guiding our province to a greener future.

2011-12

annual report

mmsb

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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 2011-12 fiscal period in accordance with the Transparency and Accountability Act.

This report outlines MMSB's achievements for 2011-12 in relation to the goals set forth in its 2011-14 Strategic Plan, and includes a comparison of actual performance against intended results for the 2011-12 fiscal year (measures and indicators) as communicated in MMSB's 2011-14 Strategic Business Plan.

As Chair of the Board, my signature below is indicative of the Board's overall accountability for the preparation of the 2011-12 Annual Report and the accuracy of the results reported herein.

Respectfully submitted,

Leigh Puddester
Chair
Board of Directors
MMSB

September 21, 2012

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

Newfoundlanders and Labradorians are delivering a strong, positive message about the importance of recycling and waste management in the province. That is why MMSB is working hard to make responsible waste management a priority for every Newfoundlander and Labradorian.

It matters whether or not a pop can is recycled or an apple core is thrown in the trash instead of being composted. It also matters whether or not a person puts household hazardous waste in the garbage rather than properly disposing of the unwanted product. The way we dispose of our waste today will have a significant impact on future generations in our province.

MMSB is committed to working toward positive and lasting environmental change. This is a commitment in which we take great personal and corporate pride. We are striving to nurture that same commitment in everyone, because keeping our province clean and healthy is the responsibility of us all. Newfoundlanders and Labradorians understand this. And clearly record high diversion rates and participation in MMSB's waste diversion and recycling programs in 2011-12 is a clear testament to the passion and commitment that Newfoundlanders and Labradorians have for protecting and enhancing our environment for future generations.

I am proud of the successes achieved in 2011-12 and grateful to MMSB's employees, stakeholders and the residents of the entire province 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.

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 2011-12 fiscal year. I invite you to read about MMSB in the pages of this Annual Report and to share with us our journey towards guiding our province to a greener future.

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.

2011-12 Highlights:

- More than 163.6 million used beverage containers were collected and recycled through MMSB's province-wide network of Green Depots and Regional Collection Facilities. That's 3.4 million more than the previous year, a record high since the program began in 1997.

- More than 17.5 million beverage containers were collected and diverted from Newfoundland and Labrador landfills through the efforts of 275 schools province-wide through the Get to Half at School Program, a record high for the program.

- Schools raised more than $1.9 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 fund raising sources for school throughout the province.

- Through MMSB's, Top Your Total School Contest, schools recycled approximately 4.2 million beverage containers during the month of March. To understand the significance of this, on average during the month of March schools normally recycle a total of 1.6 million beverage containers. That's a 162.5 % increase!

- MMSB delivered 261 presentations in 31 schools throughout Newfoundland and Labrador, impacting more than 5,511 youth.

- New public education programs were developed and launched, including a school Environment Club Program to foster peer-to-peer learning within schools throughout Newfoundland and Labrador.

- Over 340,000 litres of household hazardous waste (HHW) was collected and properly disposed of through HHW mobile collection events and permanent HHW Depots.

- MMSB embarked on a pilot project partnering with volunteer fire departments to divert HHW from rural communities throughout the province. The pilot project was very successful, resulting in close 20,000 litres of HHW being collected.

- Approximately 400,000 used tires were collected and diverted from waste disposal sites in Newfoundland and Labrador, bringing the total number of tires diverted from landfills to just over 3.3 million, representing a record high since the program began.

- MMSB committed $2.9 million from the Waste Management Trust Fund to support Regional Waste Management Authorities; provincial public education and awareness; household hazardous waste collection; and building waste management capacity throughout Newfoundland and Labrador.

- MMSB launched the first in-vessel, industrial composting application in Newfoundland and Labrador in November in partnership with the Grenfell Campus of Memorial University of Newfoundland and College of the North Atlantic in Corner Brook. Through this one project, Grenfell and College of the North Atlantic can divert approximately 20 per cent of their total waste from landfills. By adding organic waste from other local commercial and institutional partners, this composter can manage up to100 metric tonnes of organic waste annually, producing valuable compost for landscaping applications and reducing their waste disposal costs.

- The research partnership between the MMSB and Memorial University's Lesley Harris Centre of Regional Policy and Development funded a further 3 research projects in 2011-12. Investments in this research partnership are made through the Waste Management Trust Fund, including this year's investment of $65,000; a total of $148,000 has been invested in this partnership since September, 2010.

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 three "field offices" (Mount Pearl, Stephenville and Labrador City) with five employees that support the Used Beverage Container Recycling Program. Of the 23 MMSB employees, seven are male and 16 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 2011-12 was approximately $26 million and operating expenditures were approximately $29.6 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 supports the implementation of the Provincial Solid Waste Management Strategy. As of March 31, 2012, there was a total of $4.2 million in the Trust Fund, to be used for projects in the future.

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 MMSB to work with households, businesses and schools across the province to help foster waste reduction and diversion practices.

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 Service NL. Other key stakeholders include regional waste management authorities, Municipalities Newfoundland and Labrador, the Newfoundland and Labrador Environmental Industry Association (NEIA), Memorial University's Lesley Harris Centre of Regional Policy and Development and other like-minded environmental groups and organizations throughout Newfoundland and Labrador. Working together with other stakeholders 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, 2017, MMSB will have strengthened 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. Our mission continues to be founded on MMSB playing a leadership role in guiding regional waste management authorities and other stakeholders toward this goal, 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 (as defined in 2002) from disposal in landfills.

Complementary to the leadership role to be exercised by MMSB, the 12 regional waste management authorities play a vital role in moving the waste diversion and recycling 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 curbsides for households); access to central composting facilities; specific disposal sites for demolition and debris metals; household hazardous management and disposal services; and access to centrally located end-use disposal facilities (new environmentally engineered landfills) that will accept waste products that are not diverted from the general waste stream.

LINES OF BUSINESS

In delivering its mandate, MMSB is responsible for three lines of business as follows:

1. Waste Diversion – Recycling

MMSB develops, manages and administers the implementation of provincial waste diversion programs and services in accordance with government direction 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). Existing waste diversion programs and services provided by MMSB include:

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.

Extended Producer Responsibility (EPR)

- MMSB is now rolling out Extended Producer Responsibility (EPR) recycling programs.

- Under the *Waste Management Regulations*, MMSB is responsible for identifying appropriate waste streams to target for diversion and will assist in the establishment, monitoring and adherence to the *Waste Management Regulations*.

- Under an EPR approach, industry, typically manufacturers and/or importers/distributors are responsible for program implementation and ongoing management of such programs.

- The first such regulation was passed in 2010 for the diversion of waste paint.

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 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;
- 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; and
- Research support into possible opportunities to maximize economic and employment benefits from the implementation of the Provincial Solid Waste Management Strategy.

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 behaviours toward the handling and management of waste, focusing in particular on the need to reduce the amount of waste that Newfoundlanders and Labradorians generate in the first instance. Complementary to this province-wide effort, 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 of other stakeholders in the province. These collective efforts are financed through the Waste Management Trust Fund and from the consumer and retailer levies applied to the beverage containers and tires.

STRATEGIC PRIORITIES AND OUTPUTS

Three key priorities were identified by MMSB for attention in 2011-12 that 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 2011-12.

1. Waste Diversion and 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 and new provincial recycling initiatives must be established.

MMSB made important progress during 2011-12 with regard to strengthening its existing waste diversion and recycling programs. The number of used beverage containers collected and recycled through the network of Green Depots reached a record high and the number of tires diverted from provincial landfill sites also reached an all-time high. MMSB also advanced plans for the introduction of new waste diversion and recycling programs for the province including an Extended Producer Responsibility (EPR) waste paint recycling program. As a result of the success achieved through-out 2011-12 and MMSB's commitment to continue to strengthen and expand its existing waste diversion and recycling programs over the coming years, MMSB is in a positive position to continue to increase waste diversion towards the target of 50 per cent as set out in the Provincial Solid Waste Management Strategy.

GOAL 1: **By March 31, 2014, the MMSB will have increased waste diversion in the province towards the target set in the Provincial Solid Waste Management Strategy.**

Waste diversion and recycling are key components of the Provincial Solid Waste Management Strategy, and MMSB, through its various recycling programs as well as through funding partnerships with regional waste management authorities, municipalities and other stakeholders, plays a key role in increasing waste diversion in Newfoundland and Labrador.

OBJECTIVE 1: By March 31, 2012, MMSB will have strengthened its existing waste diversion programs over 2008-11 and will have advanced the development of new waste diversion initiatives.

Measure 1.1: Existing waste diversion programs strengthened.

Indicator
Recovery rates in MMSB's Used Tire Recycling program are improved, and implementation of a plan to eliminate the stockpile of used tires at Dunville is commenced.

Actual Results
In 2011-12, the recovery rate of the Used Tire Recycling Program reached approximately 65 per cent, an all-time high since the inception of the program in 2002. Also, in late February, MMSB commenced the plan to eliminate the stockpile of used tires stored at the Dunville tire yard.

Discussion of Results
The recovery rate of MMSB's Used Tire Recycling Program did improve in 2011-12 with close to 400,000 used tires being collected and diverted from landfills in the province. This represents a recovery rate of 64 per cent in 2010-11 and approximately 65 per cent in 2011-12. This increase in recovery was achieved due to marketing and public education efforts around the Used Tire Recycling Program, particularly a mass media campaign to educate Newfoundlanders and Labradorians about proper disposal of tires during the spring tire changeover season. In late February, MMSB also began the removal of the tires stored at the Dunville tire yard. The contract for the removal of the stockpile was awarded to Oceanex Inc., and since late February, Oceanex Inc., has been shipping tires to a Quebec-based end market. In addition to removing the Dunville stockpile, MMSB also continued to ship used tires generated and collected on an annual basis to a Quebec-based end market, ensuring no future stockpile is created.

Indicator
Research into new technologies or approaches to managing organic waste within Newfoundland and Labrador is undertaken.

Actual Results
During 2011-12, MMSB conducted in-depth research into new technologies and approaches for the management of organic waste in Newfoundland and Labrador. This research included a comprehensive overview of various technologies for the management of organics currently utilized in other jurisdictions, best practices and challenges associated with the management of organics.

Discussion of Results
To carry-out the organics research, MMSB deployed a multi-pronged research approach that included both in-depth interviews and site visits. MMSB engaged 100 organics facility operators and managers across Canada as well secondary research was carried-out of organics facilities in the United States and other parts of the world, both of which helped formulate an accurate and comprehensive picture of organics management. In addition, eleven facilities utilizing various technologies, collection systems and inputs were profiled in detail. MMSB also carried out extensive research to determine the profile of organic waste streams generated in Newfoundland and Labrador for both the residential and industrial sectors and how these streams are currently managed. As a result of the organics research, MMSB produced a

document titled: *Guidance Document for the Management of Organic Waste in Newfoundland and Labrador* for distribution to key stakeholders.

To help build organic waste management capacity and to demonstrate the various technologies available for the management of this waste stream, MMSB launched the first in-vessel, industrial composting application in Newfoundland and Labrador in November in partnership with the Grenfell Campus of Memorial University of Newfoundland and College of the North Atlantic in Corner Brook. Through this one project, Grenfell and College of the North Atlantic can divert approximately 20 per cent of their total waste from landfills. By adding organic waste from other local ICI partners, this composter can manage up to 100 metric tonnes of organic waste annually, producing valuable compost for landscaping applications in the process.

Indicator
The existing Used Oil Control Program is restructured in accordance with the direction provided by the Minister of Environment and Conservation.

Actual Results
MMSB developed a framework for the restructuring of the Used Oil Control Program for the consideration of the Minister of Environment and Conservation.

Discussion of Results
While the Used Oil Control Program has not yet been restructured, a framework for how the program will work was developed by the MMSB. The restructuring plans for the program will follow an Extended Producer Responsibility (EPR) approach, whereby oil manufactures and distributors will be responsible for the management of the end-of-life disposal of their products. This approach will not only help strengthen the recovery levels of the Used Oil Control Program, but it will also expand the parameters of what is accepted through the program to include containers and filters.

Measure 1.2: Development of new waste diversion initiatives is advanced.

Indicator
A finalized province-wide E-waste Program is brought forward for consideration.

Actual Results
During 2011-12, MMSB drafted and submitted for consideration an amendment to the *Waste Management Regulations* under the *Environmental Protection Act* that include the management of E-waste for Newfoundland and Labrador. These regulations will result in an E-waste program for Newfoundland and Labrador coming to fruition.

Discussion of Results
A proposed regulation for the recycling of E-waste has been development by MMSB. The proposed regulation follows an Extended Producer Responsibility (EPR) approach, whereby manufacturers and distributors will be held responsible for the end-of-life disposal of the products they manufacture. The regulations will result in a provincial EPR E-waste recycling program.

Indicator
Collaborated with an industry-led group to develop and launch a voluntary pharmaceuticals and medical sharps program.

Actual Results
In 2011-12, MMSB collaborated with multiple stakeholders to develop an industry-led, voluntary pharmaceuticals and medical sharps program for Newfoundland and Labrador. After considerable work, the proposed voluntary pharmaceuticals and medical sharps program was not implemented by industry.

Discussion of Results
In May of 2011, following significant efforts on behalf of MMSB and an industry-led group to implement a voluntary pharmaceuticals and medical sharps program, the industry-led group advised MMSB that it was not in a position to pursue the program on its own. As a result, MMSB is now in the process of including this waste stream in a “municipal special and hazardous waste program” that is currently under review for advancement.

2. Capacity Building

The Provincial Solid Waste Management Strategy has adopted a regional approach that involves consolidating all of their waste management activities within 12 regions of the province. To facilitate this consolidation/integration of communities in each region, dedicated resources (staff, operational and research support) and access to specialized expertise in the areas of waste diversion and public education are required. This support at the regional level is known as “capacity building”. MMSB will support the capacity building needs over multiple planning cycles through its professional staff complement and the Waste Management Trust Fund. Specific steps were taken in the 2008-11 strategic plan to put in place the foundations to successfully respond to these needs, 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. Continuation of this new capacity building framework will occur in 2011-14 (and beyond), particularly as the 12 regional waste management authorities come on stream and become active in performing their mandates under the Provincial Solid Waste Management Strategy.

GOAL 2: **By March 31, 2014, 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 Solid Waste Management Strategy.**

With a team of environmental experts and their specialized expertise, 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.

OBJECTIVE 2: By March 31, 2012, MMSB will have continued to advance the capacity building framework to enable active regional waste management authorities and the Interdepartmental Waste Management Steering Committee to effectively pursue and discharge their roles in the implementation of the Provincial Solid Waste Management Strategy.

Measure 2.1: Capacity building framework is advanced

Indicator

MMSB commences facilitation of a province-wide indiscriminant dumping/litter strategy, for consideration and implementation by relevant stakeholders.

Actual Results

A province-wide indiscriminate dumping and litter strategy has been formulated by the Indiscriminate Dumping & Litter Abatement Working Group and submitted to the Interdepartmental Steering Committee for consideration and implementation.

Discussion of Results

Recognizing that the issues of indiscriminate dumping and littering are complicated issues due to the province's vast geography and the number of stakeholders involved, MMSB facilitated the formation of a Working Group to tackle the development of a broad province-wide strategy to deal with the issue. To assist in developing a strategy for indiscriminate dumping and litter abatement, the Working Group identified the need to carry-out research on several issues. MMSB funded this work and the results are now being used by the Working Group to develop an indiscriminate dumping and litter abatement strategy for the province.

Indicator
MMSB provides relevant and effective support from its professional staff complement 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
A total of $553,526 was disbursed from the Waste Management Trust Fund to support regional waste management committees/authorities to develop and implement their regional waste management plans at the local level.

Discussion of Results
To support the needs of regional waste management authorities, MMSB disbursed funds from the Waste Management Trust Fund to the Northern Peninsula Regional Service Board, Green Bay Waste Authority, Burin Peninsula Waste Management Corporation, Eastern Waste Management Committee, Central Regional Service Board, Western Regional Waste Management Committee, Bonavista Peninsula Regional Waste Management Committee and Coast of Bays Waste Management to continue to build capacity and support at the regional level for waste management in the province. These funds have been used to continue to educate and promote waste reduction at the local level, such as the work that the Bonavista Peninsula Regional Waste Management Committee carried out as part of their "Don't Waste the Rock" public event. In addition, the funds have also been used implement pilot projects specific to continuing to build regional capacity such as the Burin Peninsula Waste Management Corporation's regional curbside paper fibre and organics pilot project.

In 2011-12, the Interdepartmental Waste Management Steering Committee continued to make significant progress in advancing a number of the milestones set-out in the strategy specific to landfill closures, regional studies, regional consolidation and the building of waste management infrastructure. The committee provides critical support to the more than 20 regional and sub-regional waste management boards and committees to help them continue to roll-out their regional waste management plans at the local level.

Indicator
Strategies and initiatives are developed to support modern waste management practices for the Industrial, Commercial and Institutional sector.

Actual Results
In 2011-12, MMSB staff conducted an overview on the status of current industrial, commercial and institutional sector (ICI) practices and diversion in the province. An ICI Waste Diversion Strategy document was produced to outline the current provincial situation and detail recommendations to move forward with ICI waste diversion, which MMSB will begin to implement in 2012-13.

Discussion of Results
Ninety-eight ICI stakeholders were interviewed, representing the retail, grocery, healthcare, accommodations, restaurant, construction, and post-secondary sectors, as well as the fishery. The waste streams generated, current practices for managing the waste streams, current and perceived future challenges, and overall awareness of the Provincial Solid Waste Management Strategy and diversion alternatives were researched. From the results of the interviews and associated secondary research into waste generation in the ICI sector, a report outlining the sectors, geographies and waste streams to focus future diversion efforts, and suggested methods to increase awareness of current diversion opportunities available to ICI waste generators, as well as interim solutions to increase diversion in the absence of full regional infrastructure, has been developed by the MMSB. The recommendations from the initial research will be implemented with the ICI sector in the upcoming year and subsequent years.

Indicator
Research is undertaken into the data and collection methodologies appropriate for a provincial waste management reporting system.

Actual Results
In 2011-12, MMSB reviewed data collection methodologies and waste management data reporting systems across Newfoundland and Labrador, Canada and the world to help determine the appropriate method for managing waste management collection data in Newfoundland and Labrador.

Discussion of Results
MMSB, through its research of data collection methodologies and waste management data reporting systems, determined the current process as to how waste management data is collected within the province and how the process utilized in Newfoundland and Labrador compares to the methods used in other jurisdictions. As a result of this review, MMSB identified several steps that should be deployed to develop a provincial waste management reporting system, to be shared with various stakeholders to develop a consistent province-wide waste data collection reporting system.

3. Public Education

In order to achieve modern waste management in the province, significant change in attitudes and behaviors of Newfoundlanders and Labradorians is required. A strong and ongoing public awareness and education program is critical to educate and motivate the people of the province to reduce the amount of waste we generate. MMSB through both its provincial public education and awareness campaigns and targeted stakeholder campaigns will continue to educate specific audiences about the importance of reducing waste as a means of creating a clean and green Newfoundland and Labrador by 2014 and beyond.

GOAL 3: By March 31, 2014, MMSB will have increased public and Industrial, Commercial and Institutional (ICI) sector engagement in modern waste management practices and issues in Newfoundland and Labrador.

MMSB continues to be active on this front and a new three-year strategic marketing, communications and public education plan was developed in 2011-12 with a goal of strengthening overall efforts in this domain. Implementation of this new plan will continue for the next three years.

OBJECTIVE 3: By March 31, 2012, MMSB will have developed a new marketing and education plan while continuing to support the delivery of existing and new waste diversion initiatives.

Measure 3.1: New marketing and education plan developed.

Indicator
Revised public and youth marketing and education strategy completed.

Actual Results
In 2011-12, MMSB developed a new three year strategic marketing communications plan for the organization that includes engagement strategies targeted at the youth of Newfoundland and Labrador.

Discussion of Results
In the spring, a major public research effort was undertaken by MMSB to benchmark the current attitudes and actions of the general public with respect to waste reduction and recycling. This research was a critical exercise, serving as the foundation for the development of the new three year strategic marketing and communications plan for the organization. Specific to youth, MMSB has identified in the new plan strategies to reach Newfoundland and Labrador's youth with waste reduction and recycling messages, including "peer-to-peer" learning principles whereby MMSB will provide youth with the tools and resources they need to educate other youth throughout the province. Execution of the guiding principles in the plan has already commenced.

Indicator
New Industrial/Commercial/Institutional marketing and education plan developed

Actual Results
Extensive research was carried out in 2011-12 to develop the guiding principles for a new Industrial, Commercial and Institutional marketing and education plan; in addition, marketing tactics to engage this sector in waste reduction and recycling were executed throughout the year.

Discussion of Results
A draft of the marketing communications plan for the ICI sector was completed in 2011-12, and to help develop this plan, MMSB carried out in-depth interviews with key stakeholders from this sector. To begin engaging this sector in the role that they play in reducing waste in Newfoundland and Labrador, MMSB launched a new "business" section on MMSB's website in which specific resources and tools for this sector were developed. New marketing and education materials, including brochures, were also developed and distributed at a major trade show where MMSB targeted restaurants, hotels and Bed and Breakfast owners and operators throughout the province. MMSB also profiled various stakeholders within this sector in its "Greener Future's" campaign, that MMSB profiles waste reduction success stories and accomplishments of businesses as a means to inspire others within this sector to take action.

Measure 3.2: Delivery of existing and new waste diversion initiatives supported.

Indicator
Marketing, education and communication support provided to regional waste management authorities.

Actual Results
Ongoing guidance and support with respect to public education at the local level was provided to active regional waste management authorities

Discussion of Results
As regional waste management plans for regional waste management authorities are developed and implemented, MMSB continues to work with the authorities to ensure that 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. MMSB also hosted a Backyard Composting "train-the-trainer" session in the spring where MMSB trained the regional waste management authorities on composting, empowering them with the knowledge and tools to promote and encourage backyard composting in their respective regions. 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.

Indicator
Marketing campaigns implemented to support existing and new waste diversion initiatives.

Actual Results
In 2011-12, MMSB developed and executed multiple marketing campaigns to continue to educate and encourage participation in its existing waste diversion initiatives.

Discussion of Results
MMSB launched program-specific marketing campaigns to maintain top-of mind awareness for its existing programs.

Used Beverage Container Recycling Program: In late winter, MMSB launched the “Save our Basements” campaign that used multiple media platforms, including television, radio, print and online to encourage Newfoundlanders and Labradorians to recycle their used beverage containers. In addition, to help continue to encourage schools to recycle their beverage containers, MMSB launched a provincial school recycling contest for the month of March that resulted in a total of 4.2 million beverage containers being recycled through schools throughout the duration of the contest.

Used Tire Recycling Program: MMSB launched a mass media campaign, specifically targeting consumers during the spring tire change over season. The campaign served as a reminder that consumers should leave their old used tires at one of the 650 tire return locations in the province. A direct-mail campaign targeted at the 650 tire return locations was also carried-out as part of the spring tire change over campaign.

Household Hazardous Waste Program: MMSB implemented various direct-to-consumer tactics, including a direct-mail piece, telemarketing and mass media including radio, to market the household hazardous waste program to residents in the areas of the province in which events were taking place.

KEY PRIORITIES FOR 2012-13

In consideration of government's strategic direction and the mandate and financial resources of MMSB, the following areas have been identified as the key priorities for MMSB for 2012-13.

OBJECTIVE 1: By March 31, 2013, MMSB will have continued to strengthen its existing recycling programs, and will have commenced implementation of new recycling and waste diversion initiatives.

Measure 1.1: Existing waste diversion programs strengthened.

Indicators

- Further strengthen the Used Beverage Container Program by focusing on improving recovery and improving operations to achieve greater efficiencies.
- Strengthen the Used Tire Recycling Program by continuing to deplete the stockpile thereby reducing the associated storage, rent and security costs of the stockpile.

Measure 1.2: Development of new waste diversion initiatives is advanced.

Indicators

- An e-waste regulation will be put forward to Government in 2012-13.
- A proposed regulation for the restructuring of the existing Used Oil Control Program, based on an Extended Producer Responsibility (EPR) framework, is put forward to Government in 2012-13.
- A framework for the management of municipal special and hazardous waste (MSHW) will be developed for the consideration of the Minister of Environment and Conservation in 2012-13.

OBJECTIVE 2: By March 31, 2013, MMSB will have continued to advance the implementation of the capacity building framework, with a particular focus on preparing for the future priorities of waste management authorities as centralized waste management infrastructure is put in place.

Measure: Capacity building framework is advanced

Indicators

- MMSB will develop a standardized waste data collection reporting process and will work with Regional Waste Management Authorities and other stakeholders to implement this process.
- Continue to support the planning and organizational needs of active regional waste management authorities through the Regional Waste Management Capacity Building Program under the Waste Management Trust Fund.
- In 2012-13, MMSB will launch an industrial, commercial and institutional sector (ICI) program that will help the ICI sector better understand and divert more of their waste.
- MMSB will continue to build on the work and efforts of the Indiscriminate Dumping and Litter Abatement Working Group to help curb illegal dumping and litter throughout Newfoundland and Labrador.

OBJECTIVE 3: By March 31, 2013, MMSB will have commenced implementation of its revised marketing and education plan.

Measure: New marketing and education plan executed.

Indicators

- New province-wide waste reduction and diversion marketing communications campaign launched.
- Continued marketing and public outreach targeted at engaging the Industrial, Commercial, Institutional sector.

Measure: Delivery of existing and new waste diversion initiatives supported.

Indicators

- Marketing, education and communication support provided to regional waste management authorities.

- Marketing strategies and campaigns will be launched to help drive the recovery of the Used Beverage Container recycling Program.

- Marketing campaigns will be implemented to help increase the number of tires captured through the Used Tire Recycling Program.

OPPORTUNITIES AND CHALLENGES AHEAD

As we move beyond 2011-12, 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:

- As diversion rates of MMSB's existing programs continue to increase and the costs associated with operating these programs also increases, MMSB needs to identify strategies to balance operational costs with the ability to continue to finance the Waste Management Trust Fund to support the ongoing implementation of the Provincial Solid Waste Management Strategy.

- Although an export solution for the recycling of tires is underway, much work still needs to be done to eliminate the Dunville Stockpile. MMSB also needs to identify alternative processing strategies for used tires in the event that market conditions for existing end markets change and make the current export solution not viable.

- MMSB needs to continue to motivate and encourage the residents of Newfoundland and Labrador to participate in its existing waste diversion programs (Used Beverage Container Recycling Program, Used Tire Recycling Program and Household Hazardous Waste Program) in order to increase the recovery rates for each of these programs over the coming years.

- MMSB will continue to identify and implement new province-wide recycling and waste diversion programs to address specific waste streams that are significant in terms of their impact on the environment and/or their special handling needs.

- Priority and emphasis will be given to strengthening the planning and organizational capacity of Regional Waste Management Authorities through investments from the Waste Management Trust Fund to enable them to implement modern waste management systems throughout the province, including curbside recycling services for their residents.

- 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. MMSB will continue to strengthen and expand its public education and awareness activities, focusing on waste reduction themes as a means of achieving a greener Newfoundland and Labrador.

- Given the shifting demographics and new regional recycling infrastructure throughout Newfoundland and Labrador, MMSB will continue improve service levels and recovery rates of recycling programs.

- An 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.

- Continued analysis for sustainable markets for materials to be recycled given the global economic situation coupled with the geographic challenges we face in Newfoundland and Labrador will continue to be a key priority for the MMSB.

- MMSB will continue to identify ways to reduce the carbon footprint associated with the recycling of materials in Newfoundland and Labrador.

BOARD OF DIRECTORS 2011-12

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
Neville Greeley	Municipalities Newfoundland and Labrador (MNL) Representative
Maisie Clark	Campbellton, Consumer Representative
Reg Bowers	Labrador, Member-at-large
Jocelyn Perry	Topsail/Conception Bay South, Member-at-Large
David Robbins	Newfoundland Environmental Industries Association (NEIA) Representative

Consolidated Financial Statements

Multi-Materials Stewardship Board

March 31, 2012

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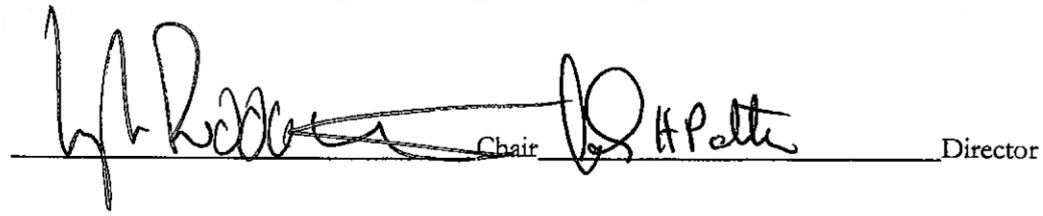
Statement of responsibility

The accompanying financial statements are the responsibility of the management of the Multi-Materials Stewardship Board (the "Board") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Grant Thornton LLP as the Board's appointed external auditors, have audited the financial statements. The auditors' report is addressed to the Directors of the Board and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the Board in



Independent auditors' report

Grant Thornton LLP
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To the Directors of the

Multi-Materials Stewardship Board

We have audited the accompanying consolidated financial statements of the Multi-Materials Stewardship Board, which comprise the consolidated statement of financial position at March 31, 2012, March 31, 2011 and April 1, 2010 and the consolidated statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the years ended March 31, 2012 and March 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board'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 Board'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 consolidated 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 Multi-Materials Stewardship Board as at March 31, 2012, March 31, 2011 and April 1, 2010 and the results of its operations, net financial assets and its cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

St. John's, Newfoundland and Labrador

June 22, 2012

Chartered Accountants

Multi-Materials Stewardship Board
Consolidated Statement of Financial Position

	March 31 2012	March 31 2011	(Note 4) April 1 2010
Financial assets			
Cash and cash equivalents	**$ 14,815,868**	$ 16,429,334	$ 17,967,396
Receivables (Note 5)	**2,852,775**	2,975,112	2,886,846
Notes receivable at amortized cost of non-interest bearing notes, repayable over the next five years, utilizing an interest rate of prime plus 1%	**84,979**	116,615	66,760
Inventories for sale (Note 6)	**75,921**	79,554	63,411
Long term investments	**1,037,205**	768,122	756,474
	18,866,748	20,368,737	21,740,887
Liabilities			
Payables and accruals	**2,152,796**	710,215	958,343
Grants payable	**1,670,743**	1,781,580	1,786,083
Accrued stockpile costs	**3,148,221**	-	-
Unearned revenue	**1,971,953**	1,995,290	1,857,829
Performance bonds payable	**663,825**	404,886	355,227
Accrued severance pay	**98,735**	22,302	-
	9,706,273	4,914,273	4,957,482
Net financial assets	**9,160,475**	15,454,464	16,783,405
Non-financial assets			
Prepaids	**$ 103,989**	$ 146,348	$ 47,105
Tangible capital assets (Page 16)	**707,111**	259,746	303,889
	811,100	406,094	350,994
Accumulated surplus	**$ 9,971,575**	$ 15,860,558	$ 17,134,399

Commitments (Note 8)

On behalf of the Board

Chairperson

Director

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board
Consolidated Statement of Operations

Year Ended March 31	**Actual 2012**	(Note 9) Budget 2012	(Note 12) Actual 2011
	Total	Total	Total
Revenue			
Gross revenue from deposits	**$ 23,095,506**	$ 22,546,134	$ 22,792,026
By-product revenue	**2,767,506**	2,252,233	2,330,976
Income from Organics program	**83,162**	-	1,100
Income from Household Hazardous Waste Program	**41,393**	46,018	38,557
	25,987,567	24,844,385	25,162,659
Cost of sales			
Deposits refunded	**8,459,534**	8,886,257	8,325,098
Green School Program	**1,049,804**	743,000	753,050
Handling fees	**6,892,132**	7,185,024	6,394,837
Stockpile costs (Note 11)	**4,276,160**	2,421,315	721,730
Regional processing	**1,625,758**	1,765,073	1,645,239
Freight and transportation	**3,717,693**	4,042,778	3,455,209
Depot fees	**357,520**	471,600	335,526
Quality assurance facilities	**122,958**	118,000	101,970
	26,501,559	25,633,047	21,732,659
Annual (deficit) surplus before expenses and other activities	**(513,992)**	(788,662)	3,430,000
Expenses			
Administrative expenses (Page 17)	**3,116,618**	3,253,850	2,569,358
Grant disbursements	**2,402,727**	3,115,923	2,262,316
	5,519,345	6,369,773	4,831,674
Annual deficit before other activities	**(6,033,337)**	(7,158,435)	(1,401,674)
Other activities			
Loss on disposal of tangible capital assets	**(6,505)**	-	-
Loss on foreign exchange	**(8,521)**	-	-
Interest and sundry income	**173,302**	114,699	127,833
Note receivable grant expense	**(13,922)**	-	-
	144,354	114,699	127,833
Annual deficit	**$ (5,888,983)**	$ (7,043,736)	$ (1,273,841)

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Changes in Accumulated Surplus

Year Ended March 31	**Actual 2012**	(Note 9) Budget 2012	Actual 2011
Accumulated surplus, beginning of year	**$ 15,860,558**	$ 15,860,558	$ 17,134,399
Annual deficit	**(5,888,983)**	(7,043,736)	(1,273,841)
Accumulated surplus, end of year	**$ 9,971,575**	$ 8,816,822	$ 15,860,558

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board

Consolidated Statement of Changes in Net Financial Assets

Year Ended March 31	**Actual 2012**	(Note 9) Budget 2012	Actual 2011
Annual deficit	**$ (5,888,983)**	$ (7,043,736)	$ (1,273,841)
Acquisition of tangible capital assets	**(523,150)**	(296,300)	(37,348)
Amortization of tangible capital assets	**68,081**	111,600	81,491
Loss on disposal of tangible capital assets	**6,505**	-	-
Cash received from disposal from tangible capital assets	**1,200**	-	-
Increase in prepaids	**42,358**	-	(99,243)
Decrease in net assets	**(6,293,989)**	(7,228,436)	(1,328,941)
Net financial assets, beginning of year	**15,454,464**	15,454,464	16,783,405
Net financial assets, end of year	**$ 9,160,475**	$ 8,226,028	$ 15,454,464

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board
Consolidated Statement of Cash Flows

Year Ended March 31	**2012**	2011
(Decrease) increase in cash and cash equivalents		
Operating		
Annual deficit	**$ (5,888,983)**	$ (1,273,841)
Amortization	**68,081**	81,491
Loss on disposal of tangible capital assets	**6,505**	-
	(5,814,397)	(1,192,350)
Change in non-cash items (Note 7)	**4,624,956**	(318,823)
Cash applied to operating transactions	**(1,189,441)**	(1,511,173)
Capital		
Cash used to acquire tangible capital assets	**(523,150)**	(37,348)
Cash received from disposal of tangible capital assets	**1,200**	-
Cash applied to capital transactions	**(521,950)**	(37,348)
Investing		
Decrease (increase) in notes receivable	**31,636**	(49,855)
Increase in long term investments	**(269,083)**	(11,647)
Cash applied to investing transactions	**(237,447)**	(61,502)
Financing		
Increase in performance bonds payable	**258,939**	49,659
Increase in accrued severance pay	**76,433**	22,302
Cash provided by financing transactions	**335,372**	71,961
Decrease in cash and cash equivalents	**(1,613,466)**	(1,538,062)
Cash and cash equivalents, beginning of year	**16,429,334**	17,967,396
Cash and cash equivalents, end of year	**$ 14,815,868**	$ 16,429,334

See accompanying notes to the consolidated financial statements.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2012 and 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 a government organization and reports to the Minister of Environment and Conservation.

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 22, 2012.

3. Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants and reflect the following significant accounting policies.

Use of estimates

In preparing the Board's financial statements in conformity with Canadian public sector accounting standards, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of tangible capital assets, rates of amortization and impairment of long-lived assets, accrued stockpile costs, unearned revenue and accrued severance pay.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2012 and March 31, 2011

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

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 balance sheet 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 $54,500 (2011 - $55,000 and 2010 - $6,080) in restricted cash related to the performance bonds payable.

Long term investments

Long term investments include guaranteed investment certificates with original maturities greater than one year. At March 31, 2012 $608,320 (2011 - $349,888 and 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.

Inventories for sale

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.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the annual deficit, provides the change in net financial assets for the year.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated lives as follows:

Used beverage equipment	30%, declining balance
Office furniture and equipment	20%, declining balance
Leasehold improvements	5 years, straight line
Computer hardware	30%, declining balance
MIDAS software	10%, declining balance
Computer software	30%, declining balance
Bags and tubs	30%, declining balance
Vehicle	30%, declining balance

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2012 and March 31, 2011

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

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% (2011 - 66% and 2010 - 68%).

Accrued severance pay

Severance pay is accounted for on an accrual basis and is recognized when an employee joins the Board, and is calculated based upon years of service, current salary levels and assumptions with respect to retention. Severance pay is payable when the employee ceases employment with the Board and has achieved nine years of continual service.

Revenue recognition

Deposit revenue is recognized when remittances are collected plus an estimated accrual based on subsequent receipts, as well as historical data.

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

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

Income from the Organic's Program is recognized once the compost bins are delivered and collection is reasonably assured.

Other income is recognized as earned.

Financial instruments

The Board considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Board accounts for the following as financial instruments:

- cash and cash equivalents;
- receivables;
- notes receivable;
- long term investments;
- payables and accruals;
- grants payable; and
- performance bond payable.

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2012 and March 31, 2011

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

A financial asset or liability is recognized when the Board becomes party to contractual provisions of the instrument.

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Board subsequently measures its financial assets and financial liabilities at cost or amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in annual deficit.

Financial assets measured at fair value include cash and cash equivalents and long term investments; financial assets measured at cost include receivables; and financial assets measured at amortized cost include notes receivable.

Financial liabilities measured at cost include payables and accruals, grants payable and performance bonds payable.

The Board removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

Adoption of new accounting policies

During the year, the Board transitioned to PSAB standards, as part of this transition, the Board has also early adopted the new standards included in PS 3450 Financial Instruments. The Public Sector Accounting Board encouraged early adoption of this standard in the year of transition to PSAB.

4. Impact of the change in the basis of accounting

These consolidated financial statements are the first financial statements for which the Board has applied Canadian public sector accounting standards ("PSAB"). The consolidated financial statements for the year ended March 31, 2012 were prepared in accordance with PSAB. Comparative period information presented for the year ended March 31, 2011 was prepared in accordance with PSAB and the provisions set out in Section *PS 2125 First-time adoption by government organizations.*

Multi-Materials Stewardship Board
Notes to the Consolidated Financial Statements
March 31, 2012 and March 31, 2011

4. Impact of the change in the basis of accounting (cont'd.)

The date of transition to PSAB is April 1, 2010. The Board's transition from Canadian generally accepted accounting principles (previously "GAAP") to PSAB has had no significant impact on the opening accumulated surplus as at April 1, 2010 or the consolidated statement of operations for the year ended March 31, 2011 or the statement of cash flows for the year ended March 31, 2011.

As a result, the reconciliations and disclosures required by Section PS 2125 First-time adoption by government organizations for the accumulated surplus at the transition date, the comparative period deficit and the consolidated statement of cash flows are not necessary and have not been presented in these consolidated financial statement notes.

5. Receivables	**March 31 2012**	March 31 2011	April 1 2010
Deposits	**$ 2,598,013**	$ 2,570,233	$ 2,352,643
Trade and other	**254,762**	404,879	534,203
	$ 2,852,775	$ 2,975,112	$ 2,886,846

6. Inventories for sale	**March 31 2012**	March 31 2011	April 1 2010
Aluminum beverage containers	**$ 50,156**	$ 47,300	$ 52,450
PET beverage containers	**25,765**	32,254	10,961
	$ 75,921	$ 79,554	$ 63,411

7. Supplemental cash flow information	**March 31 2012**	March 31 2011
Change in non-cash items		
Receivables	**$ 122,337**	$ (88,266)
Inventories	**3,633**	(16,143)
Prepaids	**42,358**	(99,243)
Payables and accruals	**1,442,581**	(248,129)
Grant payable	**(110,837)**	(4,503)
Accrued stockpile costs	**3,148,221**	-
Unearned revenue	**(23,337)**	137,461
	$ 4,624,956	$ (318,823)

Multi-Materials Stewardship Board
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8. Commitments

The Board is committed to minimum annual lease payments for property and equipment for the next five years as follows: 2013 - $246,300; 2014 - $199,280; 2015 - $177,693; 2016 - $156,555 and 2017 - $156,555.

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, 2015;
(iii) collection and transportation of used tires in the island portion of Newfoundland and Labrador and the Labrador Straits to February, 2013;
(iv) collection of used tires in Happy Valley-Goose Bay area to February, 2013;
(v) transportation of used tires collected in Labrador to May, 2013;
(vi) transportation and disposal of processed glass to March, 2013;
(vii) baling of used tires and crushing/removal of tire rims to August, 2012;
(viii) loading and transportation of stockpile tires to date of completion; and
(ix) household hazardous waste collection and disposal to December 31, 2012.

9. Budget figures

The 2012 budget figures presented in the consolidated financial statements are provided by management and have not been audited.

10. Financial instruments

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 and credit risks.

Risks and concentrations

The Board is exposed to various risks through its financial instruments. The following analysis provides a measure of the Board's risk exposure and concentrations at March 31, 2012.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its payables and accruals. The Board reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities. In the opinion of management the liquidity risk exposure to the Board is low and not material.

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.

Multi-Materials Stewardship Board
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11. Stockpile costs

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. As of April 2010, growth of the stockpile has been halted with ongoing generation of tires being shipped to Quebec. In February 2012, a contract commenced for the removal of the stockpile. As at March 31, 2012, management has estimated future stockpile removal costs to be $3,102,305, which has been accrued in the stockpile costs.

12. Comparative figures

Certain of the comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

Multi-Materials Stewardship Board

Consolidated Schedule of Tangible Capital Assets

Year Ended March 31, 2012

	Used Beverage Equipment	Office Furniture & Equipment	Leasehold Improvements	Computer Hardware	Computer Software	MIDAS Software	Bags and Tubs	Vehicle	**2012**	2011
Cost										
Cost, beginning of year	$ 144,928	$ 150,911	$ 35,073	$ 99,696	$ 225,494	$ -	$ 402,955	$ 9,048	**$ 1,068,105**	$ 1,030,757
Additions during the year	23,526	11,087	-	27,300	97,435	363,802	-	-	**523,150**	37,648
Disposals during the year	-	(23,787)	(26,160)	-	-	-	-	(9,048)	**(58,995)**	-
Cost, end of year	$ 168,454	$ 138,211	$ 8,913	$ 126,996	$ 322,929	$ 363,802	$ 402,955	$ -	**$ 1,532,260**	$ 1,068,105
Accumulated Amortization										
Accumulated amortization, beginning of year	$ 97,487	$ 93,123	$ 31,046	$ 63,018	$ 189,845	$ -	$ 327,655	$ 6,185	**$ 808,359**	$ 726,868
Amortization	14,676	11,152	736	12,177	9,403	-	19,729	208	**68,081**	81,491
Reversal of accumulated amortization relating to disposals	-	(18,738)	(26,160)	-	-	-	-	(6,393)	**(51,291)**	-
Accumulated amortization, end of year	112,163	85,537	5,622	75,195	199,248	-	347,384	-	**825,149**	808,359
Net book value of tangible capital assets	$ 56,291	$ 52,674	$ 3,291	$ 51,801	$ 123,681	$ 363,802	$ 55,571	$ -	**$ 707,111**	$ 259,746

Multi-Materials Stewardship Board

Consolidated Schedule of Administrative Expenses

Year Ended March 31

	2012	2011
Advertising	**$ 118,330**	$ 88,372
Amortization	**68,081**	81,491
Directors' remuneration	**12,505**	14,233
Dues, licences and education	**9,518**	6,192
Equipment rental	**33,026**	16,162
Insurance	**10,272**	10,761
Interest and bank charges	**4,674**	3,665
Marketing and communications	**381,396**	250,184
Meetings and entertainment	**12,068**	12,117
Miscellaneous	**14,507**	5,516
Professional fees	**174,104**	183,072
Rent	**109,926**	109,854
Repairs and maintenance	**343**	1,392
Stationery and office supplies	**44,485**	41,734
Supplies	**32,423**	28,744
Telecommunications	**28,929**	55,482
Travel - Board and staff	**100,714**	89,043
Vehicle operating	**27,823**	22,652
Wages and benefits	**1,933,494**	1,548,692
	$ 3,116,618	$ 2,569,358

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