States. Subsequent to year end, foreign exchange is managed through the Board's USD bank account.

5. Capital management

The capital structure of the Board consists of net assets invested in capital assets and unrestricted net assets. The primary objective of the Board's capital management is to provide adequate funding to ensure efficient delivery of its services.

Net assets invested in capital assets represent the amount of net assets that are not available for other purposes because they have been invested.

Unrestricted net assets are funds available for future operations and are preserved so the Board can have financial flexibility should opportunities arise in the future.

Multi-Materials Stewardship Board

Notes to the Consolidated Financial Statements

March 31, 2011

| 6. Receivables | <u>2011</u> | <u>2010</u> |
|-----------------|---------------------|---------------------|
| Deposits | \$ 2,570,233 | \$ 2,352,643 |
| Trade and other | <u>404,879</u> | <u>534,205</u> |
| | <u>\$ 2,975,112</u> | <u>\$ 2,886,848</u> |

| 7. Inventories | <u>2011</u> | <u>2010</u> |
|-------------------------------|------------------|------------------|
| Aluminium beverage containers | \$ 47,300 | \$ 52,450 |
| PET beverage containers | <u>32,254</u> | <u>10,961</u> |
| | <u>\$ 79,554</u> | <u>\$ 63,411</u> |

| 8. Property and equipment | | | <u>2011</u> | <u>2010</u> |
|--------------------------------|---------------------|-------------------------------------|---------------------------|---------------------------|
| | <u>Cost</u> | <u>Accumulated Depreciation</u> | <u>Net Book Value</u> | <u>Net Book Value</u> |
| Rocaps equipment | \$ 144,928 | \$ 97,487 | \$ 47,441 | \$ 64,275 |
| Office furniture and equipment | 150,911 | 93,123 | 57,788 | 53,513 |
| Leasehold improvements | 35,073 | 31,046 | 4,027 | 4,927 |
| Computer hardware | 99,696 | 63,018 | 36,678 | 41,202 |
| Computer software | 225,494 | 189,845 | 35,649 | 34,062 |
| Bags and tubs | 402,955 | 327,655 | 75,300 | 102,031 |
| Vehicle | <u>9,048</u> | <u>6,185</u> | <u>2,863</u> | <u>3,879</u> |
| | <u>\$ 1,068,105</u> | <u>\$ 808,359</u> | <u>\$ 259,746</u> | <u>\$ 303,889</u> |

| 9. Supplemental cash flow information | <u>2011</u> | <u>2010</u> |
|--|---------------------|---------------------|
| Change in non-cash operating working capital | | |
| Receivables | \$ (88,264) | \$ (470,844) |
| Inventories | (16,143) | (18,413) |
| Prepays | (99,244) | (789) |
| Payables and accruals | (248,130) | 138,514 |
| Grants payable | (4,503) | (760,552) |
| Unearned revenue | <u>137,461</u> | <u>162,971</u> |
| | <u>\$ (318,823)</u> | <u>\$ (949,113)</u> |

Multi-Materials Stewardship Board

Notes to the Consolidated Financial Statements

March 31, 2011

10. Commitments

The Board is committed to minimum annual lease payments for property and equipment for the next three years as follows: 2012 - \$233,146; 2013 - \$70,143; and 2014 - \$13,793.

The Board has entered into the following agreements:

- (i) processing and transportation of beverage containers up to July, 2014;
- (ii) collection of used tires in Labrador West area to April, 2012;
- (iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to August, 2011;
- (iv) collection of used tires in Happy Valley-Goose Bay area to February, 2013;
- (v) collection and disposal of used tires to April 2011;
- (vi) transportation of used tires collected in Labrador to May, 2011;
- (vii) transportation and disposal of processed glass to March, 2011;
- (viii) baling of used tires and crushing/removal of tire rims to December, 2011; and
- (ix) household hazardous waste collection and disposal to December 2011.

11. Cost of sales

In June 2004, the Board terminated its contract under the Used Tire Recycling Program with its previous contractor. Subsequent to this termination, the Board assumed responsibility for the Program and implemented a contingency plan for the storage of used tires. The costs will be incurred until the Board is able to make alternate arrangements under the Used Tire Recycling Program.

Multi-Materials Stewardship Board

Consolidated Schedule of Administrative Expenses

| Year Ended March 31 | 2011 | 2010 |
|--------------------------------|---------------------|---------------------|
| Advertising | \$ 88,372 | \$ 92,294 |
| Bad debts | - | 3,164 |
| Depreciation | 81,491 | 97,587 |
| Directors' remuneration | 14,233 | 16,055 |
| Dues, licenses and education | 6,192 | 11,833 |
| Equipment rental | 16,162 | 22,403 |
| Insurance | 10,761 | 9,705 |
| Interest and bank charges | 3,665 | 5,339 |
| Marketing and communications | 250,184 | 288,216 |
| Meetings and entertainment | 12,117 | 23,189 |
| Miscellaneous | 5,516 | 3,279 |
| Professional fees | 183,072 | 107,418 |
| Rent | 109,854 | 109,819 |
| Repairs and maintenance | 1,392 | 4,680 |
| Rocaps supplies | 28,744 | 54,615 |
| Stationery and office supplies | 41,734 | 50,068 |
| Telecommunications | 55,482 | 39,635 |
| Travel – board and staff | 89,043 | 129,950 |
| Vehicle operating | 22,652 | 15,837 |
| Wages and benefits | <u>1,548,692</u> | <u>1,129,169</u> |
| | <u>\$ 2,569,358</u> | <u>\$ 2,214,255</u> |

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